

IMPACT THROUGH INSIGHT



► Prepared for City of Louisville
Final Housing Plan

City of Louisville Housing Plan



Adopted by City Council May 7, 2024

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Executive Summary

The purpose of this document is to outline a strategic and actionable plan for the City to address the future housing needs of Louisville. Louisville has continued to see a spike in housing costs that have vastly outpaced incomes, even more so than many of its peer cities in the region and State. While the reasons for these changes are complex, the City has determined that the creation of policies and programs to address the housing needs of current and future Louisville residents is a top priority. Additionally, the housing goals and strategies in this plan align with and promote the following other City goals:

- ◆ Louisville as an inclusive community, including the goals of Louisville's 2021 Equity, Diversity, and Inclusion (EDI) Task Force Report to expand housing access for diverse and low-income communities.
- ◆ The principles of sustainable development, including the three pillars in the 2020 Louisville Sustainability Action Plan of Environmental Stewardship, Social Equity, and Economic Vitality. Sustainable development actions that address a housing mix and new workforce housing will also promote the reduction of vehicle miles traveled and reductions in greenhouse gas emissions as identified in the City's 2019 Resolution Setting Clean Energy and Carbon Emission Reduction Goals.
- ◆ The 2019 Transportation Master Plan goals for promoting new development and redevelopment that focuses on biking, walking, and transit.
- ◆ The 2017 Boulder County Regional Housing Strategy goal that 12% of Louisville's housing be permanently affordable by 2035, supported by Louisville City Council Resolution 58, Series 2017.
- ◆ City Historic Preservation goals of promoting and preserving residential building character in Old Town Louisville identified in the 2015 Preservation Master Plan.

In 2021, the City of Louisville was awarded a grant through the HB 21-1271 Innovative Affordable Housing Strategies program by the Colorado Department of Local Affairs (DOLA) for the City's first Housing Plan. This Housing Plan will act as a foundation for future City decision making and guide the upcoming Comprehensive Plan update.

Summary of Local and Regional Housing Challenges

The Boulder-Denver region has experienced a major influx of higher income households in recent years, driven by an increase in high-paying jobs from companies locating in the area. This has fueled substantial housing demand. However, housing production has not kept pace with demand and has failed to deliver the housing needed for a broad spectrum of incomes, including both renters and owners. Louisville lacks a diversity of housing choices with about 70% of the city's housing stock single family detached units. Moreover, the rate of residential development

declined, and population plateaued in Louisville from 2018–2021, only seeing an uptick since the Marshall Fire rebuild at the end of 2021.

Due to substantial regional housing demand combined with stagnant production, home sale prices in Louisville are soaring. The median price of a home in 2023 in Louisville is \$896,000, an increase of 132% over the last decade. The City's current land use and zoning policies have also limited the market's ability to deliver more varied and affordable housing options in Louisville. This includes housing at higher densities and income-restricted units that could better serve a spectrum of renters and owners at more accessible price points. These **affordability challenges increasingly affect all facets of community life** as companies, businesses, government agencies, school districts, and police and fire departments struggle to attract and retain employees due to the area's housing costs.

In 2023, a household would need to earn around \$209,000 to afford the median home sale price in Louisville.

With only 26% of Louisville households earning more than \$200,000 annually, 74% of households would not be able to afford the current median home sales price. Moreover, with renter incomes around half of homeowner incomes in Louisville, **homeownership is significantly more out of reach for households that do not already own a home.** Additionally, 24% of all Louisville households are considered "cost-burdened," spending over 30% of their income on housing costs. This figure jumps to 41% for renter households specifically, creating financial instability and increased risk of displacement.

Current land use and zoning policies have limited the market's ability to deliver more varied and affordable housing options in Louisville.

To address these concerning trends, Louisville should prioritize growing and diversifying its housing stock in a manner consistent with established community values. Such growth and diversification will support a vibrant, diverse population and economic vitality. This is achieved with more housing choices across all income levels, including income-restricted units, accessible senior housing, entry-level ownership options like condos, cottages, or townhomes, and more multiunit rental opportunities. While the City has recently adopted some strategies like an Inclusionary Housing Ordinance, more needs to be done if the City wishes to meet its housing goals.

Housing Plan Goals, Strategies & Actions

This Housing Plan creates a roadmap for developing programs and policies over the next 5+ years that aim to better support existing and future Louisville residents. This Plan is guided by three core goals for strategy development and progress tracking. Further, these clear and measurable goals serve as a guidepost for evaluating outcomes over time. The three goals are of equal priority and importance.



Goal 1: Increase Residential Development Opportunities in Louisville



Goal 2: Expand and Maintain Access to Affordable Housing



Goal 3: Diversify Louisville's Housing Stock

The goals help to frame the 3 key strategies that include specific actions for the City to take in the near and long term as it aims to increase access and opportunity for residents in Louisville.

➤ STRATEGY 1



- Targeted Policy and Zoning Code Changes to Reduce Barriers for Residential Development

Targeted actions to help provide relief while the City works on broader policy updates during the comprehensive plan process, or soon after.

➤ STRATEGY 2



- Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing

A toolbox for easing financial burdens or generating revenue to provide more direct financial support for new income-restricted residential projects.

➤ STRATEGY 3



- Comprehensive Policy and Zoning Code Changes to Better Support Residential Development and Allow for More Diverse Housing Types

Comprehensive actions to modernize the City's approach to zoning and land use policy related to residential development.

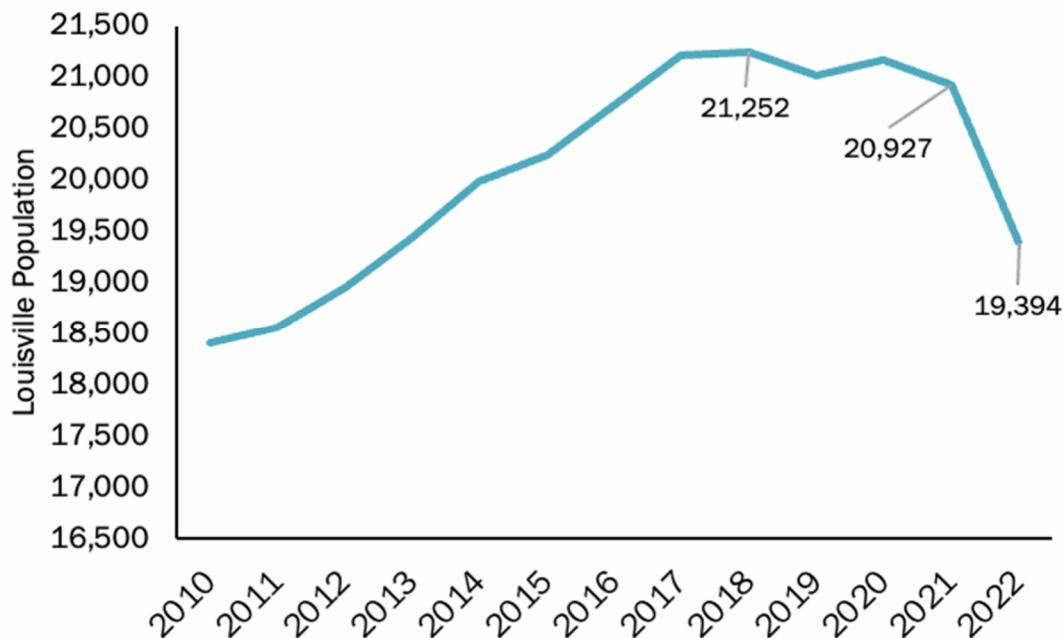
1. Introduction

Local and Regional Context

Between 2010-2020, Louisville's population increased by about 15%, or 2,700 residents. However, the population peaked in 2018 at just over 21,000 residents and has largely plateaued since then with a decreasing population in more recent years. This population decline was intensified with the Marshall Fire at the end of 2021 that destroyed 549 homes and businesses, displacing many Louisville households.

Exhibit 1: Louisville Population Growth, 2011-2022

Source: DOLA



Like much of the state and region, Louisville's housing market has not kept pace with the demand created by employment growth and other growth pressures. As a result, prices have risen. The city's residents have borne the impact through increased rents and housing sale prices that are inaccessible to many households. Land use policies and a lack of adequate funding and support for income-restricted housing have also contributed to the current housing challenges. The ability for current and future households to meet their housing needs in Louisville depends on decisions and policy choices that the City and other cities in the region make today.

Historical Forces that Shaped Housing in Louisville

Louisville's growth and development has been influenced by several local and regional trends. For the first half the 20th Century, Louisville maintained a population of around 2,000 residents or less. It wasn't until the 1970s that Louisville started to see significant population and housing growth. The major influences of Louisville's housing boom included new demand for housing from major employers and employment centers and improved transportation connections. The following are some of the primary influences:

- ◆ Completion of the Valley Highway (US 36) in 1952, improving access to Denver and Boulder.
- ◆ Major employers of note and their development timeline that influenced local housing demand include the Rocky Flats Plant (1957), the StorageTek campus (1978), and the Colorado Tech Center, which began development in 1979 and continues its buildout today.
- ◆ Growth policies in Boulder and expansion of the University of Colorado. As housing supply was constrained and housing prices increased in Boulder, Louisville provided a significant amount of affordable workforce housing for Boulder and the University.
- ◆ Approval of the Centennial Valley General Development Plan in 1983 that included 1,333 new housing units and 3.6 million square feet of planned commercial development.
- ◆ Between 1984 and 1993, a total of 2,865 housing units were permitted for construction. Much of these units provided attainable workforce housing for the region and especially Boulder.
- ◆ The 2003 Boulder County Countywide Coordinated Comprehensive Development Plan Intergovernmental Agreement created Rural Preservation Areas and Municipal Influence Areas that resulted in development buffers between municipalities that significantly influenced housing growth and cost.
- ◆ The City of Louisville's current "by-right" zoning would only support about 400 new housing units.

Summary of Louisville's Housing Needs

The City completed a Housing Needs Assessment (HNA) in August of 2023 to act as a foundation for this Housing Plan. The HNA evaluated the City's current and projected housing needs based on demographic and housing market trends. The HNA helped answer questions about the current availability of different housing types, who lives and works in Louisville, and the range of housing needed to meet current and future housing needs. This provides a factual basis from which to base the Housing Plan strategy development. This section provides an overview of key findings from the HNA to contextualize the remainder of the Housing Plan that follows. Appendix I includes the full HNA.

Louisville needs to prioritize diversifying its housing stock to adequately meet the needs of current and future residents. Otherwise, the city will continue to become more unaffordable to the wide range of households necessary to maintain and strengthen a robust and resilient community.

Louisville's population is aging quicker than nearby cities, so the city needs to prioritize attainable and appropriate housing options for seniors. An aging population will need more smaller units that meet accessibility standards than what the market currently provides. Many seniors are also on fixed-incomes, making them especially vulnerable to housing cost increases so income-restricted housing for seniors also needs to be a priority.

Louisville lacks housing rental and ownership opportunities for younger residents and families. Louisville has become less affordable for younger residents and families due to the sharp increase in housing costs locally and throughout the region. To address this the city needs to prioritize:

- » **Multifamily rentals** for young residents who either choose to live alone or for smaller households seeking more affordable rental options.
- » **Attached and smaller detached units** such as stacked condominiums, plex development, townhomes, and small bungalows or cottages that are more affordable to first-time homebuyers and young families looking to locate in Louisville.

Louisville needs to provide income-restricted housing to create and maintain a more diverse and inclusive community. The housing market is unlikely to deliver income-restricted housing given its inherent financial complexities without more direct support from the City. If income-restricted housing is not prioritized, lower income earners will likely continue to seek housing opportunities further away from Louisville as higher-income earners seek to locate in Louisville.

Louisville needs to plan for housing to support both the current and future workforce and a more vibrant commercial sector. There is a critical need for an array of housing options that are affordable to the city's workforce. A lack of diverse workforce housing will compromise the ability for local businesses to retain and attract essential employees, such as teachers, healthcare professionals, and public servants.

Louisville needs to identify housing strategies to address current unmet housing needs along with future housing needed for the next several decades. The HNA shows a gap of about 2,483 new housing units over the next approximately 25 years that are needed to address current housing underproduction and accommodate future potential



Median Age: 43 years.
Highest in Boulder County



Homeowner rates
fell 5%, 2011-2021



Age: Residents ages
25-44 dropped 27%,
2011-2021



MHI: \$125,124
(50% increase, 2011-
2021)



Avg. Home Sale
Price: \$831,000
(132% increase from 2011)



Rent Price:
Increased **58%**



Cost Burden:
41% Renters
16% Owners

population growth. This helps to provide a general estimate for the number of housing units needed to meet existing and future demand for the next two decades.¹



2,483 housing units needed

Future housing needs in this analysis are based on assumed population growth, however future needs are more nuanced and will continue to evolve as the City makes land use and housing policy decisions, including through the upcoming comprehensive plan update.



1,171 housing units needed for households <100% AMI

Community Engagement

Community engagement throughout the process informed this Housing Plan. This included over 30 focused interviews, an open house with more than 100 participants, City Council and Planning Commission input, and other community events. The list below outlines key takeaways from this community engagement to accompany the more detailed summary in Appendix 2.

- » **Housing affordability was universally a major concern. Many residents struggle to afford housing in Louisville with a lack of diverse and affordable housing options. This makes it difficult for young families, seniors, and a local workforce with diverse income levels to live in Louisville.**
- » **There is a desire for more residential density and height in appropriate areas like downtown, along transit corridors, and near major roads (e.g., McCaslin corridor) in recognition that it is an important step to addressing housing affordability in Louisville.**
- » **Preserving Louisville's small-town character, open spaces, parks, and family-friendly atmosphere must be prioritized as the city grows.**
- » **There is a desire for more diverse housing types like townhomes, condos, smaller single-family homes, and duplexes/triplexes in Louisville. Accessory Dwelling Units (ADUs) can also provide a unique opportunity to add housing diversity and income support to homeowners.**
- » **Most participants did not support the current two unrelated person occupancy limit for residential dwelling units. Many saw it as contributing to unaffordability.**
- » **Community members emphasized environmental sustainability through mixed use, residential density, transit, energy efficiency, and water conservation. However, concerns were raised about the impact and cost of the City's net zero building requirements for residential projects adopted in 2021.**

¹ The HNA is not intended to establish desired growth targets, but rather it is to study the issue objectively based on recent and projected population trends from non-City of Louisville sources.



Summary of Housing Strategies & Actions

The strategies and actions below and in Section 4 below are those that the City should take in the next 5+ years to address the housing affordability challenges described throughout this Plan. They reflect those that would be the most impactful based on community input, data analysis including development feasibility, existing City policies, and best practices around the country.

Exhibit 2 below provides a summary of the Plan's strategies and actions for the City to evaluate further. Section 4 of this Plan has a more detailed description of each including the potential impact on achieving the goals of the Housing Plan, level of effort, income level serviced, geographic scale, cost, and recommended timelines for implementation.

Exhibit 2: Summary of Housing Strategies and Actions

STRATEGIES	ACTIONS	SUMMARY
1. Targeted Policy and Zoning Code Changes to Reduce Barriers for Residential Development	1.1: Establish Criteria and Identify Areas for Zoning Changes to Support Additional Residential Development	Change zoning in areas not currently zoned for residential but suitable for residential development.
	1.2: Consider Offering a Height Bonus or Additional Density for Projects that Pay a Higher Fee in Lieu than Required	Add a voluntary inclusionary program option in certain zone districts where additional building height and density maybe be appropriate.

STRATEGIES	ACTIONS	SUMMARY
1. Targeted Policy and Zoning Code Changes to Reduce Barriers for Residential Development (cont'd)	1.3: Evaluate Development Fee Reductions and/or Exemptions for Income-Restricted Projects	Reduce development costs by reducing development fees to help increase the financial viability of a project and facilitate more affordable housing production.
	1.4: Evaluate Allowing Attached and Detached ADUs on Single-Family Lots	Remove barriers to promote and allow ADU development on single-family properties in the city to help increase housing supply and diversity and create more flexibility for homeowners.
2. Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing	2.1: Evaluate Cost-Sharing Opportunities for Infrastructure on Sites Where Affordable Housing is Provided	Develop cost-sharing opportunities for infrastructure development to ease the financial impact on new projects that provide affordable housing or meet other established housing goals.
	2.2: Evaluate Adopting the Low-Income Housing Property Tax Exemption Locally	Adopt the low-income housing property tax exemption locally to assist income-restricted affordable housing projects, particularly those needed under the city's commitment under Prop 123.
	2.3 Consider Establishing a Commercial Linkage Fee for Income-Restricted Affordable Housing Projects	Evaluate a commercial linkage fee to provide direct financial support for new income-restricted housing projects or provide funding to maintain affordability in existing developments.
	2.4 Consider Offering a Fee Option for Mandatory Onsite Commercial Requirements with Mixed Use Residential	Evaluate a tool that offers a fee-in-lieu option for residential projects with required on-site commercial space to increase feasibility and reduce barriers for new residential projects. Collected fees can help support income-restricted housing projects or other housing assistance programs the city may offer.
	2.5 Evaluate Adopting Programs and Policies that Support Existing Income-Restricted and Naturally Occurring Affordable Housing	Evaluate program options for preserving manufactured home parks, establishing legacy homeownership, and monitoring expiring subsidies for existing income-restricted housing stock.
	2.6 Establish and Strengthen Partnerships to Support Preserved and New Income-Restricted Affordable Housing	Help acquire property, offer technical assistance, or provide other direct financial support to housing partners working on the preservation and development of income-restricted housing.

STRATEGIES	ACTIONS	SUMMARY
3. Comprehensive Policy and Zoning Code Changes to Better Support Residential Development and Allow for More Diverse Housing Types	3.1 Create More Predictability for Residential Development Related to City Processes and Regulations	Adopt zoning code amendments that are clear and objective and allow more residential projects to be allowed “by-right” and reviewed administratively.
	3.2 Expand Allowances for More Housing Types	Allow stand-alone residential development in commercial areas, middle housing in low-density and single-family zones, and remove or raise occupancy restrictions.
	3.3 Modernize Development and Design Standards to Incentivize and Remove Barriers to Appropriate Residential Development	Conduct an audit of the existing zoning code to evaluate the effectiveness of existing regulations and identify barriers to housing development; adopt standards and incentives that allow for and encourage increased height and residential development above commercial downtown; lower minimum lot sizes; require and incentivize a range of housing types on select sites; adopt incentives programs for accessible and visitable housing units for seniors and for income-restricted housing in Transit Oriented Development (TOD) areas.

2. Housing Needs & Market Assessment

As demographics and economic conditions change over time, the types of housing needed to support the community also evolves. This section provides a detailed assessment of Louisville's affordability challenges. It analyzes population and household trends in Louisville and other geographies in the region to help determine how demand for housing by type, size, and price point has and may continue to shift into the future. Factors like aging, household size and composition changes, income growth, and employment are considered. The current housing stock available is also assessed in terms of its ability to meet housing needs.

Population Growth and Forecast

Population growth and household formation are the major factors in understanding housing demand. The rate of population growth and household characteristics heavily influence the demand for specific housing types.

Population Growth

Louisville is the second smallest of comparison cities based on population, with a population of 19,394 as of 2022. Between 2010-2020, Louisville added about 2,700 residents, representing a 15% increase over a ten-year period. However, the population peaked in 2018 at just over 21,000 residents and has largely plateaued since then.²



➤ Note on Affordability

"Affordable housing" and "affordability" are frequently referenced throughout the Housing Plan. Housing is "affordable" to a household if cumulative housing costs account for less than 30% of a household's gross income. Therefore, housing "affordability" will be different for each individual household.

² The decline in population shown in 2022 is in part a result of the Marshall Fire that occurred at the end of 2021, destroying 549 homes and businesses, displacing many of Louisville's households.

Exhibit 3: Louisville Population Growth, 2011-2022

Source: DOLA

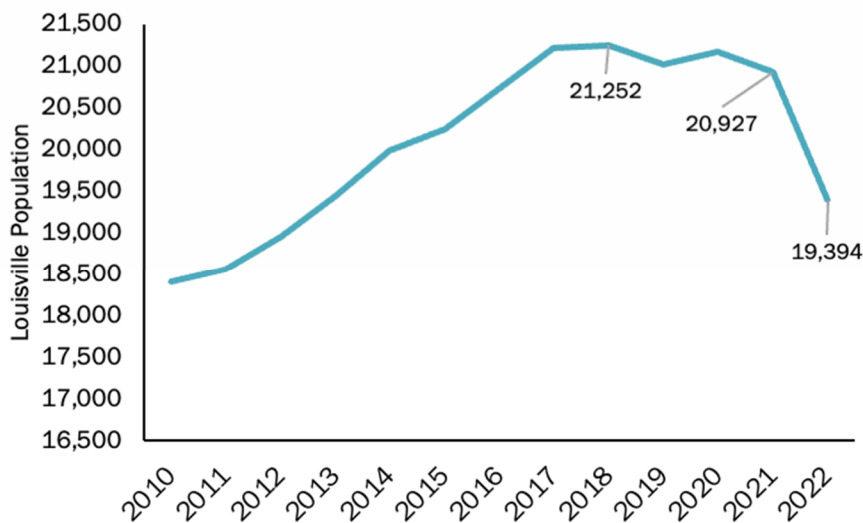


Exhibit 4 shows the change in population from 2011 to 2021 in Louisville. Over this time period, Louisville grew by just under 2,500 residents, or 13%. Of comparison cities, Erie grew at the fastest rate (70%), and Superior grew by the slowest (4%).

Exhibit 4: Change in Population, Louisville and Comparison Geographies, 2010-2021

Source: Colorado Department of Local Affairs

	2011	2021	# Change	% Change
Erie	18,432	31,303	12,871	70%
Lafayette	24,545	31,035	6,490	26%
Longmont	86,526	99,414	12,888	15%
Louisville	18,406	20,855	2,449	13%
Boulder County	295,605	329,793	34,188	12%
Boulder	97,901	106,978	9,077	9%
Superior	12,497	13,053	556	4%

Population Forecast

The Colorado Department of Local Affairs does not provide local population forecasts for cities and towns, only for counties. To create a starting point for understanding future housing need in Louisville, ECONorthwest developed a simple population forecast based on Boulder County's population forecast of 389,233 residents. Assuming Louisville maintains the current percentage of Boulder County's population (6.3%) as it grows, Louisville would grow by 20% from 2023 to 2047, a slightly higher rate than the County overall (17%).³ ECONorthwest's population forecast in this

³ Due to data availability (DOLA only calculates forecasts at the county level), ECONorthwest calculated Louisville's 2047 forecast using 2047 county population estimates and the Louisville's current share of the county population.

context for Louisville is show below in Exhibit 5, along with DOLA's population forecast for Boulder County.

Exhibit 5: Population Forecast, Louisville and Boulder County, 2023-2047

Source: Colorado Department of Local Affairs, ECONorthwest

	2023	2047	# Change	% Change
Louisville	20,499	24,614	4,115	20%
Boulder County	331,429	389,233	57,804	17%

Household Income

As shown in Exhibit 6, the median household income for Louisville is just over \$125,000 annually.⁴ Louisville's median income is lower than Erie and Superior, but higher than Boulder, Lafayette, and Longmont, and around \$33,000 higher than that of Boulder County overall.

Exhibit 6: Household Median Income, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

\$74,902	\$83,104	\$92,466	\$95,033	\$125,124	\$131,757	\$140,409
Boulder	Longmont	Boulder County	Lafayette	Louisville	Superior	Erie

Exhibit 7 shows the change in median household income from 2011 to 2021. While all cities saw substantial increases in median income, Louisville saw the greatest increase with a 50% increase in median income, while Boulder County overall saw an increase of 39%.

Exhibit 7: Change in Median Household Income, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	% Change
Louisville	\$ 83,682	\$ 125,124	50%
Longmont	\$ 56,278	\$ 83,104	48%
Boulder County	\$ 66,479	\$ 92,466	39%
Boulder	\$ 54,051	\$ 74,902	39%
Lafayette	\$ 69,840	\$ 95,033	36%
Erie	\$ 103,698	\$ 140,409	35%
Superior	\$ 100,194	\$ 131,757	32%

Household Income Distribution

Exhibit 8 shows the distribution of household incomes in Louisville and Boulder County. In both jurisdictions, the largest share of households earns at least \$200,000 annually (26% of Louisville

⁴ The census defines income as, "income received on a regular basis (exclusive of certain money receipts such as capital gains) before payments for personal income taxes, social security, union dues, Medicare deductions, etc. Therefore, money income does not reflect the fact that some families receive part of their income in the form of noncash benefits, such as food stamps, health benefits, subsidized housing."

households and 17% in the County). However, while Louisville has a relatively high share of high earning households, 30% of Louisville households earn less than \$75,000 annually.

Exhibit 8: Median Household Income Distribution, Louisville and Boulder County, 2021

Source: ACS 5-Year Data Tables, 2017-2021

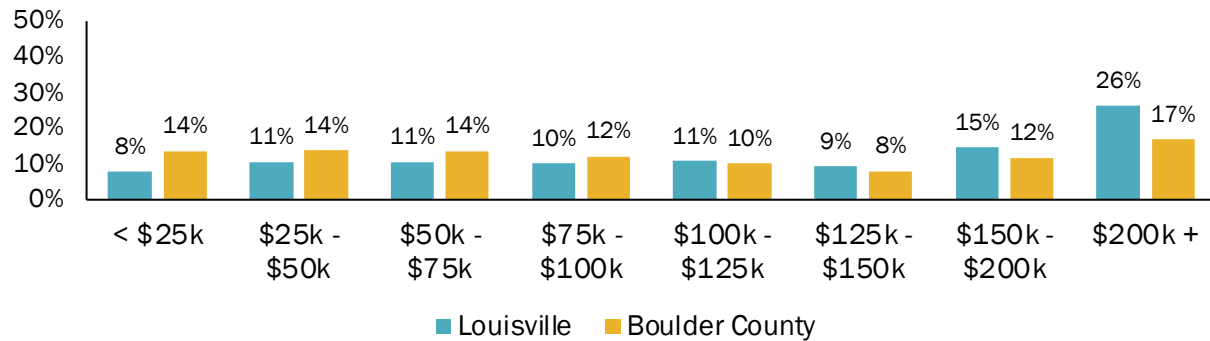
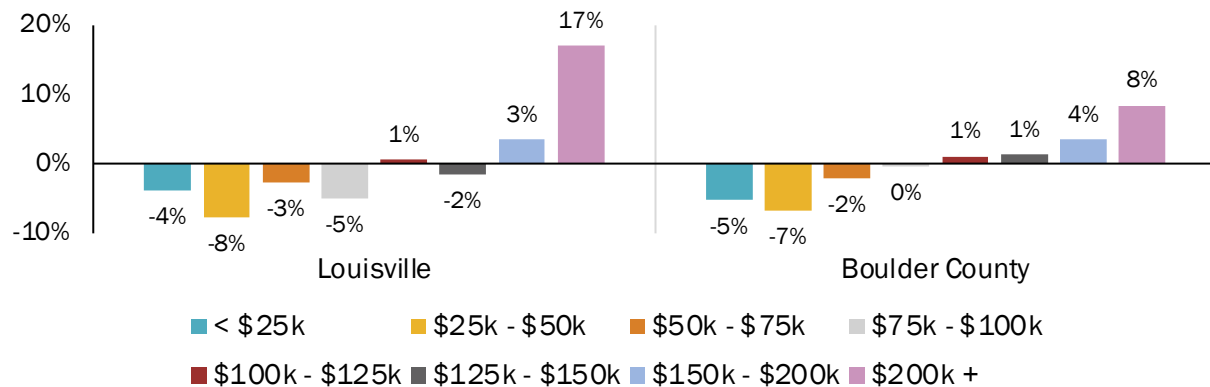


Exhibit 9 shows the change in the share of households in each income bracket from 2011 to 2021. For example, the share of Louisville households earning less than \$25,000 annually decreased by 4% between 2011 and 2021. Notably, Louisville experienced a substantial increase in the share of households earning greater than \$200,000 annually (a 17% increase). At the same time, the number of households earning less than \$100,000 decreased by about 20% in Louisville.

Exhibit 9: Change in Median Household Income Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



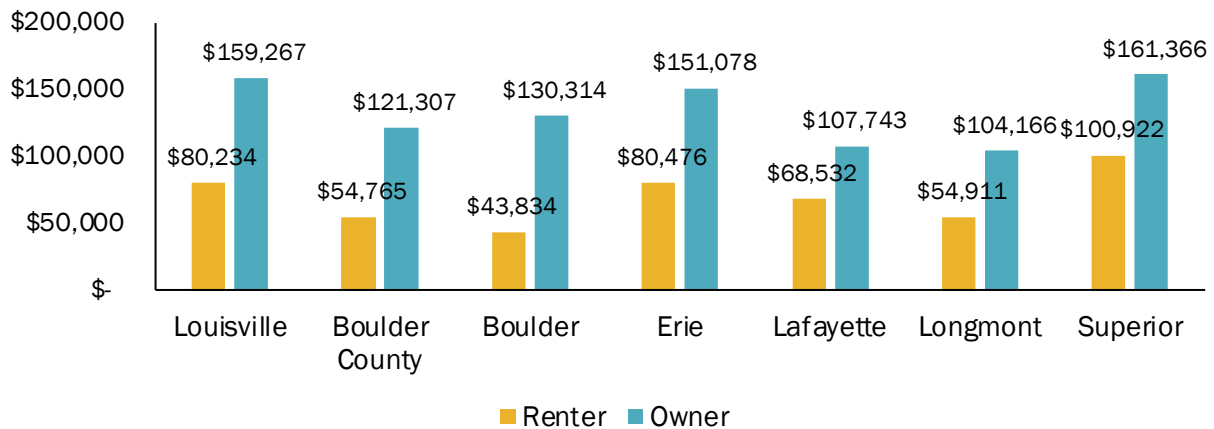
The percent of households in all income groups under \$150,000 largely declined over the 10-year period, while the number of households earning more than \$200,000 annually increased. There are a few possible explanations for this increase. However, with the sharp increase in the number of very high-earning households, it is most likely that the main driver of this increase is wealthier households moving into Louisville. The reduction in households earning less than \$100,000 annually could be caused by lower income households moving out of Louisville as housing and other living costs, such as transportation, increase. Louisville also experienced a decrease in cost-burdening (discussed in more detail in more detail below), among owner and renter households, which should not be looked at as an increase in affordability given the degree at which housing costs in Louisville have increased. Rather, the decrease in cost-burdening again points to more lower-income households leaving the area and being replaced by more financially stable and higher-earning households.

Household Income by Tenure

Across Boulder County, renter household incomes are significantly lower than ownership household incomes. In Louisville, the median homeowner income is roughly \$159,000 annually, nearly twice the renter median income of about \$80,000. With the exception of Boulder (which is likely impacted by the high share of university students), Louisville has the largest income gap between renter households and ownership households.

Exhibit 10: Median Household Incomes by Tenure, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021



High homeowner incomes can contribute to rising home sale prices in a city, further increasing the homeownership attainability gap for renters who might be interested in purchasing a home but do not have the funds to do so. In addition, high homeowner incomes can contribute an increasingly competitive housing market. Even if renter households have the ability to qualify for a mortgage, they may risk being outbid by wealthier homebuyers who can pay in cash or offer over the asking price.

Existing Housing Stock and Development Trends

Total Housing Units

As of 2021, Louisville had 8,665 housing units, representing just over 6% of total housing units in the County. Of comparison cities, Boulder has the highest number of housing units, representing roughly 33% of housing units in the County.

Exhibit 11: Total Housing Units, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

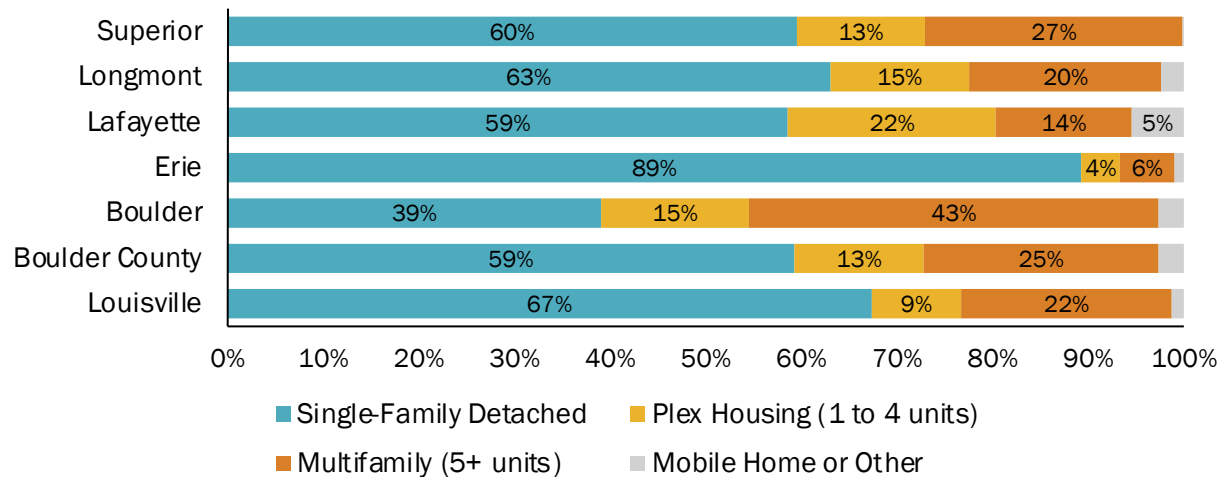
4,790	8,665	10,085	12,944	40,908	45,304	139,302
Superior	Louisville	Erie	Lafayette	Longmont	Boulder	Boulder County

Housing Unit Mix

As shown in Exhibit 12 Exhibit 12, most housing in Louisville (67%) is detached single-family, the second highest share among comparison geographies, behind Erie (89%). Just above 20% of Louisville housing units are in a multifamily building with five or more units. Of remaining Louisville housing units, 9% are considered “plex housing”, referring to single family attached units up to fourplexes.

Exhibit 12: Housing Mix, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021



Residential Development Trends

Exhibit 2 shows the change in total housing units from 2011 to 2021. Louisville is one of the slower growing geographies in the county, with an 11% growth of housing units from 2011 to 2021. Given the increase in the number of high-income households over the time period, the limited amount of new housing is likely also contributing to high housing costs as wealthier households are able to outbid on limited stock.

Exhibit 12: Change in Total Housing Units, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	# Change	% Change
Erie	6,049	10,085	4,036	67%
Lafayette	10,193	12,944	2,751	27%
Longmont	34,477	40,908	6,431	19%
Louisville	7,773	8,665	892	11%
Boulder County	126,444	139,302	12,858	10%
Boulder	43,631	45,304	1,673	4%
Superior	4,597	4,790	193	4%

ACS data is survey-based and tends to lag in time, so to supplement housing development trends, ECONorthwest examined the City's building permit data from 2016 to 2023.⁵ Residential development in Louisville began to decline substantially between 2018-2021. The sharp increase in units between 2022-2023 is almost entirely due to the permitted replacement units from the Marshall Fire. 96% of units permitted between 2022-2023 were Marshall Fire - Single Family Detached units.

Exhibit 13: Louisville Permit Data by Housing Type and Stage of Completion, Louisville, August 2015 - May 2023

Source: City of Louisville

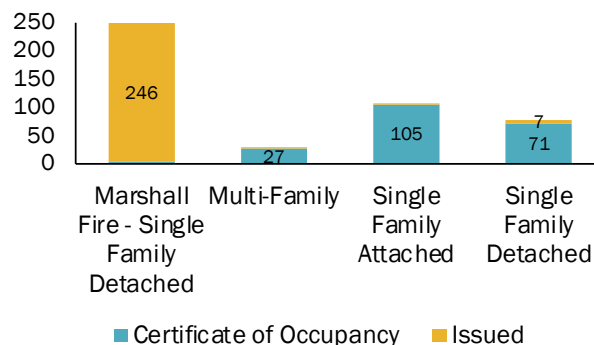
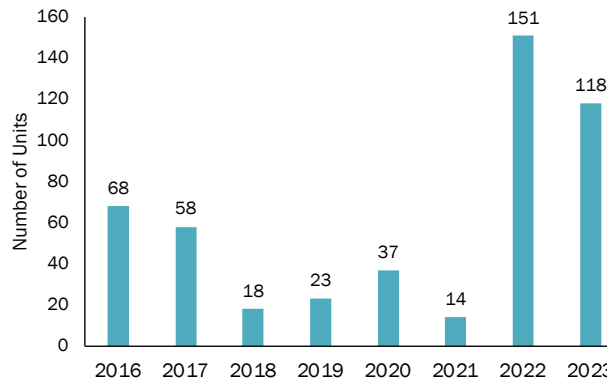


Exhibit 14: Louisville Annual Residential Permit Data by, Louisville, 2016 - May 2023

Source: City of Louisville



Housing Market Trends

Ownership Housing

As of 2023, Louisville had an average home sales price of \$831,000, second highest behind Boulder. The average home price in Louisville is about \$150,000 higher than the County overall.

⁵ City permit data collection changed in 2015, so we have only examined 2016-2023.

Exhibit 15: Average Home Sales Price, Louisville and Comparison Geographies, 2023

Source: Redfin

\$550K Longmont	\$580K Lafayette	\$681K Boulder County	685K Erie	\$754K Superior	\$831K Louisville	\$912K Boulder
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While home sales prices rose dramatically across all comparison jurisdictions in Boulder County from 2012 to 2023, Louisville experienced the second highest rate of increase behind Longmont.⁶ Over the time period, the average home price in Louisville increased by about \$473,000, or 132%.

Exhibit 16: Change in Average Home Sales Price, Louisville and Comparison Geographies, 2012-2023

Source: Redfin

	2012	2023	\$ Change	% Change
Longmont	\$226,000	\$550,000	\$324,000	143%
Louisville	\$358,000	\$831,000	\$473,000	132%
Boulder	\$420,000	\$912,000	\$492,000	117%
Erie	\$315,000	\$685,000	\$370,000	117%
Boulder County	\$314,000	\$681,000	\$367,000	110%
Lafayette	\$281,000	\$580,000	\$299,000	107%
Superior	\$409,000	\$754,000	\$387,000	106%

Rental Housing

As of 2023, CoStar reported the average rents in Louisville as \$1,961, just slightly higher than the County as a whole.

Exhibit 17: Average Multifamily Rents, Louisville and Comparison Geographies, 2023

Source: CoStar

\$1,665 Longmont	\$1,867 Lafayette	\$1,917 Boulder County	\$1,961 Louisville	\$2,078 Boulder	\$2,406 Superior	\$2,442 Erie
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Like home sales prices, rent rates rose significantly across all geographies over the past decade. According to CoStar data, Louisville multifamily rents increased by \$721, or 58%, from 2012 to 2023.

Exhibit 18: Change in Average Multifamily Rents, Louisville and Comparison Geographies, 2012-2023

Source: CoStar

	2012	2023	\$ Change	% Change
Superior	\$1,507	\$2,406	\$899	60%
Louisville	\$1,240	\$1,961	\$721	58%
Longmont	\$1,107	\$1,665	\$558	50%

⁶ Redfin began collecting housing data in 2012.

	2012	2023	\$ Change	% Change
Boulder County	\$1,310	\$1,917	\$607	46%
Boulder	\$1,470	\$2,078	\$608	41%
Lafayette	\$1,330	\$1,867	\$537	40%
Erie	\$1,931	\$2,442	\$511	26%

Housing Attainability

Housing attainability examines the cost of housing relative to household incomes in the area. Key findings for Louisville include

- At least 74% of Louisville residents would likely be unable to afford the current average home sales price, with a greater affordability gap for Louisville renters.
- While rates of household cost burden decreased from 2011 to 2021, around 41% of Louisville renters and 16% of Louisville homeowners currently spend more than 30% of household income on housing expenses. Given the dramatic increase in housing costs over the past decade, it is likely because households that were cost-burdened (especially severely cost burdened) in 2011 were eventually priced out of the area and moved to areas with a lower cost of living and higher-earning households have moved into the area.

Affordable Housing Income Limits

The Department of Housing and Urban Development (HUD) sets income limits each year to establish eligibility for its assisted housing programs and to define an area's Median Family Income (MFI). For these calculations, HUD includes Louisville as part of the Boulder metro area, which has a 2023 MFI of \$144,100 for a family of four. To compare this number to ACS data, 2021 Louisville median household incomes were slightly higher than the 2021 Boulder metro area MFI (\$125,124 to \$116,900). However, it is important to note that Median Household Income is not directly comparable to HUD's MFI. HUD's MFI calculation relies on underlying Census data related

Exhibit 19: Family Income by Housing Type

Source: HUD & ECONorthwest

Aligning Housing Types with Incomes	
Household Income Level	Physical Type / Tenure of Housing (Building Focused)
100% AMI+ \$144k+	Multifamily rentals Multifamily ownership Middle housing ownership Single family ownership
80-100% AMI \$115k-144k	Multifamily rentals Multifamily ownership Middle housing (rent/own) Single family (rent/own)
50-80% AMI \$72k-115k	Multifamily (rent/own) Micro-unit rentals Middle housing (rent/own) Tiny homes (rent/own) Single family rentals
30-50% AMI \$43k-72k	Multifamily rentals Micro-unit rentals Mobile homes
0-30% AMI \$0-\$43k	Shelters Multifamily rentals Micro-unit rentals Mobile homes

to family incomes, and the 100% median is set for families of four. Median *household* income is for all households – not just families – and households can have a wide range of compositions (e.g., roommates) compared to families.

Exhibit 20 below matches the different income levels in the Boulder Metro Area with rent and home sale prices deemed affordable to their income levels (i.e., spending no more than 30% of their income on housing costs).

Exhibit 20: Financially Attainable Housing by Median Family Income (MFI) for a Family of Four, Boulder Metro Area, 2023⁷

Source: US Department of Housing and Urban Development, Boulder Metro Area, 2023

If your household earns...				
\$43,230 30% AMI	\$72,050 50% AMI	\$115,280 80% AMI	\$144,100 100% AMI	\$172,920 120% AMI
Then you can afford...				
\$1,100 MONTHLY RENT	\$984 MONTHLY RENT	\$1,574 MONTHLY RENT	\$1,855 MONTHLY RENT	\$2,226 MONTHLY RENT
OR	OR	OR	OR	OR
\$130k–\$151k HOME SALES PRICE	\$216k–\$252k HOME SALES PRICE	\$346k–\$403k HOME SALES PRICE	\$432k–\$504k HOME SALES PRICE	\$519k–\$605k HOME SALES PRICE
And you might work as a...				
 Medical Assistant \$44,870	 Middle School Teacher \$72,120	 Mechanical Engineer \$113,610	 Aerospace Engineer \$138,770	 Software Developer \$169,750
 Cashier \$33,900	 Firefighter \$65,110	 Nurse Practitioner \$122,320	 Pharmacist \$140,860	 Dentist \$161,060

A household would need to earn 145% of the MFI, or around \$209,000 to afford the average home sales price in Louisville. Only 26% of Louisville households earn more than \$200,000 annually, suggesting at least 74% of Louisville households would not be able to afford the current average home sales price. In addition, Louisville renter incomes are significantly lower than Louisville homeowner incomes (see Exhibit 10). Based on 2021 ACS data, renter median incomes would fall at around 56% of the 2023 MFI (qualifying as just above “very low income” under HUD standards), while the homeowner median income would fall at roughly 111% of the 2023 MFI, indicating that homeownership is likely significantly more out of reach for households that do not already own a home.

⁷ Home sales prices may vary with mortgage interest rate fluctuations, any homeowner association costs, or utility fee variations.

Cost Burdened Households

Housing costs are typically the largest portion of a household budget, and typically include mortgage or rent payment, utilities, interest, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30 percent of their income on housing experience "cost burden" and households paying more than 50 percent of their income on housing experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting its community need to provide housing that is affordable to all households in a community.

Housing cost burden can put low-income households in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness. Cost burdening for owner-occupied households is less common because mortgage lenders typically ensure that a household can pay its debt obligations before signing off on a loan.

Exhibit 21 shows rates of cost burden by tenure for Louisville. In Louisville, 25% of households are cost burdened, with 14% of households spending greater than 30% of gross income on rent and 9% spending greater than 50%. Renters are much more likely to be cost burdened, with 41% of renter households experiencing cost burden, versus 16% of homeowners.

Exhibit 21: Cost Burden, Louisville, 2021

Source: ACS 5-Year Data Tables, 2017-2021

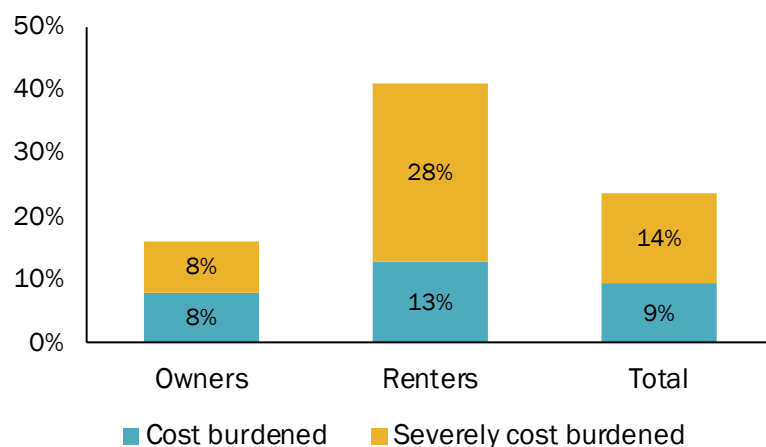
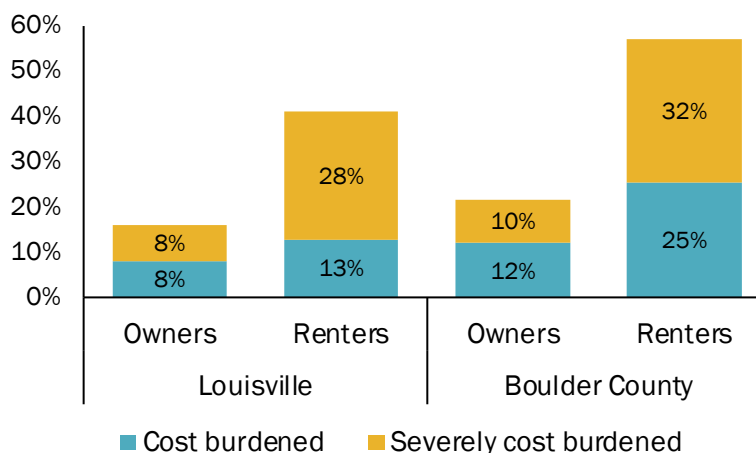


Exhibit 22 shows rates of cost burden for both Louisville and Boulder County. Louisville has slightly lower rates of cost burden compared to the County overall; in Boulder County, 57% of renters are cost burdened (versus 41% in Louisville), and 22% of homeowners are cost burdened (versus 16% of homeowners in Louisville).

Exhibit 22: Cost Burden Rates, Louisville and Boulder County, 2021

Source: ACS 5-Year Data Tables, 2017-2021



Housing Demand and Future Needs

The following section details ECONorthwest's calculations of housing need, underproduction, and affordability for Louisville.

Population Forecast Assumption

As previously discussed, population forecasts are only available at the county-level in Colorado. To forecast future housing needs, an understanding or assumption of how the city **could** grow is needed to establish a baseline projection. The population forecast provided by ECONorthwest assumes that Louisville will maintain its current share of Boulder County's total population (6.3%) and would therefore increase its population to about 24,614 residents by 2047, adding an additional 4,115 residents.

Future Housing Needs

A key part of the HNA is to gain an understanding about the extent of total housing needed in Louisville and the quantity of new housing needed for different income levels over the next several decades.

Exhibit 23. Illustration of Housing Needs Calculation

Sources: ECONorthwest.



The future needs analysis focuses on estimating housing needs based on future housing needed by 2047 and current needs based on housing underproduction.⁸ The inclusion of current housing underproduction helps to ensure housing needs targets address current unmet housing needs not provided for in the existing housing inventory. More detail on assumptions and methodology for the future housing needs analysis can be found in the full HNA included in Appendix A.

Exhibit 24: Total Housing Need in Louisville by 2047

Source: ECONorthwest and DOLA

Future Need Based on Assumed Population Growth	2,075 housing units
Housing Underproduction (or Housing Shortage)	409 housing units
Total Housing Need	2,483 housing units

Combining the current housing underproduction (409 housing units) with the future housing units needed brings the total to 2,483 new housing units needed by 2047 based on the population forecasts in this section. On an annual basis this means an average of 96 new housing units per year.

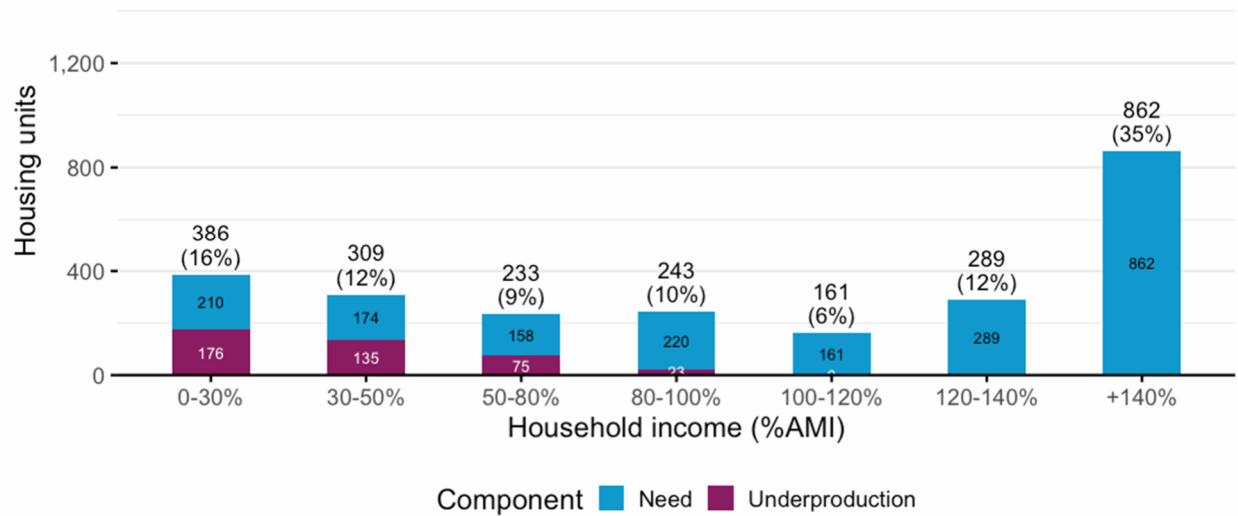
Housing Need by Income

While understanding the total number of housing needs required to meet the City's population forecast is an important step in planning for the future, it's also important to understand how the housing units should be distributed among income earners to address if there are enough units attainable for each household. More details on assumptions and methodology for allocating future housing need by income levels can be found in the full HNA included in Appendix 1.

⁸ DOLA's latest county-level population forecast is for 2047.

Exhibit 25: Total Units Needed by 2047, Louisville

Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, CHAS 2015-2019, ECONorthwest



The forecasted housing need by income category is likely to vary depending on future policy choices. If the city does not take meaningful action to increase housing production, and affordability worsens due to demand from higher-income households outpacing supply of total housing units, many low-income households will face displacement and the forecasted need for lower income households would likely be lower. The ultimate income distribution in 2047 will be the result of regional housing trends and policy decisions made at the local level.

3. Louisville's Housing Goals

The Housing Plan identifies policies and actions the City should take to better meet housing needs in Louisville. The strategies and actions in the Plan also reflect the City's desire to foster a more dynamic and inclusive community where a broader range of households have access to Louisville's unique charm, amenities, and opportunities. This Plan also recognizes that the City should carefully balance housing growth and diversification goals and strategies with other established community values⁹. In addition to providing an overall policy framework and direction, these goals can act as indicators to determine whether City actions are helping to achieve the desired outcomes.

To help create a framework for the strategies and actions that follow, *the Housing Plan establishes 3 core goals of equal priority and importance.*



Goal 1: Increase Residential Development Opportunities in Louisville

- » The City should increase new residential development opportunities at appropriate locations to better address local and regional housing demand. The City's implementation of this goal should be carefully balanced with other established community values related to topics like neighborhood character, infrastructure capacity, and preserving or enhancing Louisville's unique quality of life.



Goal 2: Expand and Maintain Access to Affordable Housing

- » The City should facilitate the development and maintenance of more affordable housing at appropriate locations that can address the housing needs of low-to-middle income households, including the needs of the local workforce. Through strategic partnerships and funding opportunities, the City can help create and maintain more access to affordable housing options, especially in areas located near employment opportunities and transit.



Goal 3: Diversify Louisville's Housing Stock

- » The City should diversify the range of available housing options, promoting the development of mixed-use and mixed-income neighborhoods, and streamlining zoning regulations to accommodate different housing for a variety of household sizes and demographics. This includes more housing choices for seniors, empty-nesters, young families, disabled individuals, renters, first-time homebuyers, and to support Louisville's retail and commercial areas.

⁹ Established community values in the context of this Housing Plan include but are not limited to those set forth in the City's Comprehensive Plan.

4. Housing Strategies & Actions

This section details the three strategies and 13 actions the City of Louisville should consider as it works toward addressing the city's housing needs. The Plan's strategies reflect what is within the City's purview and are intended to comprehensively address multifaceted housing challenges through multiple angles.

There is no "silver bullet" among these actions. Each of them presents benefits, drawbacks, and different levels of impact that need to be evaluated further. The housing market can change quickly too. As such, the actions in this Plan will benefit from periodic evaluation as development conditions change over time and the approach set forth in this Housing Plan will need to evolve with such changes.

Housing Strategies

Based on the results of the Housing Needs Assessment, community/stakeholder involvement, analysis of policy options, review of relevant plans, policies and best practice guides and informed by the Plan's goals, the following three broad strategies and their associated actions help provide a roadmap.



➤ Strategy 1

Targeted Policy and Zoning Code Amendments to Reduce Barriers for Residential Development



➤ Strategy 2

Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing



➤ Strategy 3

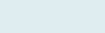
Comprehensive Policy and Zoning Code Amendments to Reduce Barriers for Residential Development and Allow More Diverse Housing Types

Housing Actions

Each strategy outlined above includes several associated actions that more narrowly address how the City can approach implementation. The actions detailed in this section include a rationale for why it is included in this Plan, a brief description, considerations, educational context, examples, and best practices. A qualitative evaluation for each action is also included. The evaluation criteria are further defined below.

ACTION TYPE	Incentives encourage housing developers to provide desired housing types. Policy Changes may update the City's code, processes, or requirements related to housing. Financial Support increases available funding for a variety of housing initiatives. Partnerships to strengthen relationships with other organizations to further the city's housing goals.
INCOME LEVEL SERVED	The qualitative designation of 'Low,' 'Moderate,' 'High,' or 'All' gives a relative approximation of what household income levels will likely be served but does not include a specific income threshold.
GEOGRAPHIC SCALE	Generally, describes where an action could apply whether it is <i>Citywide, TOD Opportunity Areas, Residential Zones, or Site Specific</i> .
IMPACT ON HOUSING PRODUCTION	 least potential for housing production relative to other actions  moderate potential for housing production relative to other actions    most potential for housing production relative to other actions
LEVEL OF INVESTMENT	 is the least amount of investment needed relative to other actions   is anticipated to require a moderate investment relative to other actions    would require the most investment relative to other actions
TIMELINE	This represents an estimation of the timelines to address each of the action items that should evolve as conditions change over time. Near Term means 1-2 years Mid Term means 2-3 years Long Term means 3-5+ years

Summary Matrix of Housing Strategies and Actions

STRATEGIES	ACTIONS	HOUSING GOALS	SUMMARY	ACTION TYPE	HOUSING PRODUCTION	LEVEL OF EFFORT	COST	TIMELINE
1. Targeted Policy and Zoning Code Amendments to Reduce Barriers for Residential Development	1.1: Establish Criteria and Identify Areas for Zoning Changes to Support Additional Residential Development		Rezone areas not currently zoned, but suitable, for residential development and conduct a market analysis to inform major land use changes to ensure they’re economically viable.	Policy Change		Medium	\$	Near Term
	1.2: Consider Offering a Height Bonus or Additional Density for Projects that Pay a Higher Fee in Lieu than Required		Add a voluntary inclusionary program option in certain zones where additional height may be appropriate.	Incentive/Policy Change		Low-Medium	\$	Near Term
	1.3: Evaluate Development Fee Reductions and/or Exemptions for Income-Restricted Projects		Reduce development costs by reducing development fees to help increase the financial viability of a project and facilitate more affordable housing production.	Incentive		Medium	\$ \$ \$	Near Term
	1.4: Evaluate Allowing ADUs Both Attached and Detached On Single-Family Lots		Evaluate allowing ADU development on single-family properties across the city to help increase housing supply and diversity and create more flexibility for homeowners.	Policy Change		Medium	\$	Near Term
2. Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing	2.1: Evaluate Cost-Sharing Opportunities for Infrastructure on Sites Where Affordable Housing is Provided		Develop cost-sharing opportunities for infrastructure development to ease the financial impact on new projects, particularly those that provide affordable housing or meet other established housing goals.	Policy Change/Financial Support/Partnerships		High	\$ \$ \$	Long Term
	2.2: Evaluate Adopting the Low-Income Housing Property Tax Exemption Locally		Adopt the low-income housing property tax exemption locally to assist income-restricted affordable housing projects, particularly those needed under the city’s commitment under Prop 123.	Incentive		Low-Medium	\$ \$	Long Term
	2.3 Consider Establishing a Commercial Linkage Fee for Income-Restricted Affordable Housing Projects		Adopt a commercial linkage fee to provide direct financial support to gap finance new income-restricted housing projects or provide funding to maintain affordability in existing developments.	Policy Change/Financial Support		Medium	\$ \$	Long Term
	2.4 Consider Offering a Fee Option for Mandatory Onsite Commercial Requirements with Mixed Use Residential		Create a program that offers a fee option for on-site commercial requirements with residential development to increase feasibility and reduce barriers for new residential projects. Collected fees can help support income-restricted housing projects or other housing assistance programs the city may offer.	Policy Change/Financial Support		Medium	\$	Mid Term
	2.5 Evaluate Adopting Programs and Policies that Support Existing Income-Restricted and Naturally Occurring Affordable Housing		Explore program options for preserving manufactured home parks, establishing legacy homeownership, and monitoring expiring subsidies for existing income-restricted housing stock.	Policy Change/Financial Support	N/A (focused on preservation of existing units)	High	\$ \$	Mid Term
	2.6 Establish and Strengthen Partnerships to Support Preserved and New Income-Restricted Affordable Housing		Acquire property, offer technical assistance, or provide other direct financial support to housing partners working on the preservation and development of income-restricted housing.	Partnerships		Medium-High	\$ \$ \$ (depending on method chosen)	Near Term
3. Comprehensive Policy and Zoning Code Changes to Better Support Residential Development and Allow for More Diverse Housing Types	3.1 Create More Predictability for Residential Development Related to City Processes and Regulations		Adopt zoning code amendments that are clear and objective and allow appropriate residential projects to be allowed “by-right” and reviewed administratively.	Policy Change		High	\$ \$	Mid Term
	3.2 Expand Allowances for More Housing Types		Allow stand-alone residential development in commercial areas, middle housing in low-density and single-family zones, and remove or raise occupancy restrictions.	Policy Change		Medium	\$ \$	Mid Term
	3.3 Modernize Development and Design Standards to Incentivize and Remove Barriers to Appropriate Residential Development		Conduct an audit of existing zoning code to evaluate effectiveness of existing regulations and identify barriers to housing development; adopt standards and incentives that allow for and encourage increased height and residential development above commercial downtown; lower minimum lot sizes, require and incentivize a range of housing types on greenfield sites; adopt incentives programs for accessible and visitable housing units for seniors and for income-restricted housing in TOD areas.	Policy Change		Medium-High	\$ \$	Mid Term



Strategy 1: Targeted Policy and Zoning Code Amendments to Reduce Barriers for Residential Development

The City recognizes that while important steps have been taken recently to address housing affordability¹⁰ there is substantial work to be done to better address Louisville's current and future housing needs. The upcoming comprehensive plan update provides an opportunity to build on this Housing Plan with more specific policy direction on topics like the future land use framework and major changes to zoning regulations. However, the City wishes to accomplish key actions in the near-term (1-2 years) during or soon after the comprehensive plan update. This strategy focuses on near-term steps the City can take to reduce barriers and facilitate more residential development, including:

- ◆ Establishing a framework for updating adopted future land use maps (e.g., comprehensive plan) and zoning code changes to allow for a greater diversity of housing types;
- ◆ Providing relief for new housing projects by creating flexibility within the current inclusionary zoning policy and reducing City-imposed fees on income-restricted projects; and
- ◆ Offering existing property owners more financial flexibility by delivering small-scale, incremental density increases through the development of accessory dwelling units (ADUs).

Specific actions in this section include:

- » **1.1 Establish Criteria and Identify Areas for Zoning Changes to Support Additional Residential Development**
- » **1.2 Consider Offering a Height Bonus or Additional Density for Projects that Pay a Higher Fee in Lieu than Required**
- » **1.3 Evaluate Development Fee Reductions and/or Exemptions for Income-Restricted Projects**
- » **1.4 Evaluate Allowing ADUs Both Attached and Detached On Single-Family Lots**

¹⁰ Such important steps include but are not limited to adoption of an Inclusionary Housing Ordinance in 2021 and the City's 2017 commitment to the goal that 12% of all residential units in Louisville be permanently affordable by 2035 as part of the Boulder County Regional Housing Partnership. The Inclusionary Housing Ordinance requires that 12% of new residential units on applicable development projects be set aside as permanently affordable (see Louisville Municipal Code Chapter 17.76 Inclusionary Housing).

➤ Action 1.1: Establish Criteria and Identify Areas for Zoning Changes to Support Additional Residential Development

RATIONALE

The City must expand its residential capacity that is currently restricted by zoning to meet the diverse housing needs of both the current and future Louisville population. There are currently some areas where residential development may be appropriate, but it is currently prohibited or restricted. With the post-Covid downturn in the commercial real estate market, especially in Louisville, the demand for commercial land has lessened while a clear and pressing demand for residential land has emerged. These opportunity areas include but are not limited to vacant or underutilized areas with nonresidential zoning along the McCaslin and South Boulder Road corridors.



➤ Housing Goals

DESCRIPTION

Established criteria can offer transparency, foster more strategic thinking around long-term economic vitality and infrastructure investments, and may help reconcile competing policy goals. With the upcoming comprehensive plan update and its community process, the City should **develop criteria and identify lands to rezone for residential uses.**

The city should also **consider conducting market assessments in areas where major land use changes are considered.** This analysis will help provide insights into the feasibility of various potential uses for an area, as well as identify potential risks and challenges that could impact development feasibility and market viability. This analysis can also identify an appropriate balance of residential and commercial uses (e.g., retail, office, light industrial) in the opportunity areas to support the economic vitality of the commercial areas that need residential nearby to thrive.

EXAMPLE CRITERIA FOR ZONE CHANGES TO RESIDENTIAL

- » Access to public transit, bicycle, and pedestrian facilities
- » Adequately served by infrastructure (water, sewer, streets, etc.)
- » Near existing or future resident services (retail, community centers, etc.)
- » Larger parcels > 1 acre
- » High recent vacancy rates
- » Large, underutilized parking areas

➤ Action 1.1 Relevant Key Themes from Housing Plan Community Engagement

- Comprehensive plan in 2013 was beneficial in some ways, but zoning did not implement the vision.
- Retail follows rooftops so we need more housing to support retail.

ACTION 1.1 BENEFITS SUMMARY

ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	LEVEL OF INVESTMENT
Policy Change	All	City-Wide	🏠🏠🏠	\$

➤ Action 1.2 Consider Offering a Height Bonus or Additional Density for Projects that Pay a Higher Fee in Lieu than Required

RATIONALE

Allowing developers to access additional height or density in exchange for a greater fee-in-lieu or providing more onsite affordable housing units than required could simultaneously promote greater housing density, provide funding for the City's inclusionary housing program, and increase development feasibility.



➤ Housing Goals

DESCRIPTION

A financial analysis conducted during this Housing Plan demonstrated that residential projects could contribute a higher fee-in-lieu in exchange for additional height or density under the City's existing inclusionary program. The City should **consider adding a voluntary inclusionary program option in defined areas where additional height or density may be appropriate**. The analysis indicated the fee could be up to \$12.17 per square foot for rental units and \$14.36 per square foot for for-sale units, depending on height and parking requirements. As part of this action item, the City should also evaluate height or density bonuses for projects that provide onsite affordable housing units and clarify that the fee in lieu is optional for all residential projects versus mandatory.

CAREFUL CALIBRATION

Encourage the program's use by creating enough incentive for the developer by ensuring 30%-50% of the financial benefit from the height bonus goes to the developer rather than opting for the highest viable fee (effectively cancelling out any financial incentive achieved through the height bonus).

Exhibit 26: Potential Fee Adjustments, Multifamily Housing Development

Source: ECONorthwest

SCENARIO	APARTMENTS (RENTALS)	CONDOMINIUMS (FOR-SALE)
Three stories (120 units, 117,000 sf), existing parking requirements	\$4.72 per sf (current)	\$9.24 per sf (current)
Four stories (160 units, 157,000 sf), existing parking requirements	\$6.24-\$6.84 per sf	\$10.18-\$10.56 per sf
Four stories (160 units, 157,000 sf), reduced parking requirements	\$10.04-\$12.17 per sf	\$12.90-\$14.36 per sf

It's important to note that there are many tools the City can develop to unlock additional density. **Flexibility in site standards is key** to making projects work across a wide variety of site shapes and sizes. Other incentives might include reduced open space and parking, increased lot coverage, or a higher Floor Area Ratio.

ACTION 1.2 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
Incentive/Policy Change	Low-Moderate	Citywide		\$

➤ Action 1.3 Evaluate Development Fee Reductions and/or Exemptions for Income-Restricted Projects

RATIONALE

The City of Louisville has a demonstrated need for affordable housing of all kinds, particularly housing that is income restricted. However, income restricted housing is difficult and complicated to finance. The City's development fees can have a significant impact on a project's financial feasibility.



➤ Housing Goals

DESCRIPTION

The City can help reduce projects costs, increase the financial feasibility, and help facilitate the production of more income-restricted housing projects by **offering development fee reductions or exemptions** for projects that provide income restricted affordable housing.

There are several considerations the City will need to make when developing a fee waiver or reduction program:

- ◆ Consider only reducing some development-related fees, not all.
- ◆ Create a sunset date for the program or place a per-year or overall cap on the number of eligible projects; this would help the City develop a better understanding of the demand and impact of the program.
- ◆ Identify an alternative revenue source that will backfill waived fees such as the General Fund or other local taxes and fees.
- ◆ Establish project qualification criteria that includes all scales of projects regardless of the number of units to encourage participation by small and large developers.

EXAMPLE DEVELOPMENT FEES

- » Land Use & Building Permits
- » Public Improvements
- » Utility Connections
- » Impact fees

Fee Deferrals

The City could alternatively offer a development fee deferral, aligning the project with the developer's financing plan. Developers could pay fees when the property starts generating income from rent or unit sales, instead of at permit issuance. This approach allows developers to pay as cash flows into the project and can help avoid additional costs like interest gathered on construction loans.

ACTION 1.3 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
Incentive	Low-Income	Citywide		\$ \$ \$

➤ Action 1.4 Evaluate Allowing ADUs Both Attached and Detached On Single-Family Lots

RATIONALE

Allowing Accessory Dwelling Units (ADU), both attached and detached, on single-family properties across the city can help to increase housing supply and diversity while creating more financial flexibility for homeowners. ADUs offer a small-scale and incremental way to increase density while protecting existing community character and without putting pressure on existing infrastructure systems.



➤ Housing Goals

DESCRIPTION

ADUs can provide less expensive housing solutions, but not to the same degree or guarantee as income restricted housing. ADUs can be right-sized and adjusted for a variety of household types, such as multigenerational households, young adults, and seniors. In addition to providing more housing to renters, ADUs can inversely assist affordability or financial flexibility for property owners through the rental income that they collect.

Allowing attached and detached ADUs does not guarantee that ADUs will be produced. The cost to individual property owners to design and develop compliant ADUs can limit program participation. To overcome this barrier, the city can **provide pre-approved plan sets to property owners that requires little to no permit review time.**

Additionally, barriers to ADU development could be removed if design and development standards for ADUs are sensitive to neighborhood character. For example, the City should consider allowing ADUs to use the same water tap as the primary dwelling and not charging an expansion fee within the limits of the ADU policies for the size and type of unit.

WHAT IS AN ADU?

ADUs are an additional dwelling unit— typically with its own sleeping, bathing, and cooking facilities—on properties with a primary home, designed in a way that blends in with the existing neighborhood.

➤ Action 1.4 Relevant Themes Heard from Housing Plan Community Engagement

- Incentivize tiny homes or ADUs that can be a path to homeownership rather than manufactured homes that can leave people vulnerable to displacement.
- Heard more support for ADUs that can be ownership units rather than rentals.

ACTION 1.4 BENEFITS SUMMARY

ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
Policy Change	All	Residential Zones		\$



Strategy 2: Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing

Strategy 2 recognizes that market-rate development by itself cannot fulfill the full range of housing needs in Louisville. The market is unlikely to supply income-restricted affordable housing, especially units affordable to those earning 0-60% of the Area Median Income (AMI), without intervention. This intervention can include leveraging funding opportunities and partnerships to support new or preserved income-restricted housing.

Leveraging funding tools available at all levels of government for affordable housing projects can help reduce project costs and provide direct financial assistance to fill gaps that threaten project viability. This strategy outlines potential funding, partnerships, and policy mechanisms the City can deploy to lower barriers for income-restricted housing developments. One such opportunity is Proposition 123. Colorado voters passed Proposition 123 in 2022 as a dedicated future revenue source to local jurisdictions like Louisville to support housing affordability. Louisville is an eligible jurisdiction to apply for future Proposition 123 funds having officially committed to proposition-specific housing affordability goals in 2023. The City should continue to pursue such eligibility in the future during various funding cycles. In 2023, Boulder County voters also passed a 15-year extension of Issue 1B that sets aside a portion of county sales and use taxes for affordable housing; a portion of which applicable projects in Louisville may be eligible to access.

Strategic partnerships will also be vital to deliver affordable housing at a meaningful level. This strategy focuses on ways the City can foster partnerships and play an active role within them to facilitate the development of more income-restricted housing.

Detailed actions in this section include:

- » **2.1 Evaluate Cost-Sharing Opportunities for Infrastructure on Sites Where Affordable Housing is Provided**
- » **2.2 Evaluate Adopting the Low-Income Housing Property Tax Exemption Locally**
- » **2.3 Consider Establishing a Commercial Linkage Fee for Income-Restricted Affordable Housing Projects**
- » **2.4 Consider Offering a Fee Option for Mandatory Onsite Commercial Requirements with Mixed Use Residential**
- » **2.5 Evaluate Adopting Programs and Policies that Support Existing Income-Restricted and Naturally Occurring Affordable Housing**
- » **2.6 Establish and Strengthen Partnerships to Support Preserved and New Income-Restricted Affordable Housing**

➤ Action 2.1 Evaluate Cost-Sharing Opportunities for Infrastructure on Sites Where Affordable Housing is Provided

RATIONALE

A lack of available utilities, cost of utilities, and road infrastructure can determine whether a project will move forward or not due to the substantial costs. Iring programs for such infrastructure can ease the financial burden for developers and support future housing development on opportunity sites.



➤ Housing Goals

DESCRIPTION

Large development sites, in particular, frequently demand extensive infrastructure development, which can significantly affect their financial feasibility and, in some cases, drive outcomes that might not align with the City's housing goals. The City can **utilize cost-sharing opportunities to help ease the financial impact on new projects**, particularly those that provide affordable housing or meet other established housing goals. Cost-sharing tools could include:

- ◆ **Development Agreements (DA):** legally binding contracts In the City and a developer or landowner that outline terms for a specific development project, including infrastructure or other amenities. While the city currently utilizes DAs, it could adjust typical terms to:
 - Have the City assume a greater share of the infrastructure costs or obligations if a project provides onsite affordable housing, increasing its share as the affordable set-aside increases. The fee in lieu for inclusionary housing from other projects is one possible funding source for this cost share as is funds from Proposition 123.
 - Exempt projects from some inclusionary zoning requirements if they significantly contribute to infrastructure development and align with broader housing objectives like providing a mixture of housing types aimed at creating a more mixed income community.
- ◆ **Local Improvement Districts (LIDs):** LIDs are established when property owners or developers initiate a formal request to collectively fund infrastructure enhancements. In Colorado, numerous municipalities have successfully used LIDs as a financing mechanism for sizable projects. If paired with agreements to provide affordable housing, a LID can assist with developers financing project infrastructure to support affordable housing.

ACTION 2.1 BENFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
Policy Change/Financial Support/Partnerships	All	Greenfield Sites or Large Parcels	🏠🏠🏠	\$ \$ \$

➤ Action 2.2 Evaluate Adopting the Low-Income Housing Property Tax Exemption Locally

RATIONALE

It can be challenging to stitch together financing for income-restricted housing projects and a property tax exemption could help offset project costs, catalyzing construction of new, rehabilitated, or improved affordable housing.



➤ Housing Goals

DESCRIPTION

Colorado House Bill 23-1184 recently expanded the existing low-income housing property tax exemption to include more nonprofit organizations that build and sell affordable housing. The exemption can last for up to 10 years and **creates a new property tax exemption for land owned by community land trusts and other nonprofit affordable homeownership providers** that develop permanently affordable for-sale homes. The City can **adopt this tax exemption locally to assist affordable housing projects**, particularly those needed under the city's commitment under Proposition 123. The property must be restricted by a deed that limits its resale price and requires a long-term land lease with a community land trust or nonprofit affordable homeownership developer. The property must also be sold to households below 100 percent Area Median Income (AMI).

ACCESSING THE EXEMPTION

After January 1, 2024, there are three ways that a nonprofit affordable housing developer can receive this exemption.

- » **Land donation agreement** between the landowner and nonprofit.
- » Resolution that **designates property** for construction or rehabilitation of for-sale affordable housing.
- » Resolution that **approves the purchase of the property for land banking** with the purpose of constructing or rehabilitating for-sale affordable housing.

ACTION 2.2 BENEFITS SUMMARY

ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
INCENTIVE	LOW-MODERATE INCOME	CITYWIDE		\$ \$

➤ Action 2.3 Consider Establishing a Commercial Linkage Fee for Income-Restricted Affordable Housing Projects

RATIONALE

Nonresidential development that increases employment demand like industrial, retail, and office development can increase housing demand nearby and put additional pressure on housing prices. This is compounded in markets like Louisville where housing production has not kept pace with demand. By establishing a per-square-foot fee on commercial development to fund affordable housing projects, the City could “link” these two types of development to support more equitable growth. This action item would need to carefully consider balancing any potential linkage fee with the City's economic vitality goals.



➤ Housing Goals

WHAT IS A COMMERCIAL LINKAGE FEE?

A commercial linkage fee is a policy tool that requires developers of new commercial projects to contribute a fee to be used to fund the construction of affordable housing.

DESCRIPTION

The City can **use revenues from a commercial linkage fee to provide direct financial support for new income-restricted housing projects**. The City should first study the impacts a fee might have on commercial development in Louisville to ensure a fee is appropriately calibrated to both help the City meet affordable housing goals and avoid financially overburdening new commercial projects that can help the City meet economic development and employment goals. Additionally, **commercial linkage fees require a nexus study** that first demonstrates a reasonable relationship between the fee and affordable housing before the fee program can be adopted.

ACTION 2.3 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE/FINANCIAL SUPPORT	LOW-INCOME	CITYWIDE		\$ \$

➤ Action 2.4 Consider Offering a Fee-in-Lieu Option for Mandatory Onsite Commercial Requirements with Mixed-Use Residential

RATIONALE

The City's zoning code requires nonresidential uses with residential development in some zone districts and Planned Unit Development types. These mixed-use requirements can be challenging to navigate given the added complexity of financing, management, separating differing uses, and the ongoing uncertainty for commercial demand in the post-Covid era. Identifying new City policy tools to address this issue can help reduce barriers for new residential development projects and deliver more needed housing at a lower cost, while drawing in more residents that can help increase the viability for nearby commercial development in the future. One such tool for the City to evaluate is a fee in lieu of any required nonresidential square footage with residential development.



➤ Housing Goals

DESCRIPTION

EcoNorthwest conducted a financial analysis during the development of the Housing Plan to understand the impacts of requiring onsite commercial space in residential projects. The analysis indicated that **on-site commercial requirements had a negative impact on overall development feasibility**, reducing a developer's land budget by up to 13%. In these cases, a developer would likely need to either find less expensive land, raise tenant rents, or receive additional subsidy to make the development feasible. However, the analysis found that requiring a \$10 per square foot fee would have a much smaller impact on feasibility than requiring onsite commercial space. The City could **explore implementing this fee option and utilize funds for any of the affordable housing initiatives outlined in this Housing Plan**. Action item 3.3 below also addresses this issue for the City to explore ground floor use and activation standards that provide more flexibility to address this issue.

ACTION 2.4 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE/FINANCIAL SUPPORT	LOW-INCOME	CITYWIDE		\$

➤ Action 2.5 Evaluate Adopting Programs and Policies that Support Existing Income-Restricted and Naturally Occurring Affordable Housing

RATIONALE

Preserving existing affordable housing and preventing displacement of low-income residents is vital for social equity. City programs and policies can help maintain the affordability of existing housing units amid rising costs and prioritizing the distribution of resources to these types of developments can help foster household stability and diversity.



➤ Housing Goals

DESCRIPTION

There are several ways a city can support or lead efforts to mitigate the loss of existing income-restricted and Naturally Occurring Affordable Housing (NOAH). These include direct financial assistance, property acquisitions, and creating partnerships with non-profits to take over ownership, assist with maintenance and repairs, or apply for grants to help properties achieve stability while continuing keep rent prices low. This action focuses programs and policies summarized below:

- ◆ Explore Programmatic and Zoning Approaches to Preserving Manufactured Home Parks (MHPs)—
MHPs play a significant role in providing naturally occurring affordable housing, but they are at risk of disappearing in strong housing markets like Louisville's. Ways the City can assist with MHP preservation efforts are outlined below.
 - MHP-Only Zoning: The City can establish zones that designate an area specifically for MHPs, which would directly prevent redevelopment of existing MHPs and resulting displacement of residents.
 - Tenant Opportunity to Purchase: In Colorado, mobile home park owners are required by the state to provide tenant opportunity to purchase.¹¹ The City could aid housing authorities, non-profit preservation organizations, and resident-owned communities through funding and technical guidance necessary to help residents make the purchase.

WHAT IS NOAH?

NOAH or *Naturally Occurring Affordable Housing* refers to residential rental properties that are affordable, but do not receive subsidies in exchange for income restrictions. They are typically older properties with relatively low rent compared to the regional housing market.

¹¹ In 2020, the State of Colorado passed HB20-1201, a bill that requires mobile home park owners to notify residents, the municipality, and others notice of a pending sale 12 months prior to the change of use to provide residents the opportunity to organize and purchase the mobile home park.

- ◆ Establish a Legacy Homeownership Program – The Modeled after the City of Boulder's Housing Legacy Program, Louisville could create a similar program that allows homeowners, companies, or other organizations to donate homes or other real estate.¹²
- ◆ Monitor Existing Income-Restricted Housing Stock for Expiring Subsidies - Louisville has a supply of regulated affordable housing, but to assist in their preservation, the City must understand how many units there are, their condition, subsidy expiration dates, and current ownership to accurately assess their vulnerability risk. Publicly available inventories for regulated affordable units are often incomplete, lack essential data points, or are out of date. A monitoring system would allow the City to assess vulnerability risk and offer financial support to owners and operators to maintain affordability.

HOW DOES A LEGACY HOMEOWNERSHIP PROGRAM WORK?

Before donating, interested parties entering their homes into the legacy program first place an affordability covenant on their home. Once donated, the City does not receive ownership of the homes through this program but rather maintains the "Interim Covenant", or deed restriction, that mandates affordability and manages the sale of the homes to interested buyers. City staff assesses buyers based on their income and assets and facilitates a fair selection process.

➤ Action 2.5 Relevant Community Engagement Themes

- It is very important that affordable housing stay affordable in the City.
- Manufactured home preservation is important for maintaining affordable housing options in Louisville.
- Establish a homeownership program and hire someone at the City to oversee it.
- The City should invest in a staff person to monitor affordable housing maintenance needs, documentation, and deed tracking.
- Need for dedicated maintenance funding for affordable housing. City could connect people with resources for maintenance funding.
- City could purchase multifamily units when they sell.

ACTION 2.5 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE/FINANCIAL SUPPORT	LOW	CITYWIDE	N/A (FOCUSED ON PRESERVATION OF EXISTING UNITS)	\$ \$

¹² City of Boulder. Housing Legacy Program. <https://bouldercolorado.gov/homeownership/housing-legacy-program#:~:text=The%20Housing%20Legacy%20Program%20facilitates,affordable%20homeownership%20for%20future%20generations.>

➤ Action 2.6: Establish and Strengthen Partnerships to Support Preserved and New Income-Restricted Affordable Housing

RATIONALE

Preservation of existing income restricted units and new construction of such units are the most effective ways for cities to advance affordable housing initiatives. They are also the costliest because the units must be sold or rented below market rates. Partnerships can support the production of affordable housing in several ways. Partnerships with the City of Louisville might include market rate housing providers, affordable housing providers, or mission driven nonprofits like religious organizations.



➤ Housing Goals

DESCRIPTION

There are several ways that cities can operate within partnerships to help preserve and facilitate new affordable housing development. The Boulder County Housing Authority (BCHA) is the housing authority for all communities in Boulder County outside of the Cities of Boulder and Longmont, including Louisville. The City should continue to partner with BCHA as Louisville's housing authority and other affordable housing providers. The type of partnership the City can strengthen or establish will depend on available funding, resources, and the type of project. Methods include:

- ◆ **Land Banking:** Designate surplus land, or purchase and convey property to a housing partner.
- ◆ **Direct Financial Support:** Provide funding to support community land trusts, housing cooperatives, or lease purchase programs.
- ◆ **Technical Assistance:** Program education, development process support, land inventory, legal assistance, and administrative support (e.g., establishing deed restrictions, compliance monitoring, etc.).
- ◆ **Right of First Refusal:** Notice to the City of intent to sell multifamily or mixed-use rental property, with the local government having 30 days to make an offer.

ACTION 2.6 BENEFITS OVERVIEW				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
Partnerships	Low-Income	Citywide		\$ \$ \$ (depending on method chosen)



Strategy 3: Comprehensive Policy and Zoning Code Changes to Better Support Residential Development and Allow for More Diverse Housing Types

While Strategy 1 focuses on targeted policy and zoning actions the City can take to address housing affordability, this Strategy 3 outlines a more comprehensive approach to such actions that will take longer and follow policy guidance from the upcoming comprehensive plan update. It recognizes the pressing need to modernize the zoning code to better enable market responsiveness to housing demand. This strategy includes broader, longer-term actions for the City to focus on after the comprehensive plan update, including:

- ◆ Streamlining development review procedures for appropriate residential projects;
- ◆ Supporting the development of broader range of residential uses; and
- ◆ Creating more transparency and flexibility within the zoning and development regulations to remove major barriers to housing production.

Detailed actions in this section include:

- » **3.1 Create More Predictability for Residential Development Related to City Processes and Regulations**
- » **3.2 Expand Allowances for More Housing Types**
- » **3.3 Change Development and Design Standards to Incentivize and Remove Barriers to Appropriate Residential Development**

➤ Action 3.1 Create More Predictability for Residential Development Related to City Processes and Regulations

RATIONALE

Most types of residential development in Louisville require "discretionary" review against subjective standards and multiple public hearings. For example, any residential project with more than six units typically requires a Planned Unit Development (PUD) that requires four public hearings in total before Planning Commission and City Council and review against 28 review criteria.¹³ Stakeholder engagement during this Housing Plan emphasized the challenges of developing housing in such an unpredictable environment. To lower risk, reduce costs, and facilitate more housing development that aligns with City goals and policies, The City should evaluate streamlining its residential development process related to review procedures and regulations for efficiency and predictability. The premise behind this action item is for the City to create predictability through clearer processes and standards that reflect community values around transparency and community design.



➤ Housing Goals

DESCRIPTION

In recent years, particularly in areas where housing prices have soared and development has become more expensive, cities have made efforts to streamline development processes in a variety of ways to help speed up housing production, while finding ways to help reduce costs. This action focuses on three ways Louisville can approach creating a more streamlined and predictable development process.

- ◆ Adopt Clear and Objective Development Regulations. For appropriate residential and mixed-use projects, standards should be specific, measurable, and objective rather than subjective or discretionary; and provide clear expectations for developers and consistency in application by staff. This saves time and resources for both developers and cities by reducing the need to debate interpretations, a factor that can erode the relationship between developers and cities, two entities that must work together to address housing needs. Clear and objective standards may also create an opportunity for more projects to be reviewed administratively, which would reduce the need for some projects to be heard and debated by Planning Commission and City Council. However, the City will need to strike a balance and avoid overly prescriptive standards that don't

CLEAR AND OBJECTIVE STANDARDS

Best Practices

- » Revise vague or ambiguous standards to provide precise, quantifiable language around allowable densities, building form, lot coverage, setbacks, parking, landscaping, etc.
- » Limit use of subjective phrases like "compatible" or "consistent with neighborhood character."
- » Use graphics, tables, and matrices to clearly communicate objective criteria and dimensional standards based on location and building type.

¹³ See Louisville Municipal Code Section 17.28.120.

allow for or promote flexibility needed to address site variation or creative and innovative design approaches.

- ◆ Allow More Residential Uses "By-Right". Allowing more uses "by-right" can reduce the need for projects to undergo special review and/or conditional use processes, which greatly increase project timelines and risk given the subjective nature of these processes. There are a few ways the City can approach allowing more "by right" residential land uses:

- Consider expanding residential definitions rather than grouping all "multifamily" projects together that are subject to the same review process. This approach enables the City to delineate housing types more precisely and subsequently expand the permitted use table, allowing for "by-right" approvals tailored to each zone and project's scale.¹⁴
- Consider raising the project thresholds and removing subjective criteria for administrative special reviews.¹⁵ This could be a more short-term solution while the city works through more complicated zoning code updates.
- Allow more residential projects to be reviewed administratively. Unlike discretionary applications, administrative applications move through the project review process more quickly because they do not require additional subjective analysis, Planning Commission recommendation, City Council action, or a formal public hearing, making the timeline for administrative applications often months shorter. To enhance efficiency, Louisville should lean on local planners' expertise. City staff are well-suited to evaluate project compliance and determine if proposals meet regulations.

WHAT IS "BY-RIGHT"?

If a project meets the development standards and zoning regulations outlined in Louisville's zoning code and does not require additional or formal planning approvals, it is considered a "by-right" project, and the applicant may move directly to requesting a building permit.

WHAT TYPE OF PROJECTS ARE SUITABLE FOR ADMINISTRATIVE REVIEW?

Administrative review can be reserved for less complicated projects, including:

- » Simple land divisions, lot mergers, and lot line adjustments
- » ADUs
- » Site plan reviews meeting predefined thresholds in site size or unit count

ACTION 3.1 BENEFITS SUMMARY

ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE	ALL	CITYWIDE		\$ \$

¹⁴ Currently, Louisville's code designates "multi-unit buildings" as either "No" or "R" (requiring special use review) uses, depending on the zoning district, except for RM and RH zones. The term "multi-unit buildings" is broadly defined to encompass a wide spectrum of housing types, ranging from duplexes to large apartment complexes.

¹⁵ Special review procedures typically involve the Planning Commission, which makes a recommend to the City Council, unless an application fully complies with the criteria outlined in Sec. 17.40.105, in which case it may undergo an administrative special review. However, these criteria for administrative special review have notably subjective thresholds.

➤ Action 3.2 Expand Allowances for More Housing Types

RATIONALE

About 70% of Louisville's housing stock are single family detached units, one of the highest rates in Boulder County. Most of the City's zone districts acknowledge single family and multiunit dwellings as the only two residential land uses. Expanding allowances for all types of housing will help create more affordable homeownership and rental opportunities.



➤ Housing Goals

DESCRIPTION

The City can approach expanding allowances for more housing types in several ways. This action focuses on more nuanced approaches to expanding allowances for certain housing types, including multifamily development in commercial zones, promoting "middle housing", internal conversions of appropriate single-family buildings into additional units, and changing occupancy requirements that might inhibit residents from forming a household and reducing housing costs.

Summary of Action 3.2 Potential Items		
POTENTIAL ACTIONS	SUMMARY	CONSIDERATIONS & APPROACHES
Evaluate Allowing More Middle Housing Types in Low-Density and Single-Family Zones	Evaluate expanding allowances for middle housing types into single-family zone districts to increase their feasibility and foster more inclusive neighborhoods in appropriate locations. Middle housing can include a range of housing types from multiunit to townhomes and smaller detached single-family units that are compatible with neighborhood scale and character.	Current opportunities for middle housing in Louisville largely only exist within the RM and RH zone districts.
Consider Allowing Stand-Alone Residential Development in Appropriate Commercial Areas	Consider opportunities to allow stand-alone residential development in commercial zones to expand residential capacity and increase housing production. Currently, large areas of Louisville with commercial zoning prohibit residential uses while other areas mandate a mix of residential and nonresidential uses within each project. This ties closely to Action 1.1 related to developing criteria for such potential zoning changes.	Consider allowing stand-alone multifamily development throughout designated commercial zones while preserving the economic vitality of key commercial corridors. Consider limiting ground floor commercial requirements to only parcels with frontage along specific commercial corridors in certain zones. This will allow multifamily development more broadly while protecting sites that are most conducive to commercial development and key pedestrian-oriented commercial areas (including downtown) from developing with entirely residential uses. If street-level activation is a concern with this approach, consider requiring ground floor activation requirements in stand-alone residential developments.

Summary of Action 3.2 Potential Items		
POTENTIAL ACTIONS	SUMMARY	CONSIDERATIONS & APPROACHES
Modify Residential Occupancy Restrictions Regarding Unrelated Individuals	Increase or eliminate unrelated occupancy limits to increase the availability of affordable housing options for a broader range of groups and recognize the legitimacy of alternative family and group living arrangements. ¹⁶	Removing or raising these restrictions is a national trend that allows more unrelated individuals and alternative family formations to legally live together and share housing costs. Any such actions should align with any changes to Colorado state law on this issue.
Adopt Standards for Internal Conversions	Expand allowances and incentivize internal conversions of large single-family homes or other structures into additional units where appropriate. This offers the opportunity to preserve existing units and character while supporting additional density.	Internal conversions can be complex and expensive projects, so the City will need to consider ways to incentivize these projects through regulatory or financial support.

ACTION 3.2 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE	MODERATE	RESIDENTIAL AND COMMERCIAL ZONES		\$ \$

MIDDLE HOUSING BEST PRACTICES

Middle housing encompasses housing units that are more similar in scale to single-detached homes than to apartment buildings, but have multiple units and are less costly, more energy efficient, and require less land per household than single-detached homes.

This includes duplexes, triplexes, fourplexes, cottages, and townhouses. Some best practices are for cities to:

- » Clearly define each middle housing type, including explicit standards for building scale, unit count, configuration/form, or any combination of these parameters.
- » Seek out best practice guidance around parking, regulating intensity, and where to allow middle housing to ensure its implementation is rooted in feasibility and equity.

HOW AND WHERE IS RESIDENTIAL DEVELOPMENT ALLOWED IN COMMERCIAL ZONES IN LOUISVILLE?

- » Commercial neighborhood (C-N). The C-N district includes areas to accommodate mixed residential and commercial uses.
- » Residential mixed use (MU-R). The district is intended to implement the residential mixed use land use and planning goals depicted in the Highway 42 Revitalization Area Plan. Areas zoned MU-R should be used predominantly for higher density multi-family residential, with subsidiary commercial uses and civic uses that cater to the needs of residents and transit commuters.
- » Downtown. Recent residential projects have been approved in downtown, but only through a special review or conditional use process.

¹⁶ Louisville Municipal Code Section 17.08.150 defines Family as no more than two unrelated persons living together. This definition ties to allowable land uses in the zoning code and how a dwelling unit is defined.

➤ Action 3.3 Modernize Development and Design Standards to Incentivize and Remove Barriers to Appropriate Residential Development

RATIONALE

Louisville's zoning and subdivision code has not been substantially updated in decades. The current code creates barriers to efficient housing production and lacks proper incentives to effectively deliver the housing types the City is prioritizing through this Housing Plan. Extensive changes to modernize standards and incentives programs are needed to address the needs outlined in this Housing Plan.



➤ Housing Goals

DESCRIPTION

The City has an opportunity through its comprehensive plan update to create a foundation to modernize outdated development standards and procedures to better meet Louisville's current and future housing needs. A key focus should be incentivizing needed and desired development outcomes that can support a broader range of housing types. The City also has goals related to maintaining community character (especially in Old Town and in the downtown core) and expanding transit access to help decrease carbon emissions and meet climate goals, among other related goals that need consideration. Achieving all of this will require clear policy, regulatory flexibility, and incentives. This action focuses on several zoning tools for the City to address incentivizing desired outcomes related to:

- **Residential development downtown** that can effectively meet the demand for smaller housing units, while also promoting household growth that can, in turn, provide support for businesses in the downtown area and beyond.
- **More supportive housing units for seniors** that are safe, comfortable, and stable.
- **Income-restricted housing** that can better support the diverse local workforce and the region's most vulnerable populations.
- **Infill development** that requires minimal changes to density and can help preserve existing units and neighborhood character.
- **Greater housing diversity** achieved through new greenfield sites that can help meet a wide range of housing goals more efficiently.

Summary of Action 3.3 Potential Items		
POTENTIAL ACTIONS	SUMMARY	CONSIDERATIONS & APPROACHES
Conduct a Zoning and Subdivision Code Audit	Evaluate effectiveness of existing regulations and identify barriers to housing development. Common barriers include limitations on permitted uses, large minimum lot sizes, low density allowances, building height, parking requirements, and subjective design standards and guidelines.	Engaging developers, architects, and homeowners in open dialogue and collaborative discussions is important to understand the specific challenges and nuances related to residential development within the current code. Permit data can illuminate trends, showcasing the types of permits issued, their timelines, and their alignment with zoning code and housing objectives.
Evaluate Lowering Minimum Lot Sizes	Evaluate lowering minimum lot sizes to better align new construction with historic development patterns, create more incremental density on infill lots, and create more financial opportunity for property owners to subdivide their land and remain in place. Specifically, evaluate lowering minimum lot sizes in the Old Town Overlay District.	Large minimum lot sizes tend to result in the construction of larger, more expensive homes. The Residential Estate (RE) and Residential Low Density (RL) zone district minimum lot area requirements do not match the historic lot sizes in the Old Town overlay district yet a substantial number of residential properties in the overlay district have this zoning. Allowing subdivisions to smaller lots that match the established residential character of Old Town would lead to additional and more diverse housing types. When combined with the design standards of the Old Town Overlay, subdivisions could also help preserve housing character and existing homes within the Overlay.
Require or Incentivize a Range of Housing Types on Greenfield Sites	Greenfield sites that are vacant and appropriate for future residential development are an important opportunity to further housing goals for a variety of incomes by ensuring the sites are developed with a range of housing types, not just single-family detached. The City should evaluate appropriate standards and incentives to capture the opportunity and increase development feasibility.	• Establish site size thresholds where housing diversity standards apply within the proposed development • Develop cost-sharing program for infrastructure development • Require a mix of units • Explore feasibility of onsite affordability requirements • Avoid overburdening with commercial requirements, particularly in areas with access to existing commercial amenities

Summary of Action 3.3 Potential Items		
POTENTIAL ACTIONS	SUMMARY	CONSIDERATIONS & APPROACHES
Evaluate Standards or Incentives for Residential Development in Downtown and Old Town	Evaluate defining standards and incentives in the downtown area ¹⁷ to accommodate desired residential development types, without requiring a discretionary special review process.	Allow mixed-use and multifamily development downtown “by-right” with clear and objective standards that align with and further the City’s goals and vision for the downtown area. Adopt clear and objective standards that focus on form for specific development types to better regulate and facilitate desired outcomes for downtown, including commercial, multifamily, and mixed-use development and as it relates to preservation zoning incentives in the Old Town overlay district.
	Increase density or height allowances in the downtown area for projects that pay a higher fee-in-lieu, provide affordable housing units on site, or provide additional units beyond the current 12% requirements. (see Action Item 1.2 for a more detailed explanation of this item applied more broadly).	Pro forma analysis while developing this Housing Plan indicated that increasing density for multifamily projects through either increased height, floor area ratio (FAR), or dwelling units per acre, especially when paired with other incentivizes such as reduced parking, could be effective in supporting more residential development downtown.
Evaluate Incentives for Accessible and Visitable Housing Units for Seniors	Promote accessible and visitable design to better encourage safe, comfortable, and stable housing for Louisville’s senior residents through development incentives.	Incentives could apply to accessible and visitable units as they do to income-restricted housing, including density and height bonuses, parking reductions, expedited permitting fee waivers, or direct financial support.
Evaluate Incentives for Income-Restricted Housing, Especially in Transit Oriented Development (TOD) Areas	Create flexibility within City regulations through increased building heights and densities or reductions in open space and parking requirements for income-restricted housing. (see Action Item 1.2 for a more detailed explanation of this item)	Focus on providing incentives in areas planned or suitable for TOD where households can better access transit options that can help reduce household spending on transportation.

¹⁷ For the purposes of this section, “downtown area” includes those areas defined in the Louisville zoning code as the Old Town overlay district and Downtown Louisville. The Old Town overlay district includes mostly residential areas adjacent to downtown, and Downtown Louisville includes the core commercial area with mostly commercial zoning.

Summary of Action 3.3 Potential Items		
POTENTIAL ACTIONS	SUMMARY	CONSIDERATIONS & APPROACHES
Evaluate Options to Satisfy Onsite Commercial Requirements with Residential Development	Action item 2.4 summarizes the requirement for some residential developments to provide onsite commercial space that creates barriers to addressing housing affordability. This action item could provide other regulatory options that address the goal of having mixed use development through ground floor activation and use requirements.	Applicable residential developments that are required to provide onsite commercial space could also have other options to meet the requirement. This could include creating ground floor activation requirements so the applicable spaces could evolve to commercial in the future but always provide street level activation through design and by prohibiting “inactive” uses like parking garages and storage areas.
Evaluate Refinements to Inclusionary Housing Ordinance (IHO)	The IHO has several opportunities for the City to explore to provide more predictability and options for developers to meet these requirements that address this Plan’s goals and strategies.	Opportunities for IHO refinements include but are not limited to: - Increasing the area median income needed to satisfy the requirements to better address the income ranges of the local workforce experiencing housing affordability challenges described in this Plan.¹⁸ - Clarifying that providing the fee in lieu of onsite affordable housing is an option for applicable projects. - Creating rules and regulations¹⁹ that clarify ambiguous standards that create unpredictability for affordable housing providers, like what constitutes an “equivalent in quality to market rate units” among other sources of ambiguity identified in the future.

¹⁸ See Plan page 21 (Housing Attainability Section) that highlights that a household would need to earn 145% of the Area Median Income (AMI), or around \$209,000, to afford the average home sales price in Louisville. The current IHO requires that all permanently affordable units to meet the 12% requirement be for households earning less than 80% of AMI, with half of the units being required for households earning less than 60% of AMI (See LMC Sec. 17.76.202).

¹⁹ Such rules and regulations are explicitly enabled in the IHO in LMC Section 17.76.110.

DIFFERENCE BETWEEN ACCESSIBLE AND VISITABLE HOUSING UNITS

Accessible and visitable housing units both provide accommodations for individuals with disabilities and are well aligned with senior housing needs but serve slightly different purposes.

- » Accessible housing units are primarily designed for residents with disabilities or mobility limitations to live in full time and can include features such as wider interior doors or hallways (to accommodate a walker or wheelchair), or accessible bathrooms with handles and reinforced walls.
- » Visitable units are generally accessible to visitors with mobility limitations or residents with longer-term mobility changes but are not necessarily equipped for residents with limited mobility. Aspects of visitable housing units include a zero-step entrance, wider exterior doors, and a first-floor accessible bathroom.

ACTION 3.3 BENEFITS SUMMARY				
ACTION TYPE	INCOME LEVEL SERVED	GEOGRAPHIC SCALE	HOUSING PRODUCTION	COST
POLICY CHANGE	MODERATE	RESIDENTIAL ZONES		\$ \$

➤ Action Item 3.3 Relevant Community Engagement Themes

- Need the zoning code to address a broader mix of housing types that it currently does.
- Support for smaller homes (1,000 to 2,000 square feet) as a more affordable homeownership option for first-time homebuyers and seniors.
- Seniors lack affordable housing options to age comfortably and safely, either in assisted living or independently.
- Many new homes in Louisville are large (greater than 2,500 square feet), which are not necessarily a good fit for older couples without children.
- The City should use Proposition 123 funds to purchase land to add more density through middle housing.
- It is important to situate multifamily and affordable housing near transit.
- Support to reduce parking requirements near transit.

Appendices

1. Full Housing Needs Assessment (HNA)
2. Summary of Community Engagement
3. Development Feasibility Analysis

**RESOLUTION NO. 22
SERIES 2024**

**A RESOLUTION ADOPTING THE LOUISVILLE HOUSING PLAN AS A GUIDING
DOCUMENT TO ADDRESS HOUSING AFFORDABILITY IN LOUISVILLE**

WHEREAS, the City of Louisville (the “City”), is a home rule municipal corporation organized under the Colorado Constitution and the Louisville Home Rule Charter; and

WHEREAS, the City has learned through recent community engagement and the Housing Needs Assessment that accompanies this resolution that housing affordability and housing choice are among Louisville and the region’s most pressing issues; and

WHEREAS, the State of Colorado has recognized that housing affordability is one of the most significant issues facing the state by enacting House Bill 21-1271 that enabled the City to be awarded a grant for the Louisville Housing Plan; and

WHEREAS, the City currently has limited policy guidance to address the issue of housing affordability and diverse housing choices in Louisville; and

WHEREAS, on April 11, 2024, the Louisville Planning Commission recommended that the Louisville City Council adopt the Louisville Housing Plan in the same form that accompanies this resolution; and

WHEREAS, City Council desires to adopt the Louisville Housing Plan as a guiding document to address housing affordability in Louisville.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. The City Council supports the Housing Goals of the Louisville Housing Plan:

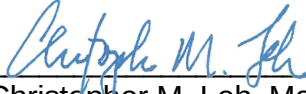
- Increase Residential Development Opportunities in Louisville
- Expand and Maintain Access to Affordable Housing
- Diversify Louisville’s Housing Stock

Section 2. The City Council supports the Housing Strategies and Actions of the Louisville Housing Plan:

- Targeted Policy and Zoning Code Amendments to Reduce Barriers for Residential Development
- Leverage Funding Opportunities and Partnerships to Support Income-Restricted Affordable Housing
- Comprehensive Policy and Zoning Code Amendments to Reduce Barriers for Residential Development and Allow More Diverse Housing Types

Section 3. The Louisville Housing Plan is hereby adopted in substantially the same form of such Plan that accompanies this Resolution.

PASSED AND ADOPTED this 7th day of May, 2024.



Christopher M. Leh, Mayor

ATTEST:



Meredyth Muth, City Clerk



City of Louisville

Housing Needs Assessment

August 2023

Prepared for: City of Louisville

Final Report

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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Executive Summary

The Boulder-Denver region has experienced a major influx of higher income earning households due to an increase in high-paying jobs at companies that have chosen to locate in and around Denver and Boulder. This trend has driven housing demand, and as cities across Colorado have fallen behind on housing development, affordability in many local communities has been compromised.

In 2021, the City of Louisville was awarded a grant through the HB 21-1271 Innovative Affordable Housing Strategies program by the Colorado Department of Local Affairs (DOLA). The City allocated the grant toward a Housing Plan to learn how these regional trends affect Louisville and to develop tailored strategies that enable affordable housing in the city. Once the Housing Plan is complete, it will play a crucial role in updating the citywide Comprehensive Plan, particularly related to the City's plans for housing and land use. The first step in creating a Housing Plan is a Housing Needs Assessment (HNA), which evaluates current and projected housing needs using a thorough analysis of the City's demographic and housing market trends. The insights from the assessment help to build a factual basis for the Housing Plan strategies.

This document is that first step. As an HNA, it helps answer questions about the current availability of different housing types, who lives and works in Louisville, and the range of housing needed to meet current and future housing needs. Answering these questions provides the foundation for a Housing Plan that not only meets the current and projected housing need for a growing population, but also facilitates the City's existing goals and policies to support an array of local businesses, create more stability and inclusivity for lower-income residents, and reduce the carbon footprint of residents and workers. Specifically, addressing housing affordability supports:

- The need to provide diverse housing opportunities, particularly for seniors, empty-nesters, disabled, renters, first-time homebuyers, and the support of retail and commercial centers serving local residents identified in the 2013 Comprehensive Plan
- The effectiveness of multimodal (bike, walk, public transit) options and the availability of higher-density housing along corridors identified in the 2019 Transportation Mater Plan
- The opportunity for homeowners to preserve existing housing stock by providing alternative development options identified in the 2015 Preservation Master Plan
- The desire to preserve downtown as a pedestrian-oriented and mixed-use area identified in the 1999 Downtown Framework Plan
- The expansion of housing options for diverse and low-income communities identified in the 2021 Equity, Diversity, and Inclusion (EDI) Task Force Report
- The goal of 12% of housing to be permanently affordable identified in the 2017 Boulder County regional Housing Strategy

- The reduction of greenhouse gas emissions through increasing transportation options and reducing vehicular traffic identified in the 2020 Sustainability Action Plan and the 2019 Resolution Setting Clean Energy and Carbon Emission Reduction Goals

A summary of existing and relevant goals and policies is included in the final section of this report. Along with the findings from this HNA, they will help guide the next stage of developing housing strategies.

A summary of the overall housing needs and data analysis findings from the HNA is provided below.

Summary of Housing Needs

In general, the city will need to prioritize diversifying its housing stock to adequately meet the needs of current and future residents and to support existing policy goals related to Equity, Diversity, and Inclusion (EDI), sustainability, support for workforce housing and local businesses, and housing for young families. Otherwise, the city will continue to become more unaffordable to the wide range of households necessary to maintain and strengthen a robust and resilient community.

Louisville's population is aging quickly compared to other cities and the city will need to prioritize safe and sustainable housing options for seniors. An aging population will need smaller units that meet accessibility standards, including single-story units or units with bedrooms located on the first level. Many seniors are also on fixed-incomes and as housing costs soar, seniors may struggle to afford housing within the communities they're connected to. Therefore, income-restricted housing for seniors will need to be a priority as well.

The HNA demonstrates a lack of housing opportunity for younger residents and families, including both rental and ownership options. Louisville has become less affordable for younger residents and families than in the past due to the sharp increase in housing costs throughout the region. To create more opportunity and meet their needs, the city will need to prioritize more multifamily rentals for young residents who either choose to live alone or for smaller households seeking more affordable rental options. Louisville will also need to plan for more attached and smaller detached units that are more affordable to first-time homebuyers and young families looking to locate in Louisville. More affordable homeownership opportunities could be created through stacked condominiums, plex development, townhomes, and small bungalows or cottages.

Income-restricted housing will be essential for creating and maintaining a more diverse and inclusive community. The housing market is less likely to deliver income-restricted housing given its inherent financial complexities and will require more direct support from the city than other housing types discussed. If income-restricted housing is not prioritized, lower income earners will likely continue to seek housing opportunities further away from Louisville as higher-income earners seek to locate in Louisville. Prioritizing income-restricted housing will not only help the city meet its current and future housing needs, it will also help the city achieve

established goals related to EDI and sustainability by creating more opportunity for a wider range of residents to live and work in the same place.

Louisville will need to plan for housing to support both the current and future workforce and a more vibrant commercial sector. Much of the housing needs identified in this section will help meet the needs of a diverse and growing local workforce, but it's important to acknowledge the critical need to ensure there are enough housing options for workers employed by local businesses but to retain and attract essential employees, such as teachers, healthcare professionals, and public servants, who contribute significantly to the community's well-being. Creating more housing near job opportunities can also greatly ease commute times and traffic congestion that can help advance the City's sustainability goals.

Louisville will need to identify housing strategies to address current unmet housing needs along with future housing needed for the next several decades.

- The results of the housing needs assessment show a gap at around 2,483 new housing units needed to address current housing underproduction and accommodate future population growth assumed to reach approximately 24,614 persons by 2047. On an annual basis this means an average of 96 housing units added per year through 2047.¹ This estimate helps to provide a general target for the number of housing units needed to meet existing and future demand for the next two decades.
- 1,171 of those housing units are needed for households earning below 100% of the Area Median Income (AMI).
- 409 units are needed to address current housing underproduction. ECONorthwest accounts for housing underproduction in the analysis of housing needs, which uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes.
- For Louisville's comprehensive planning horizon, the city will need to plan for an additional 1,100 units over the next 10 years to track towards housing needs.²

Housing needs in this analysis are based on assumed population growth, however future need is more nuanced and will continue to evolve as the city makes land use and housing policy decisions.

Data Analysis Key Findings

Community Demographics

Louisville grew at a moderate rate compared to other jurisdictions in Boulder County.

- The city grew by 13% between 2011-2021, just ahead of Boulder and Superior which are the two slowest growing cities in Boulder County. However, population estimates from

¹ Beginning in 2021.

² Including 2021 and 2022.

the State Department of Local Affairs showed that Louisville's population plateaued and began to decrease between 2018 and 2019 as housing growth slowed. This decrease has been exacerbated with the loss of 550 homes in the Marshall Fire at the end of 2021.

- Assuming Louisville maintains the current percentage of Boulder County's population (6.3%) as it grows, Louisville is expected to grow by 20% from 2023 to 2047, or by 4,115 residents.

Louisville has the highest median age when looking across comparison geographies in Boulder County and is aging faster than the County overall.

- The median age in Louisville is 43 years old, an increase of 4 years over the last 10 years.
- Residents 65 and older is the only age bracket that increased over the past decade in Louisville. All other age brackets declined.

Louisville is increasingly losing younger residents and families with children.

- The city experienced a decline in residents under the age of 44, including those under the age of 19.
- School enrollment has decreased for both elementary and middle schools in Louisville, indicating a decrease in younger families in the area.
- The number of couple households with children decreased by 3%, while the number of couple households without children increased by 2%.
- Overall, fewer younger individuals are moving into or staying in Louisville and rising housing costs are likely a major contributing factor.

Homeownership rates have fallen across Boulder County.

- In Louisville, the homeownership rate dropped by 5%, the second highest decrease behind Superior (10%)
- Homeownership rates for households between the ages of 15-34 decreased by 4% and by 7% for households between the ages 35-64.
- The number of family homeowner households decreased alongside an increase in family rental households. This could indicate that households who might have previously been able to purchase a home upon forming a larger household (e.g., getting married or having children) or getting older are no longer able to.

Renter household trends indicate an inability to live alone and increased barriers to homeownership in Louisville.

- The share of both renter and homeowners aged 15 to 34 living alone decreased, as did the share of homeowners aged 35 to 64. The decline in young individuals living alone and the rise in two-person households within the City may suggest that younger people are struggling to afford living on their own. This could mean many are opting to live together or moving back in with their parents.

- Household size has increased in Louisville, particularly for renter households. This relative increase in renter household size is likely a reflection of the increased cost of renting as a single person household, alongside increasing barriers to homeownership.
- The city experienced an increase in the number of family households that rent, which could indicate a lack of opportunity for homeownership for young families.

Louisville's saw the largest increase in median household income among comparison geographies over the last 10 years.

- Louisville is one of the highest earning cities in the county, with a median income of \$125,124.
- While all cities saw substantial increases in median income, Louisville saw the greatest increase with a 50% increase in median income.
- Louisville experienced a 17% increase in the share of households earning greater than \$200,000 annually. The influx of high earning households is most likely due to the immigration of wealthier households.
- The median income for homeowner households in Louisville is roughly twice the median income for renter households. With the exception of Boulder (which is likely impacted by the high share of university students), Louisville has the largest income gap between renter households and ownership households.
- The city experienced a decrease in the number of households earning \$75,000 annually, which could be caused by lower income households moving out of Louisville as housing and other living costs increase.

Employment and Commuting

Louisville could expect a 20% increase, or 3,963 jobs, over the next 10 years.³

- The manufacturing industry in Louisville increased by 8.4% between 2010-2020, while jobs in the information, administration, and finance industries (or more formal office-oriented jobs) declined, along with food service and retail.

Of comparison geographies, Louisville had the smallest share of workers who both live and work in the city.

- Approximately 64% of Louisville workers live outside of the city but commute into Louisville for work, while 32% of workers live in Louisville but commute to another location for work. Only 4% of workers both live and work in Louisville.
- The number of workers commuting *into* Louisville has increased by 58% over the past decade, which could indicate challenges for employees who work in Louisville to also live in Louisville.

³ Assuming the city maintains its current share of the total jobs in the Boulder Metropolitan Statistical Areas (MSAs).

- Of comparison geographies, workers commuting to Louisville for work the second longest commute (Boulder had the longest commute), with just over 15 miles. In general, long commutes can contribute to increased traffic congestion, leading to heightened fuel consumption and elevated greenhouse gas emissions. Additionally, longer commutes can also put additional financial pressure on households, as transportation is often the second highest household cost, behind housing.

Housing Stock and Market Trends

The housing stock has become more diverse since 2011 with an increase in multifamily housing units, but the majority of housing units in Louisville are single-family detached.

- The majority of housing in Louisville (67%) is detached single-family, the second highest share among comparison geographies, behind Erie (89%).

Housing production in Louisville slowed substantially over the last few years.

- Louisville is one of the slower growing geographies in the county, with an 11% growth of housing units from 2011 to 2021.
- The majority (70%) of housing permits issued in recent years have been for single family housing, primarily focused on rebuilding after the 2021 Marshall Fire.
- Residential development in Louisville declined substantially between 2018-2021. The sharp increase in units observed between 2022-2023 is almost entirely due to the permitted of replacement units from the Marshall Fire.

Louisville has the second highest average home sale price among comparison geographies, as well as the second highest rate of home sale price increase.

- As of 2023, Louisville had an average home sales price of \$831,000, second highest behind Boulder. The average home price in Louisville is about \$150,000 higher than the County overall.
- Between 2012 and 2023, the average home sale price in Louisville increased by about \$473,000, or 132%.

Rents prices increased moderately compared to other geographies in Boulder County, but still increased substantially.

- Like home sales prices, rent rates rose significantly across all geographies over the past decade. Multifamily rents in Louisville increased by \$721, or 58%, from 2012 to 2023.

Housing Affordability

Recent home sale prices are out of reach for the majority of Louisville households.

- A household would need to earn around 145% of the MFI, or around \$209,000 to afford the average home sales price in Louisville.

- Only 26% of Louisville households earn more than \$200,000 annually, suggesting at least 74% of Louisville households would not be able to afford the current average home sales price, with a much greater affordability gap for Louisville renters.

The rates of cost-burdened households in Louisville decreased over the last decade, but it is likely due to fewer lower-income households living in the city.

- Around 41% of Louisville renters and 16% of Louisville homeowners currently spend more than 30% of household income on housing expenses.
- Given the dramatic increase in housing costs over the past decade, it is likely because households that were cost-burdened (especially severely cost burdened) in 2011 were eventually priced out of the area and moved to areas with a lower cost of living and higher-earning households have moved into the area.

1. Introduction

In 2021, the City of Louisville was awarded a grant through the HB 21-1271 Innovative Affordable Housing Strategies program by the Colorado Department of Local Affairs. However, the project was delayed due to the devastating Marshall Fire that occurred in late December 2021. The City has allocated the funding to develop a housing plan, which will play a crucial role in updating the City's Comprehensive Plan and provide context for its Land Use Element during the upcoming comprehensive plan update. The approach for developing a housing plan begins with a Housing Needs Assessment (HNA) which evaluates the current and projected housing needs by conducting a thorough analysis of the City's demographic and housing market trends.

With a countywide objective of achieving a 12% permanently affordable housing stock, an ongoing disaster recovery, and an impending comprehensive plan update, the findings of this Housing Needs Assessment will play a pivotal role in informing crucial land use and housing policy decisions that will shape Louisville's future.

Data Collection & Methodology

In this assessment we drew from a variety of data sources to compile a comprehensive understanding of Louisville's housing needs. One of the key sources for housing and household data is the US Census Bureau, specifically the 2021 American Community Survey 5-year estimates. This assessment also leverages other publicly available data sources from federal, state, and local government resources as well as private sources such as Redfin and CoStar.

Trends identified in this report may be attributed to several factors, either individually or collectively. Where possible, this HNA identifies potential contributing factors to the trend.

Organization of this Report

The remainder of this document is organized into the following sections:

- **2. Community Profile** presents community demographic information, including population growth, demographic information, household characteristics, and income distribution that affect housing choice and needs in Louisville.
- **3. Housing Characteristics** presents the current mix of housing types, housing tenure, vacancy rates, and summarizes regional and local housing market trends affecting Louisville's housing market.
- **4. Marshall Fire Recovery** discusses the progress and ongoing efforts of rebuilding Louisville's housing stock destroyed in the 2021 Marshall Fire.
- **5. Housing Needs in Louisville** presents the forecast for housing growth in Louisville and the housing needed to accommodate future residents.
- **6. Summary of Existing Housing Goals and Policies** includes a summary of key housing goals and policies documented within the city's existing policy documents.

2. Community Profile

The purpose of this chapter is to understand the community demographic trends and factors that will affect housing demand and development in the City of Louisville. These demographic factors include:

- Population Growth
- Demographic Information
- Household Characteristics
- Employment and Commuting

This information informs how Louisville's existing housing stock and housing market is serving or not serving the City's households. In addition, City staff identified comparable geographies to use in our analysis to understand Louisville in a more regional context, including Boulder County, Boulder (City), Superior, Erie, Longmont, and Lafayette.

Population Growth and Forecast

Population growth and household formation are the major factors in understanding housing demand. The rate of population growth and household characteristics heavily influence the demand for specific housing types.

Population Growth

Louisville is the second smallest of comparison cities on a population basis. As of 2021, Louisville had 20,855 residents, representing 6.3% of Boulder County's overall population.

Exhibit 1: Population, Louisville and Comparison Geographies, 2021

Source: Colorado Department of Local Affairs

13,053	20,855	31,035	31,303	99,414	106,978	329,793
Superior	Louisville	Lafayette	Erie	Longmont	Boulder	Boulder County

Exhibit 2 shows the change in population from 2011 to 2021. Over the time period, Louisville grew by just under 2,500 residents, or 13%. Of comparison cities, Erie grew at the fastest rate (70%), and Superior grew by the slowest (4%).

Exhibit 2: Change in Population, Louisville and Comparison Geographies, 2010-2021

Source: Colorado Department of Local Affairs

	2011	2021	# Change	% Change
Erie	18,432	31,303	12,871	70%
Lafayette	24,545	31,035	6,490	26%
Longmont	86,526	99,414	12,888	15%
Louisville	18,406	20,855	2,449	13%
Boulder County	295,605	329,793	34,188	12%
Boulder	97,901	106,978	9,077	9%
Superior	12,497	13,053	556	4%

Note: The Colorado State Demography Office will release 2022 estimates in the coming months which will show a decrease in Louisville's population, likely due to the Marshall Fire. The estimate is expected to show Louisville falling below 20,000 residents.

Population Forecast

The Colorado Department of Local Affairs does not provide local population forecasts for cities and towns, only for counties. ECONorthwest developed a population forecast based on the Boulder County's population forecast of 389,233 residents. Assuming Louisville maintains the current percentage of Boulder County's population (6.3%) as it grows, Louisville is expected to grow by 20% from 2023 to 2047, a slightly higher rate than the County overall (17%).⁴ ECONorthwest's population projection for Louisville is shown below in Exhibit 3, along with DOLA's population forecast for Boulder County.

Exhibit 3: Population Forecast, Louisville and Boulder County, 2023-2047

Source: Colorado Department of Local Affairs, ECONorthwest

	2023	2047	# Change	% Change
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⁴ Due to data availability (DOLA only calculates forecasts at the county level), ECONorthwest calculated the Louisville's 2047 forecast using 2047 county population estimates and the Louisville's current share of the county population.

Louisville	20,499	24,614	4,115	20%
Boulder County	331,429	389,233	57,804	17%

Demographic Information

Demographic information can be an indicator of a city's overall population trends; in this report, ECONorthwest uses 2021 5-year American Community Survey (ACS) data, the most current data available. The analysis also often includes 2011 5-year ACS data to illustrate trends over time. Key findings include:

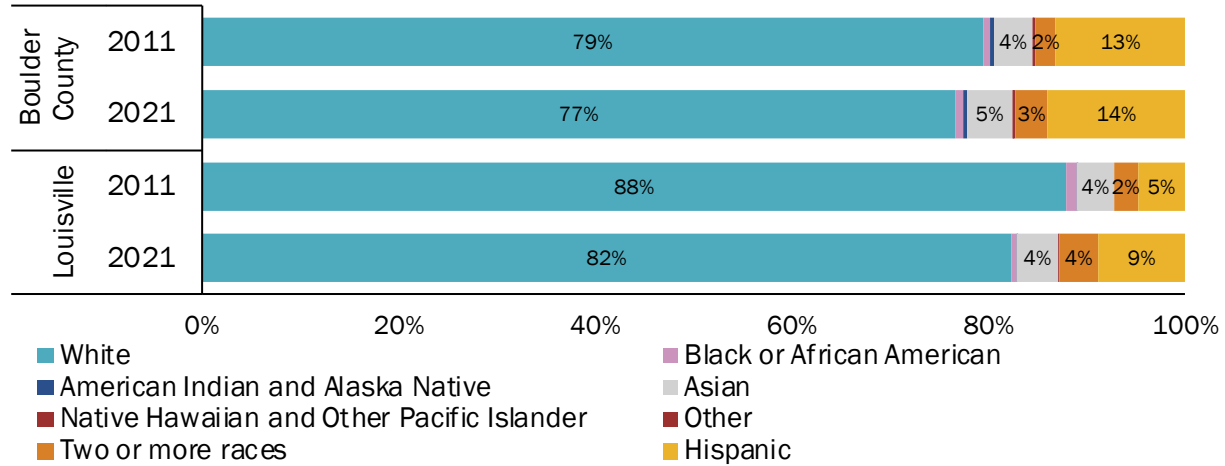
- Louisville has the highest median age when looking across comparison geographies and is aging faster than the County overall.
- Fewer younger individuals are moving into or staying in Louisville and rising housing costs are likely a major contributing factor.
- Residents 65 and older is the only age bracket that increased over the past decade in Louisville. All other age brackets declined. Older residents without affordable or suitable options for downsizing or aging in place can contribute to a limited housing stock, as more residents remain in their homes for longer periods of time. This can limit the ability for younger age groups to find suitable or affordable housing options if new opportunities are not created.
- School enrollment has decreased for both elementary and middle schools in Louisville, also indicating a decrease in younger families in the area.

Race and Ethnicity

Exhibit 4 shows the change in distribution of residents by race and ethnicity from 2011 to 2021. In both Louisville and Boulder County, the majority of the population is White, with 82% identifying as White in Louisville and 77% in the County overall. However, both jurisdictions became more racially and ethnically diverse between 2011 and 2021. Notably, Louisville saw a 4% increase in its Hispanic population over the time period.

Exhibit 4: Race and Ethnicity Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Age

Households make different housing choices at different stages of life to fit their changing needs; for example, the type of housing needed for a 20-year-old college student or young worker differs from that of a 40-year-old parent with children, or an 80-year-old single adult. Below, Exhibit 5 shows the median age in 2021 for Louisville and comparison geographies. Of comparison cities, Louisville has the highest median age of 43, six years older than the County overall. With Boulder as the exception, all comparison geographies have a median age in either late thirties or early forties.

Exhibit 5: Median Age, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

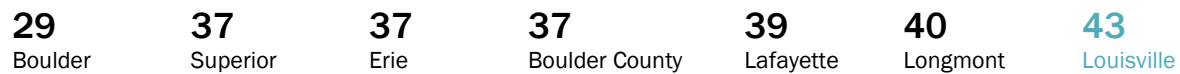


Exhibit 6 shows the change in median age from 2011 to 2021 for Louisville and comparison geographies. From 2011 to 2021, Louisville's median age increased by four years.

Exhibit 6: Change in Median Age, Louisville and Comparison Geographies, 2011-2021

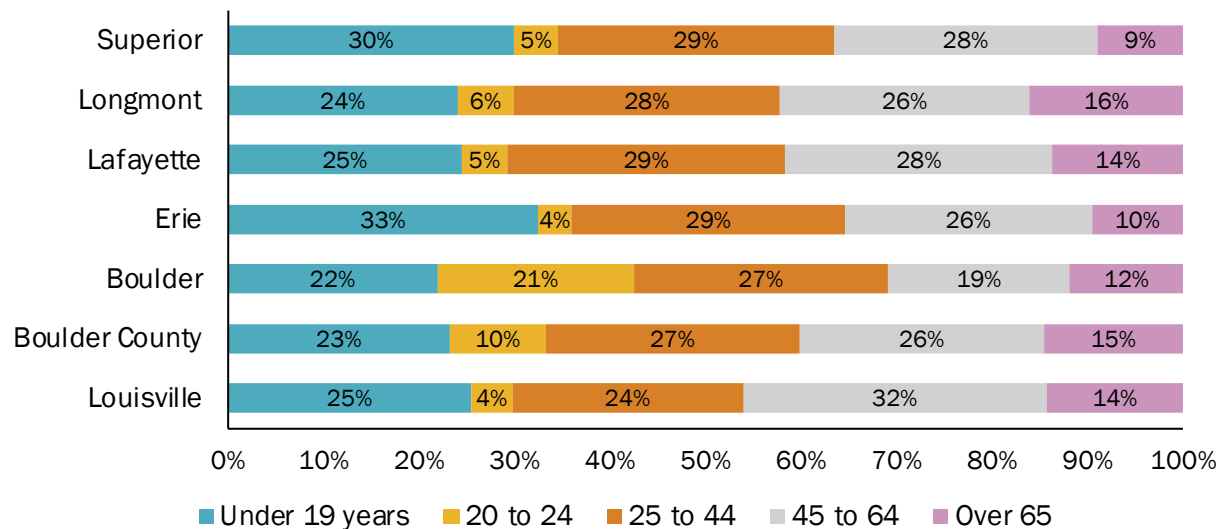
Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	Change
Longmont	35	40	5 years
Louisville	39	43	4 years
Superior	33	37	4 years
Lafayette	37	39	2 years
Boulder County	36	37	1 year
Erie	36	37	1 year
Boulder	29	29	No change

Exhibit 7 shows the distribution of age groups. Louisville has the highest share of residents aged 45 to 64 years old (32% of the population), and the lowest share of residents aged 25 to 44 (24%) when looking at comparison geographies.

Exhibit 7: Age Distribution, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

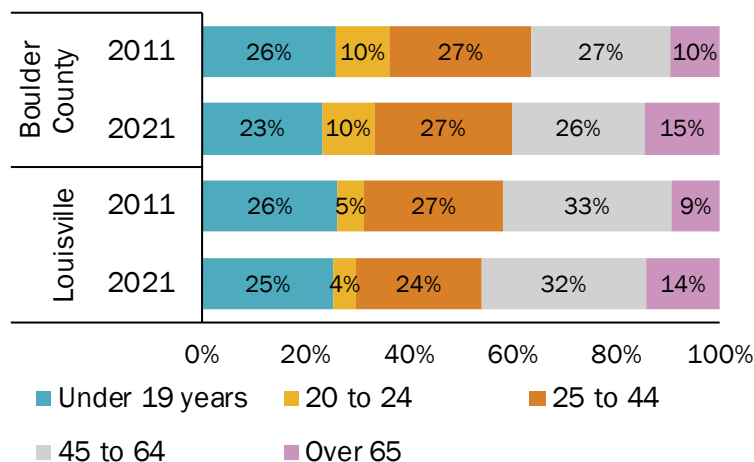


From 2011 to 2021, the share of all age groups under 65 years decreased in Louisville. Of these age groups, the share of residents aged 25 to 44 dropped the most, from 27% to 24% over the time period. Alternatively, the share of residents over the age of 65 increased by 5%.

Age distribution trends are similar for the County overall, with a slightly larger decrease in the number of children (3%) than in Louisville (1%).

Exhibit 8: Change in Age Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Louisville, like comparison geographies, still has numerous families or households with children residing in the city, as indicated by the number of residents under the age of 19. However, there seems to be a lower influx or retention of younger individuals in Louisville, which is evident in the decline of all age groups below 65. This trend can potentially be attributed to the increasing housing costs, making it more challenging for younger people to afford housing in Louisville. This pattern is also consistent in increasingly high cost Western communities that have seen rapid regional population growth but have seen underproduction of housing at needed income levels.

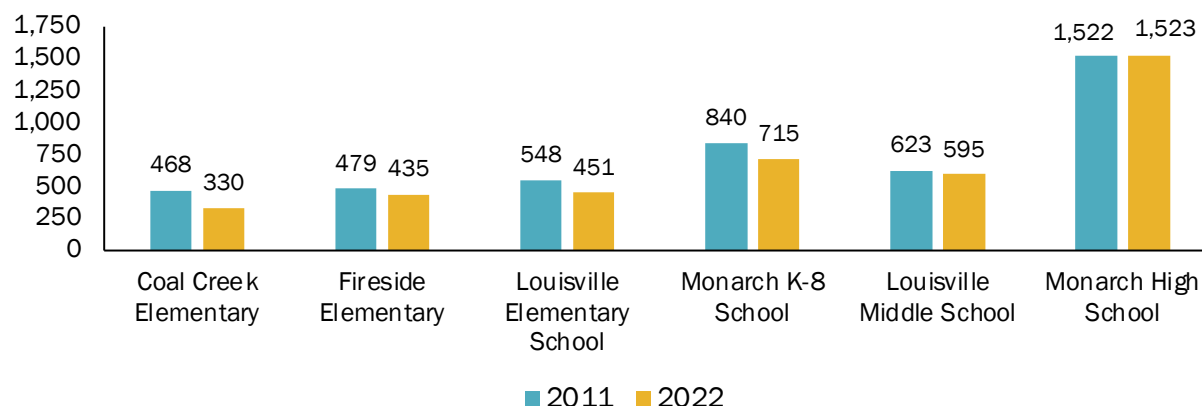
School Enrollment

Exhibit 9 shows the number of students enrolled in Louisville schools for the 2011-2012 and 2022-2023 school years. Enrollment dropped for all schools except for Monarch High School, which also suggests that younger families with elementary aged children are less prevalent in the City. This trend may be attributed to several factors, including a decline in young families settling in Louisville, or a lower number of households choosing to have children.⁵ However, when looking across the demographic and affordability trends throughout the HNA, it's more than likely related to fewer younger families who are able to locate in Louisville and Boulder County overall.

⁵ According to the [Colorado Fertility: Recent Trends and Expectations of Change \(DOLA, 2017\)](#) Colorado also has one of the strongest declines in fertility rates in the nation post-2007. A Colorado Department of Local Affairs (DOLA) report attributes the decline to a major investment into family planning services, high unemployment during the 2008 recession, and women delaying childbirth to pursue education.

Exhibit 9: School Enrollment for Louisville Schools, 2011-2022

Source: Colorado Department of Education



Household Characteristics

Household characteristics such as whether a household owns their home, average household size, and household living arrangement trends can highlight a city's changing housing needs. Key findings include:

- Homeownership rates have fallen across Boulder County, indicating limited new homeownership opportunities, particularly for young families.
- Household size has increased in Louisville, particularly for renter households. This relative increase in renter household size is likely a reflection of the increased cost of renting as a single person household, alongside increasing barriers to homeownership.
- The number of family homeowner households decreased alongside an increase in family rental households. This could indicate that households who might have previously been able to purchase a home upon forming a larger household (e.g., getting married or having children) or getting older are no longer able to.

Tenure

Household tenure refers to whether or not a household rents or owns their home. In Louisville, the majority (68%) of households own their homes, a slightly higher rate than Boulder County overall (63% of households). Of comparison cities, Erie has the highest rate of homeownership (86%), and Boulder has the lowest (48%). While the majority of households own their homes in Louisville, there are still a large number of renter households in the City, with approximately 2,700 renter households and 5,700 homeowner households.

Exhibit 10: Housing Tenure, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

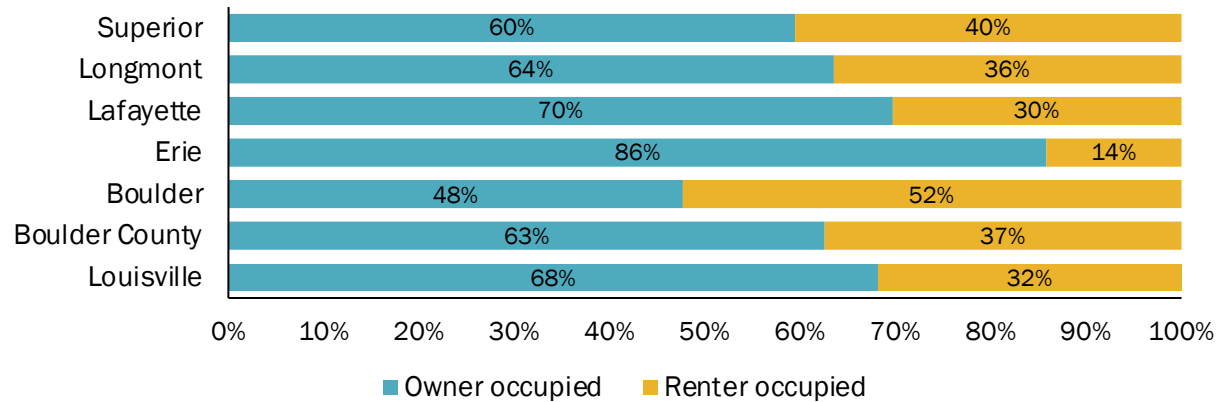


Exhibit 11 shows the change in household tenure from 2011 to 2021. Across all comparison geographies, homeownership rates only increased in Longmont. In Louisville, the homeownership rate dropped by 5% over the time period, the second highest decrease behind Superior (10%). In the County overall, the homeownership rate decreased by 1%.

Exhibit 11: Change in Household Tenure, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

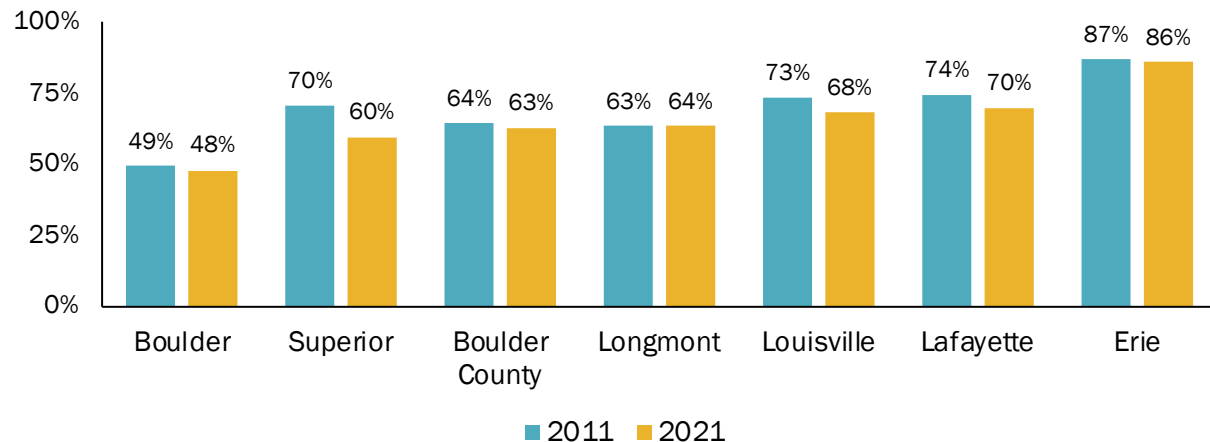
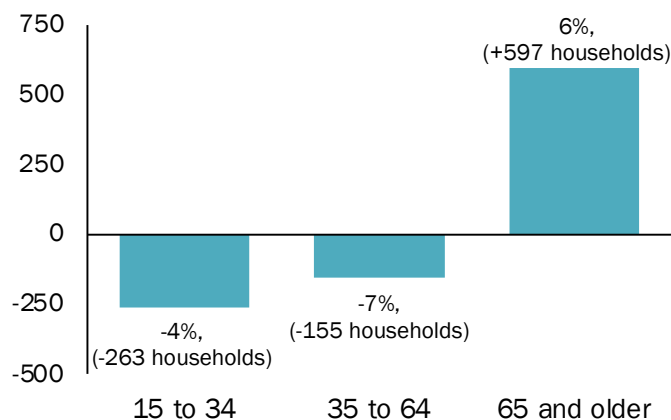


Exhibit 12 shows the change in homeownership rates by age group in Louisville. From 2011 to 2021, the share of households aged 15 to 34 that own a home decreased by 4%, the share of homeowners aged 35 to 64 decreased 7%, and the share of homeowners aged 65 and older increased 6%. This could indicate that those who purchased their homes many years ago are aging in place, and there are fewer new homeownership opportunities in the City.

Exhibit 12: Change in Homeownership Rate by Age, Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Average Household Size

Household size is an important indicator for the types of housing needed in a region. Smaller households, such as those of younger or older adults, may prefer living in middle or multifamily housing given their small size and relative affordability, indicating a need for middle and multifamily housing, while larger households with children or extended families cohabitating may be more comfortable in larger single-family dwellings.

Exhibit 13 shows the average household size for Louisville and comparison geographies as of 2021. Louisville has an average household size of 2.5 members, a similar average household size as Longmont, and a slightly higher than that of the County.

Exhibit 13: Average Household Size, Boulder and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

2.21	2.41	2.41	2.50	2.50	2.85	2.97
Boulder	Lafayette	Boulder County	Louisville	Longmont	Superior	Erie

Exhibit 14 shows the change in average household size from 2011 to 2021. Over the time period, the average household size remained relatively stable in both Louisville and the County overall, but the average household size in Louisville did increase by 2.9%. Of comparison cities, Boulder City, Erie, and Superior experienced an increase in average household size, while Lafayette and Longmont experienced a decrease.

Exhibit 14: Change in Average Household Size, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

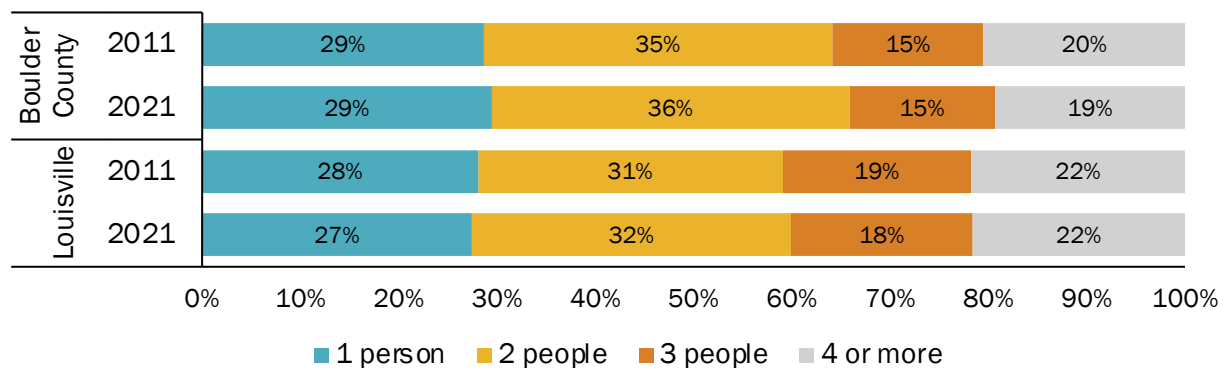
	2011	2021	% Change
Superior	2.71	2.85	5.2%
Louisville	2.43	2.50	2.9%

Boulder	2.17	2.21	1.8%
Boulder County	2.39	2.41	0.8%
Erie	2.95	2.97	0.7%
Longmont	2.59	2.50	-3.5%
Lafayette	2.50	2.41	-3.6%

Exhibit 15 shows the change in household size distribution from 2011 to 2021 for Louisville and Boulder County. In both jurisdictions, the distribution is fairly evenly distributed and remained relatively stable over the time period. In both areas, the most common household size is two-member households (32% of Louisville households), followed by one-member households (27% of Louisville households).

Exhibit 15: Change in Household Size Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Household Size by Tenure

In Louisville, ownership households tend to be larger than renter households; the average ownership household size is 2.75 members, and the average renter household size is 1.95 members. From 2011 to 2021, the average renter household size increased by 0.24 members, whereas ownership households increased by only 0.07 members. Overall, the average household size increased by 2.9%.

Exhibit 16: Change in Household Size by Tenure, Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2017-2021

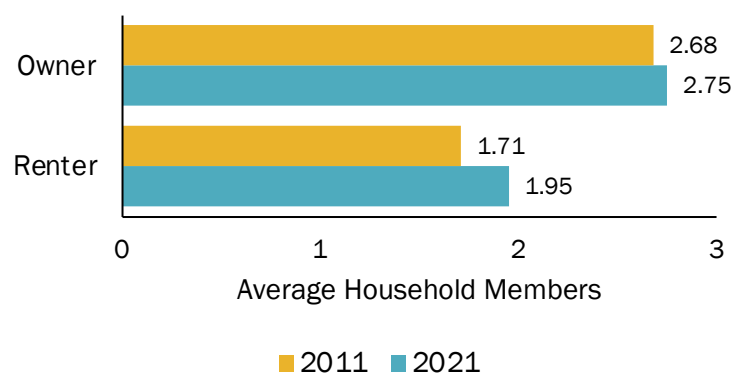
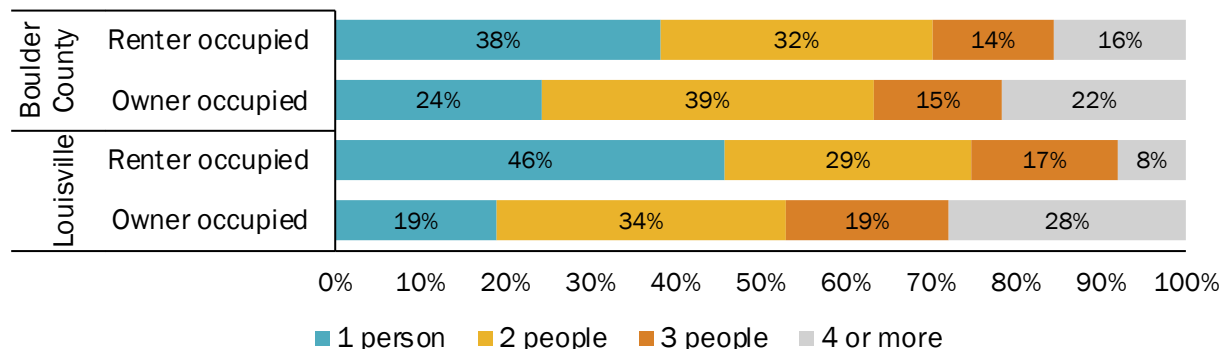


Exhibit 17 shows the distribution of household sizes by household tenure. Among renter households in Louisville, 46% of tenants live alone, and 29% are households with two members.

Owner occupied housing is more evenly distributed, and 48% of households have at least three members.

Exhibit 17: Household Size by Tenure, Louisville and Boulder County, 2021

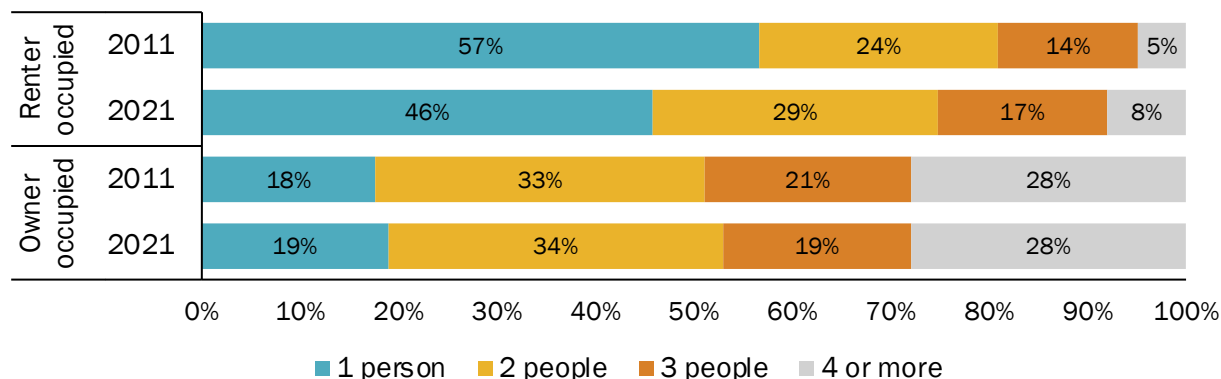
Source: ACS 5-Year Data Tables, 2017-2021



From 2011 to 2021, the share of renters in one-person households in Louisville decreased by 11%, whereas the share of renters in two-person households increased by 5% and the share of renters in three- and four-member-or-larger households increased by 3% each. In contrast, the distribution of household sizes among owner occupied households remained relatively stable over the time period. This relative increase in renter household size is likely because of the increased cost of renting as a single person household alongside increasing barriers to homeownership for newly formed households.

Exhibit 18: Change in Household Size by Tenure, Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Living Arrangement

Exhibit 19 shows the distribution of living arrangements for households in Louisville and comparison geographies. The largest share of households are couples living without children (33% of households), likely empty nesters given the increase in the City's median age in recent years. Roughly 32% of households have children living with either one or two parents (25% of households are couples with children, and 7% are single parent households), a slightly higher share of households than the County overall. However, given declining school enrollment rates,

it is likely that households with children have older teenage children, rather than elementary or middle school age.

Compared to other Boulder County cities, when looking at the distribution of living arrangements, Louisville is more similar to Longmont and Lafayette. Superior and Erie both have a higher share of couples with children, and a lower share of single-person households. Boulder City has a much higher share of householders living with roommates and householders living alone, likely due to students attending University of Colorado Boulder.

Exhibit 19: Living Arrangement, Louisville and Comparison Geographies, 2021

Source:

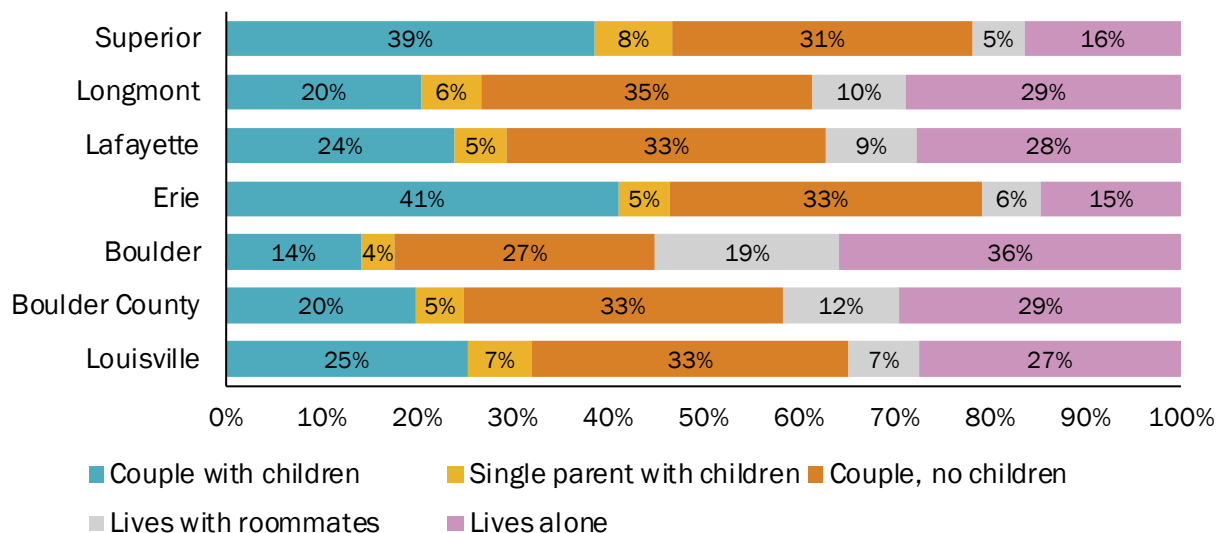
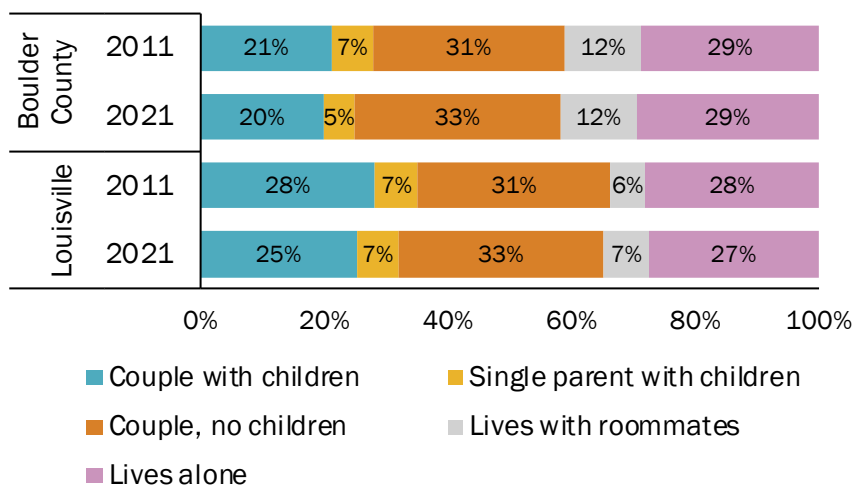


Exhibit 20 shows the change in the distribution of living arrangements from 2011 to 2021. In Louisville, the number of couple households with children decreased by 3%, while the number of couple households without children increased by 2%. Boulder County experienced a similar change over the time period.

Exhibit 20: Change in Living Arrangement Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Living Arrangement by Tenure and Age

Exhibit 21 shows the share of households by living arrangement and tenure for 2011 and 2021. Of ownership households, the largest change was a 6.4% decrease in the share of family homeowner households. This likely corresponds with the 5.9% increase in family renter households and could indicate homeownership attainability concerns for renters who may otherwise have been interested in purchasing a home prior to starting a family. Additionally, there was a small (1.4%) increase in homeowners living with roommates, which could indicate that young homeowners need additional income to support their mortgage payments. This could also indicate that adult children are either staying with or moving back in with their parents.

Exhibit 21: Living Arrangement by Tenure (Share of Total Households), Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

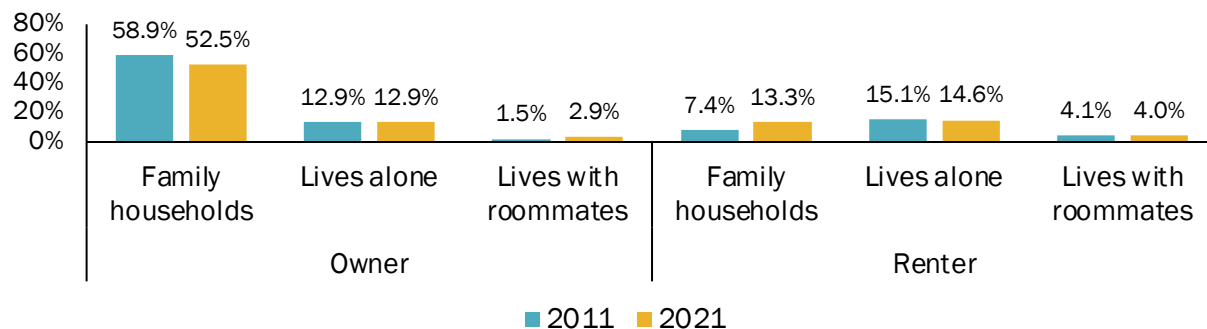
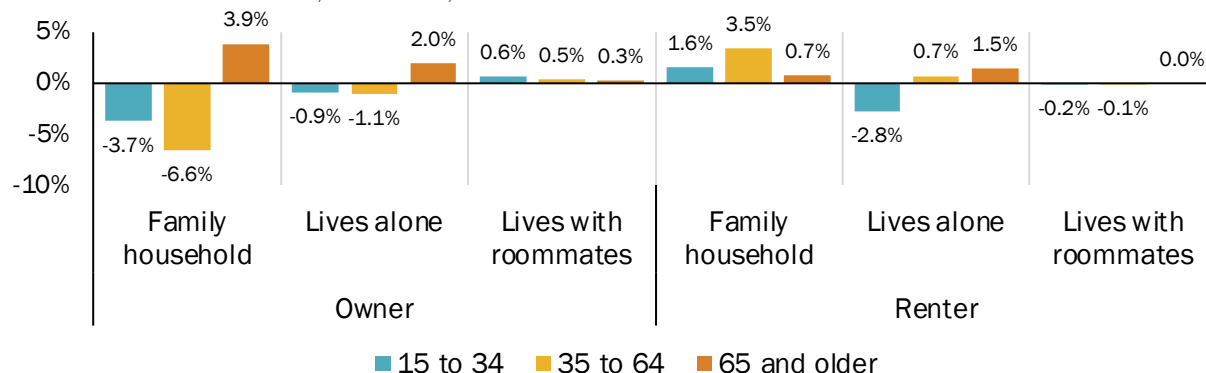


Exhibit 22 shows the change in the *share* of each group from 2011 to 2021 for the entire Louisville population. For example, the share of family households with a householder aged 15 to 34 years decreased from 6.5% of the population in 2011 to 2.8% of the population in 2021, a decrease of 3.7%. While there was a 3.9% increase in the share of homeowner families over 65, this is offset by a 3.7% decrease in homeowner families under 35, and a 6.6% decrease in homeowner families aged 35 to 64 (the total change in the share of homeowner families was a 6.4% decrease over the time period). Households aged 35 to 64 also made up the majority of the increase in family renter households, representing 3.5% of the overall 5.9% increase. Additionally, while the *overall* share of households living alone remained relatively constant, the share of both renter and homeowners aged 15 to 34 living alone decreased, as did the share of homeowners aged 35 to 64.

The increase in family households that rent could indicate a lack of opportunity for homeownership for young families. Additionally, the decline in young individuals living alone and the rise in two-person households within the City may suggest that younger people are struggling to afford living on their own. This could mean many are opting to live together or moving back in with their parents.

Exhibit 22: Change in Share of Living Arrangement by Tenure by Age of Householder (as a share of overall population), Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Income Distribution

Income is an important determinant of housing choice, influencing both the type of housing a household chooses (e.g., single-family detached, duplex, or a larger multifamily property) and household tenure (e.g., rent or own). Key findings include:

- Louisville is one of the highest earning cities in the county and has experienced a 50% increase in median household incomes since 2011.
- The number of high earning households in Louisville has increased significantly since 2011. Louisville experienced a 17% increase in the share of households earning greater than \$200,000 annually. The influx of high earning households could be due to the immigration of wealthier households, or due to wage increases for Louisville residents. High homeowner incomes can contribute to rising home sale prices in a city, contributing to an increasingly competitive housing market.
- The median income for homeowner households in Louisville is roughly twice the median income for renter households.
- The reduction in households earning less than \$75,000 annually could be caused by lower income households moving out of Louisville as housing and other living costs increase.

Median Household Income

As shown in Exhibit 23, the median household income for Louisville is just over \$125,000 annually.⁶ Louisville's median income is lower than Erie and Superior, but higher than Boulder, Lafayette, and Longmont. Of comparison cities, Erie has the highest median income, and

⁶ The census defines income as, "income received on a regular basis (exclusive of certain money receipts such as capital gains) before payments for personal income taxes, social security, union dues, Medicare deductions, etc. Therefore, money income does not reflect the fact that some families receive part of their income in the form of noncash benefits, such as food stamps, health benefits, subsidized housing."

Boulder has the lowest. Louisville's median income is around \$33,000 higher than that of Boulder County overall.

Exhibit 23: Household Median Income, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

\$74,902	\$83,104	\$92,466	\$95,033	\$125,124	\$131,757	\$140,409
Boulder	Longmont	Boulder County	Lafayette	Louisville	Superior	Erie

Exhibit 24 shows the change in median household income from 2011 to 2021. While all cities saw substantial increases in median income, Louisville saw the greatest increase with a 50% increase in median income, while Boulder County overall saw an increase of 39%.

Exhibit 24: Change in Median Household Income, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	% Change
Louisville	\$ 83,682	\$ 125,124	50%
Longmont	\$ 56,278	\$ 83,104	48%
Boulder County	\$ 66,479	\$ 92,466	39%
Boulder	\$ 54,051	\$ 74,902	39%
Lafayette	\$ 69,840	\$ 95,033	36%
Erie	\$ 103,698	\$ 140,409	35%
Superior	\$ 100,194	\$ 131,757	32%

Household Income Distribution

Exhibit 25 shows the distribution of household incomes in Louisville and Boulder County. Compared to the County, Louisville has a greater share of households in income categories of greater than \$100,000 annually. In both jurisdictions, the largest share of households earns at least \$200,000 annually (26% of Louisville households and 17% in the County). However, while Louisville has a relatively high share of high earning households, 30% of Louisville households earn less than \$75,000 annually.

Exhibit 25: Median Household Income Distribution, Louisville and Boulder County, 2021

Source: ACS 5-Year Data Tables, 2017-2021

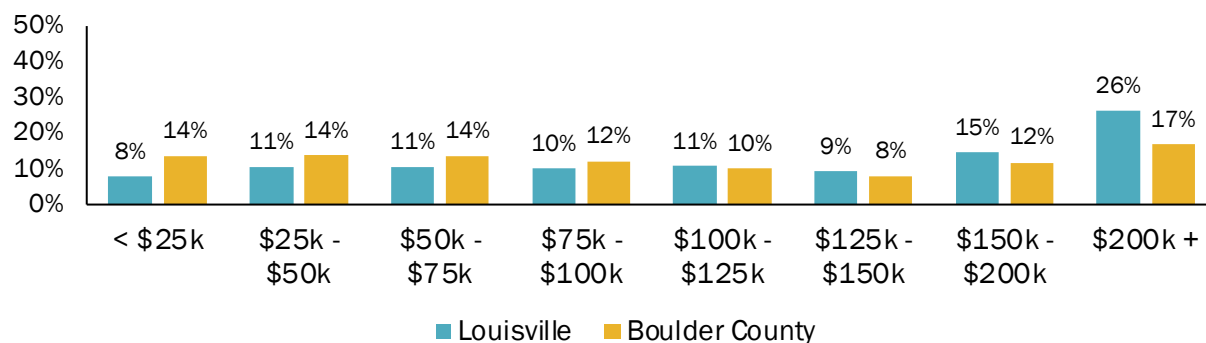
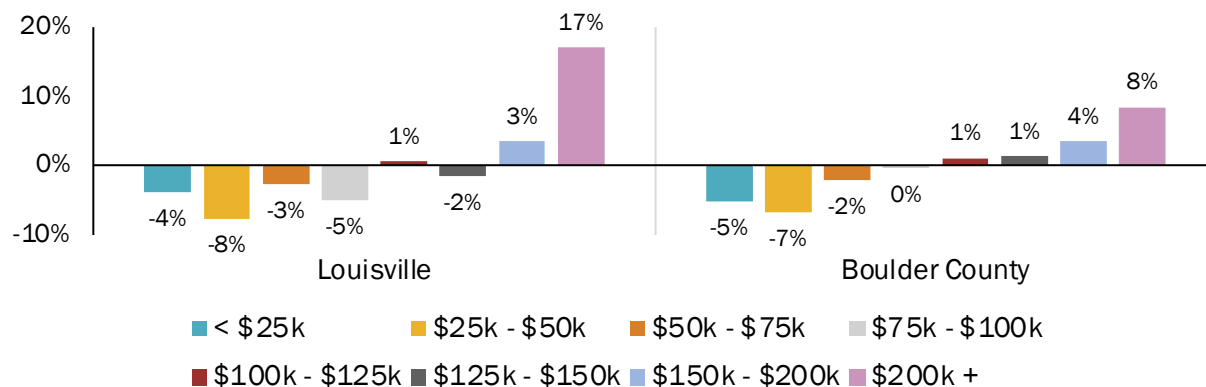


Exhibit 26 shows the change in the *share* of households in each income bracket from 2011 to 2021. For example, the share of Louisville households earning less than \$25,000 annually decreased by 4% between 2011 and 2021. Notably, Louisville experienced a substantial increase in the share of households earning greater than \$200,000 annually (a 17% increase). This income group also increased the most at the county level, with an 8% increase. At the same time, the number of households earning less than \$100,000 decreased by about 20% in Louisville.

Exhibit 26: Change in Median Household Income Distribution, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

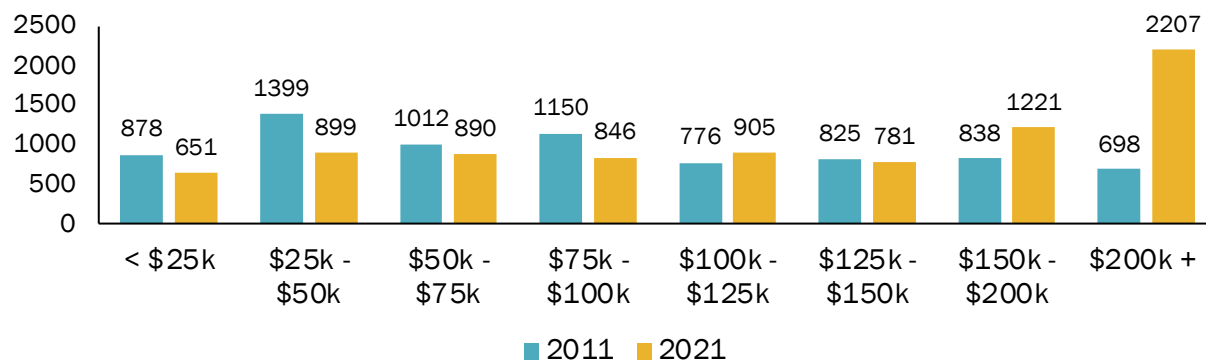


The influx of high earning households is most likely due to the in-migration of wealthier households. Exhibit 27 shows the nominal change in the number of households in each income category in Louisville from 2011 to 2021. As is also reflected in Exhibit 26 above, the number of households in all income groups under \$150,000 largely declined over the 10-year period, while the number of households earning more than \$200,000 annually increased by 1,509 households (or from 9% of households to 26%). There are a few possible explanations for this increase: first, wage increases, especially in response to an increased cost of living, increase in housing costs, and inflation, could have increased incomes for existing Louisville households. Second, it is possible that if adult children are moving back in with their parents, their incomes are contributing to higher household incomes. However, given the sharp increase in the number of very high-earning households, it is most likely that the main driver of this increase is wealthier households moving into Louisville. On the flipside, the reduction in households earning less than \$100,000 annually could be caused by lower income households moving out of Louisville.

as housing and other living costs, such as transportation, increase. Louisville also experienced a decrease in cost-burdening (discussed in more detail in more detail below), among owner and renter households, which should not be looked at as an increase in affordability given the degree at which housing costs in Louisville have increased. Rather, the decrease in cost-burdening again points to more lower-income households leaving the area and being replaced by more financially stable and higher-earning households.

Exhibit 27: Change in Median Household Income Distribution, Louisville, 2021

Source: ACS 5-Year Data Tables, 2017-2021

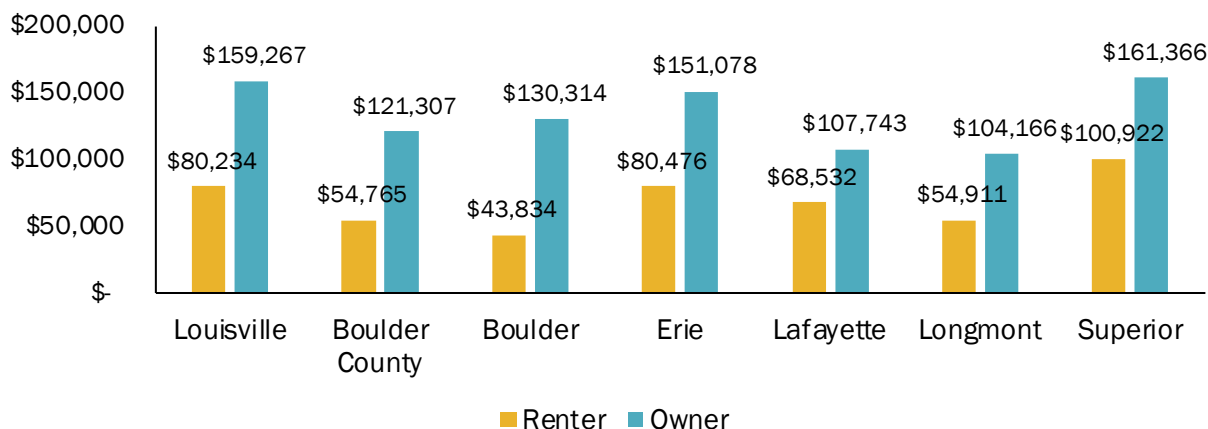


Household Income by Tenure

Across Boulder County, renter household incomes are significantly lower than ownership household incomes. In Louisville, the median homeowner income is roughly \$159,000 annually, nearly twice the renter median income of about \$80,000. With the exception of Boulder (which is likely impacted by the high share of university students), Louisville has the largest income gap between renter households and ownership households.

Exhibit 28: Median Household Incomes by Tenure, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021



High homeowner incomes can contribute to rising home sale prices in a city, further increasing the homeownership attainability gap for renters who might be interested in purchasing a home but do not have the funds to do so. In addition, high homeowner incomes can contribute an

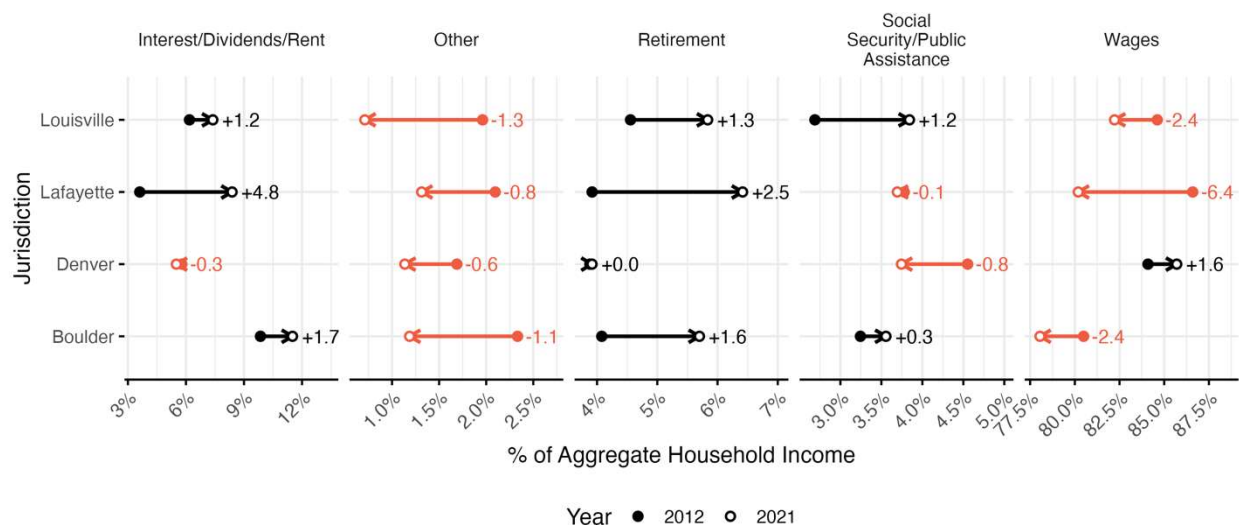
increasingly competitive housing market. Even if renter households have the ability to qualify for a mortgage, they may risk being outbid by wealthier homebuyers who can pay in cash or offer over the asking price. In addition to renters experiencing more instability in where live, homeownership is an important pathway to wealth accumulation and financial stability in the United States. Homeowners may benefit from property appreciation, mortgage interest deductions, and the ability to build equity, while renters miss out on these advantages.

Household Wages

Exhibit 29 shows the aggregate sources of *all income* in Louisville and comparison geographies from 2012 to 2021. Sources in income have shifted in Louisville as the share of older adults has increased, reflected in the increase in retirement and social security income in the City. In addition, the share of income from interest, dividends and rent increased, likely a reflection of the increase in older or higher income households that are more likely to earn income through investments. Because the share of these forms of income increased relative to income earned through wages, these findings corroborate other data suggesting a decrease in younger wage earners in the City. These income trends are also true for Lafayette and Boulder; in Denver, the share of wages increased relative to other forms of income.

Exhibit 29: Sources of Household Income

Source: ACS 5-year, 2011, 2021



Employment and Commuting

Understanding employment trends and commuting patterns can provide insights on the housing needs of workers today and into the future. Employment plays an important role in where people live, and it can influence where people move. If the data shows that many people are commuting into the city for work, it could indicate that the city does not have enough housing to accommodate its workforce or enough housing that meets their needs and affordability levels. Key findings include:

- Louisville could expect a 20% increase, or 3,963 jobs, over the next 10 years, assuming the city maintains its current share of the total jobs in the Boulder Metropolitan Statistical Areas (MSAs).
- The manufacturing industry in Louisville increased by 8.4% between 2010-2020, while jobs in the information, administration, and finance industries (or more formal office-oriented jobs) declined, along with food service and retail.
- Approximately 64% of Louisville workers live outside of the city but commute into Louisville for work, while 32% of workers live in Louisville but commute to another location for work. Only 4% of workers both live and work in Louisville.
- Of comparison geographies, Louisville had the smallest share of workers who both live and work in the city.
- The number of workers commuting *into* Louisville has increased by 58% over the past decade, which could indicate challenges for employees who work in Louisville to also live in Louisville.
- Of comparison geographies, workers commuting to Louisville for work the second longest commute (Boulder had the longest commute), with just over 15 miles.
- Affordability and/or available housing options in Louisville is likely a contributing factor to the increase in the number of workers commuting *into* the city, but not residing there, and in the longer commute times *to* Louisville compared to other geographies. Louisville workers commuting into the city may be struggling to find affordable or suitable options in the region in general, so they're forced to live further out where housing might be more affordable.
- In general, long commutes can contribute to increased traffic congestion, leading to heightened fuel consumption and elevated greenhouse gas emissions. Additionally, longer commutes can also put additional financial pressure on households, as transportation is often the second highest household cost, behind housing.

Employment Projections

The Colorado Department of Labor and Employment collects and publishes statewide occupation and wage data and for ten substate regions: seven Metropolitan Statistical Areas (MSAs) and three Balance of State (BOS) Areas. Louisville is included in the Boulder MSA.

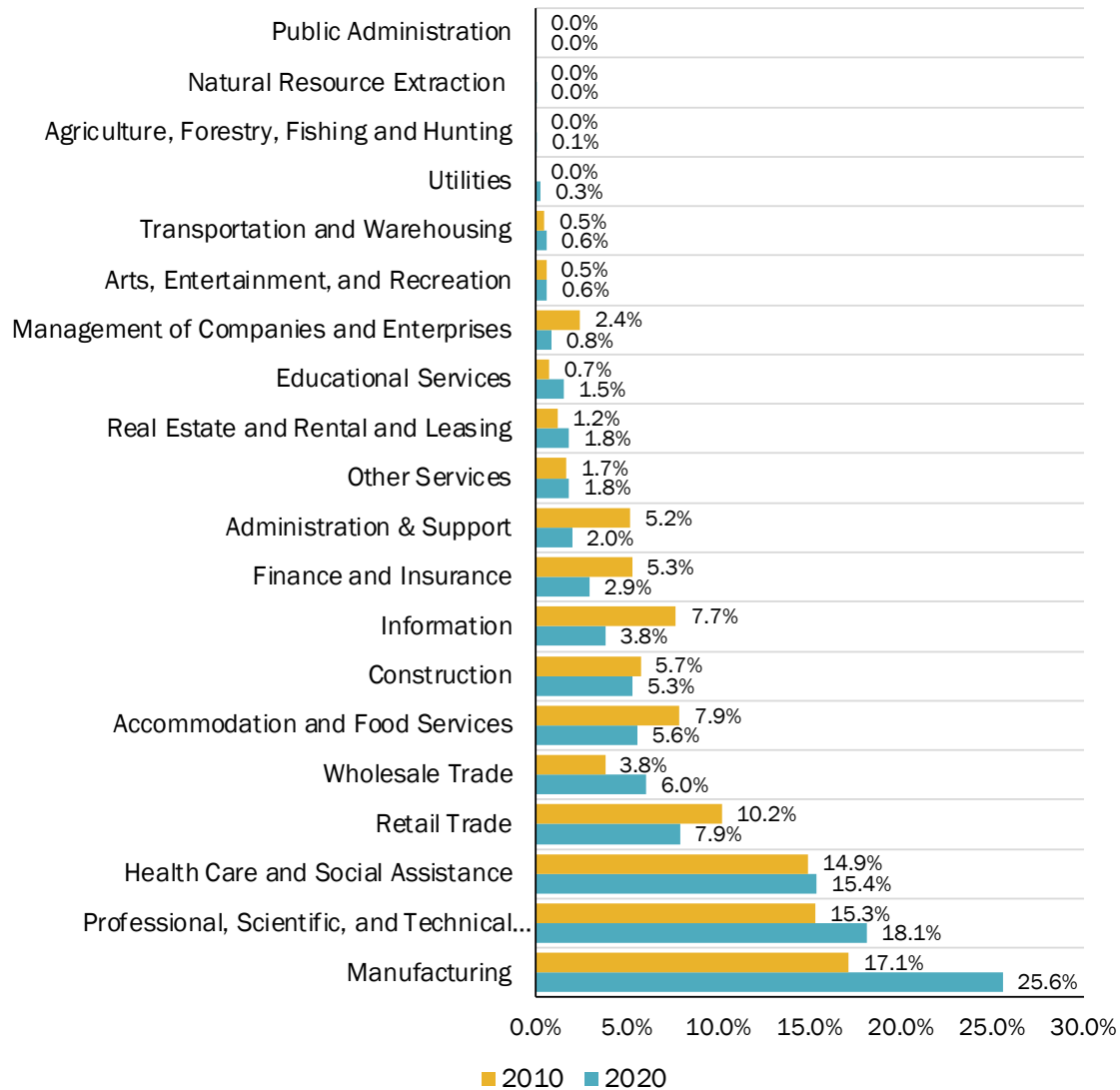
As of 2022, there were a total of 191,840 in the Boulder MSA. Louisville's share of employment within the Boulder MSA is about 9.9% or about 18,992 jobs. The labor department's most recent employment projection is through 2031, which assumes about 231,866 total jobs within the Boulder MSA, which represents an almost 21% increase over 10 years. Assuming Louisville maintains about 9.9% of total jobs in the MSA, the city is expected to have a total of about 22,955 jobs by 2031. This represents an increase of around 3,963 jobs, or a 20% increase.

Employment by Industry

Exhibit 30 shows the share of Louisville employees by industry from 2010 to 2020. Over the period, the share of employees in the Manufacturing industry increased by 8.4%, the largest change in any industry. The share of employees in the Professional, Scientific, and Technical Services industry and the Wholesale Trade industry also increased (2.8% and 2.3%, respectively). On the other hand, the share of employees decreased in the Information industry (-3.9%), Administration and Support (-3.2%), Finance and Insurance (-2.3%), Accommodation and Food Services (-2.3%), and Retail Trade industries (-2.3%). Manufacturing and wholesale trade industries often command larger amounts of land that results in low employment densities, relative to other more office or commercial uses. This will be an important factor to consider as Louisville envisions how it wants to grow during the comprehensive planning process.

Exhibit 30: Employment by Industry, Louisville, 2010-2020

Source: NAICS 2-digit employment; LODES; ECONorthwest

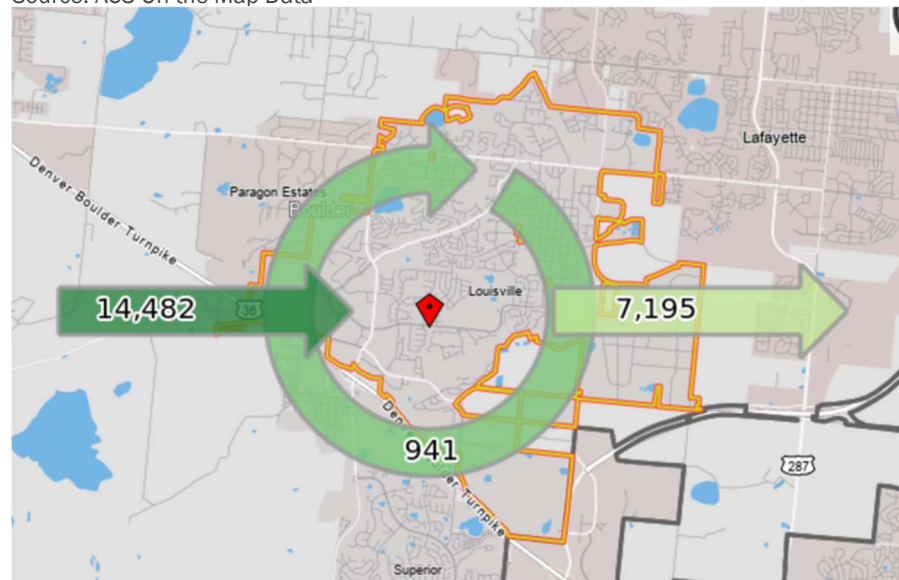


Commuting Patterns

According to ACS On the Map data, just under 14,500 workers live outside but commute into Louisville (64% of Louisville workers⁷). Just under 7,200, or 32% of workers, live in Louisville but commute to another location for work. Finally, 941 workers, or 4%, both live and work in Louisville.

Exhibit 31: Commuting Flows, Louisville, 2020

Source: ACS On the Map Data

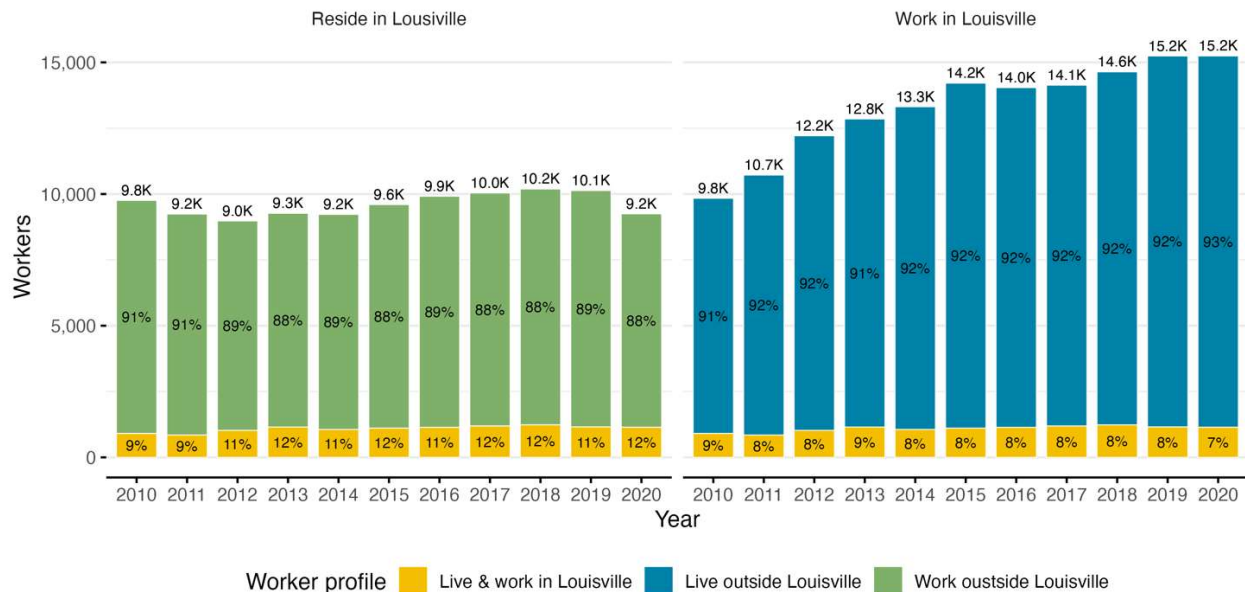


ECONorthwest also conducted additional research into commute flows over time for Louisville. According to ECONorthwest data, in 2020 approximately 8,100 workers live in Louisville but commute out, approximately 14,100 workers commute into Louisville, and roughly 1,100 workers both live and work in Louisville. Over time, the number of workers commuting out of Louisville has remained relatively stable, with a small drop of roughly 900 workers from 2019 to 2020 (around a 9% decrease). However, the number of workers commuting into Louisville has increased more substantially over the past decade, with an increase of roughly 5,200 commuters, or 58%, since 2010. Over the time period, the number of workers both living and working in Louisville increased by around 200 workers, or 25%.

⁷ Louisville workers” as referenced in this report refers to workers who commute into Louisville for work but live elsewhere, those that live in Louisville but work elsewhere, and those who both live and work in Louisville.

Exhibit 32: Trends in Commuting Flows, Louisville, 2010-2020

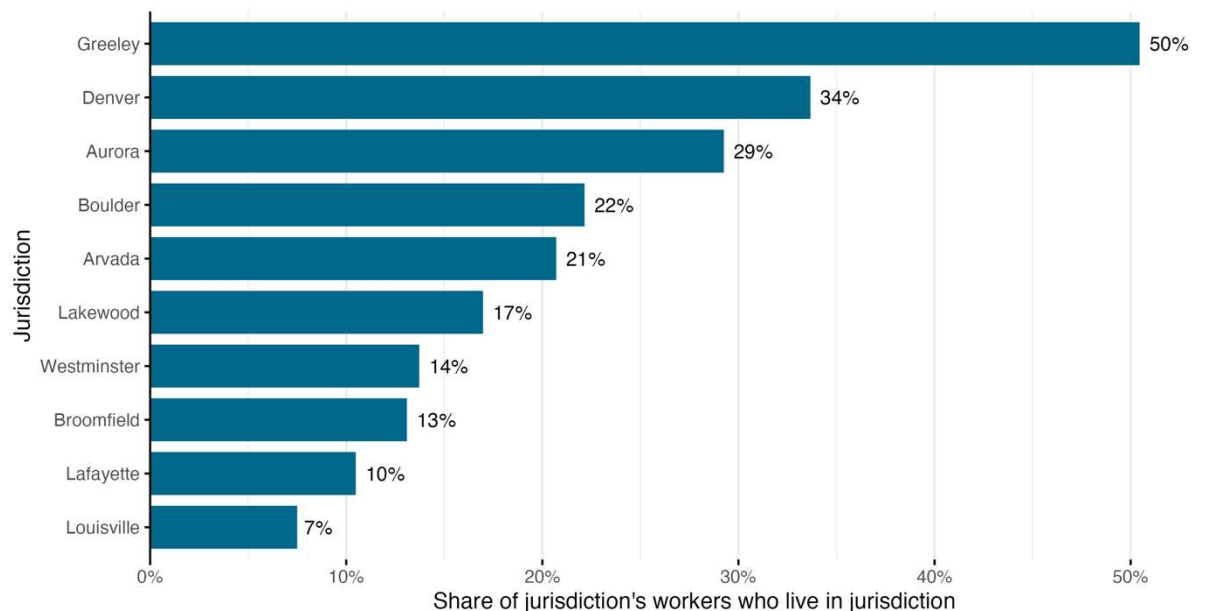
Source: LODS, 2010-2020



ECONorthwest also compared the share of workers who both live and work in a jurisdiction across Louisville and several other cities. Of comparison cities, Louisville had the smallest share of workers who both live and work in the City (7% of workers).

Exhibit 33: Share of Workers also Living in Jurisdiction, Louisville and Comparison Geographies, 2020

Source: LODS, 2010-2020

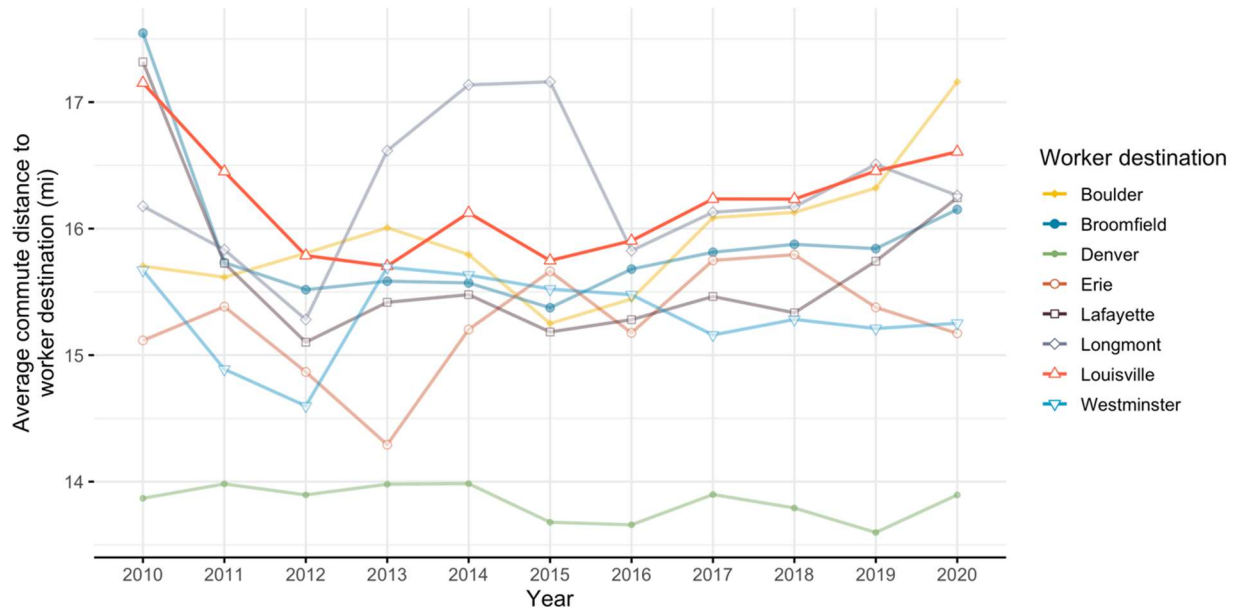


ECONorthwest also analyzed where workers are commuting to and from to get a sense of commute distances. For workers commuting into Louisville, the average commute distance was

just over 16.5 miles in 2020. Of analyzed cities, this is the second longest commute distance behind Boulder (just over 17 miles).⁸

Exhibit 34: Commute Distances, Workers Commuting to Louisville, Boulder, Denver, and Lafayette, 2010-2020

Source: LODS, 2010-2020



The presence of long commutes can indicate a lack of affordability within a city. When workers are unable to find affordable housing options near their workplace, they are forced to search for attainable housing farther away. This drives up the distance they need to travel daily, leading to longer commutes.

Long commutes can contribute to increased traffic congestion, leading to heightened fuel consumption and elevated greenhouse gas emissions. The constant flow of vehicles on congested roads can result in higher pollution levels and a greater carbon footprint. By reducing commute distances and providing attainable housing options near city centers, cities can effectively limit the need for extensive commuting, thus mitigating traffic congestion, reducing fuel consumption, and minimizing greenhouse gas emissions.

⁸ Commute distances shown are one-way. Commute *times* (time spent driving) can be difficult to accurately estimate because estimates are often based on local speed limits, which do not adequately capture variables like traffic congestion. Additionally, traffic congestion varies greatly by many variables as well like the time of year or time of day among other factors can greatly affect travel times and are difficult to pinpoint.

3. Housing Characteristics

This section provides an overview of housing trends in Louisville relative to Boulder County and other comparison geographies to better understand local market conditions and their implications. This section includes:

- An overview of existing housing stock, including total housing units, housing unit mix, vacancy rates, and affordable housing development.
- Residential development trends from City permit data.
- Housing market trends, including home sale and rental prices.
- Housing affordability trends, including financial attainability and cost burdening rates for renters and homeowners.

Existing Housing Stock

Key findings include:

- With the exception of Boulder, the majority of housing in Louisville and comparison geographies is single-family detached housing. However, the housing stock has become more diverse since 2011 with an increased in multifamily housing units.
- The majority of Louisville homeowners live in single-family detached units, while the majority of renters live in multifamily housing.
- From 2011 to 2021, the share of units labeled vacant due to being “for rent” increased by 58%, which could indicate that available rental stock is not attainable or appropriately sized for renter households in the area. The share of vacant units labeled as being vacant “for sale” dropped from 15% to zero, likely a reflection of a constrained housing market as median homeowner incomes increased over the time period.

Total Housing Units

As of 2021, Louisville had 8,665 housing units, representing just over 6% of total housing units in the County. Of comparison cities, Boulder has the highest number of housing units, representing roughly 33% of housing units in the County.

Exhibit 35: Total Housing Units, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

4,790	8,665	10,085	12,944	40,908	45,304	139,302
Superior	Louisville	Erie	Lafayette	Longmont	Boulder	Boulder County

Housing Unit Mix

As shown in Exhibit 36, the majority of housing in Louisville (67%) is detached single-family, the second highest share among comparison geographies, behind Erie (89%). Just above 20% of Louisville housing units are in a multifamily building with five or more units. Of comparison geographies, Erie has the lowest share of multifamily housing (1%) and Boulder has the highest (43%), likely due to the high concentration of students. Of remaining Louisville housing units, 9% are considered “plex housing”, referring to single family attached units up to fourplexes, and the remainder (2%) of housing units are mobile homes, manufactured housing, or “other” types of units. Of comparison geographies, Lafayette has the highest share of both plex housing units (22%), and of “mobile home or other” housing units (5%).

Exhibit 36: Housing Mix, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

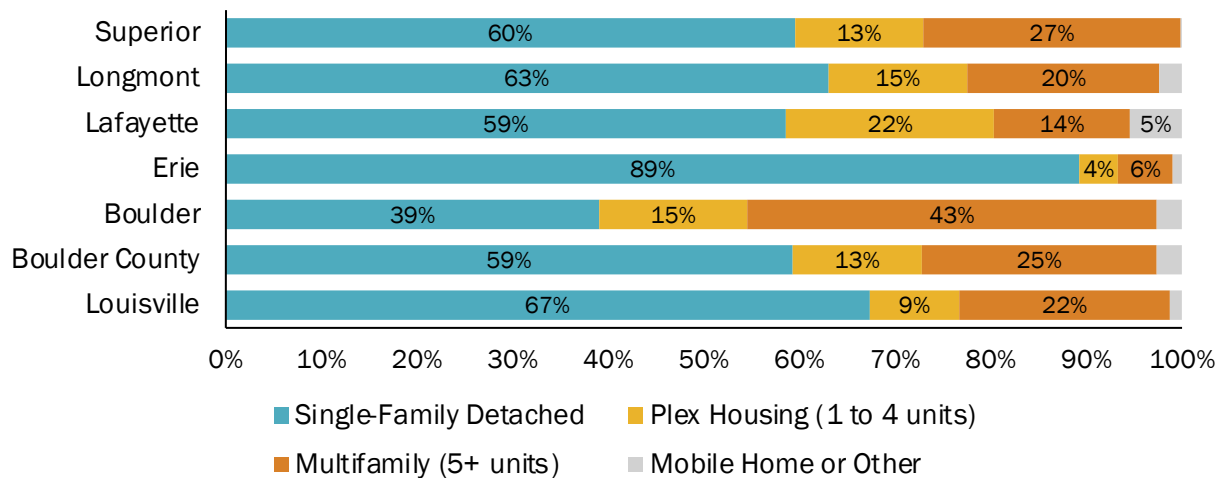


Exhibit 37 shows the change in housing mix distribution for the housing stock in Louisville and Boulder County. Between 2011 and 2021, both jurisdictions saw increases in the share of multifamily housing (from 18% to 22% in Louisville, and 22% to 25% in Boulder County), corresponding with a similar decrease in the share of single-detached units.

Exhibit 37: Change in Housing Mix, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

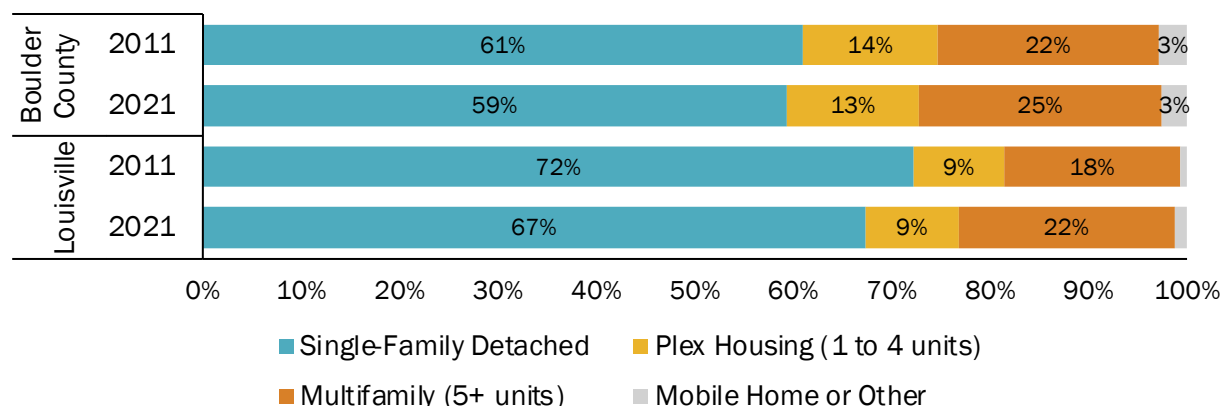


Exhibit 38 shows the nominal change in the number of each type of housing unit in Louisville over the time period. Multifamily housing added the greatest number of units, adding an additional 509 units, an increase of 37%.

Exhibit 38: Change in Housing Mix, Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	# Change	% Change
Single-Family Detached	5,614	5,833	219	4%
Plex Housing (1 to 4 units)	712	820	108	15%
Multifamily (5+ units)	1,394	1,903	509	37%
Mobile Home or Other	53	109	56	106%

Housing Tenure by Unit Type

Exhibit 39 provides a breakdown of housing tenure based on housing type in both Louisville and the County. Overall, the distribution of housing types in Louisville is similar to that of the County, with a smaller proportion of renters and homeowners living in plex housing. In Louisville, the majority of homeowners (88%) reside in single-family detached housing, while the majority of renters (57%) live in multifamily housing. Around 28% of renters in Louisville live in single-family units, which could indicate that renters who might otherwise purchase a single-family home (such as family renters) are unable to afford to do so. Additionally, only 7% of homeowners in Louisville live in plex housing, suggesting an opportunity to expand these types of housing to provide more affordable homeownership options in the city.

Exhibit 39: Housing Tenure by Housing Type, Louisville and Boulder County, 2021

Source: ACS 5-Year Data Tables, 2017-2021

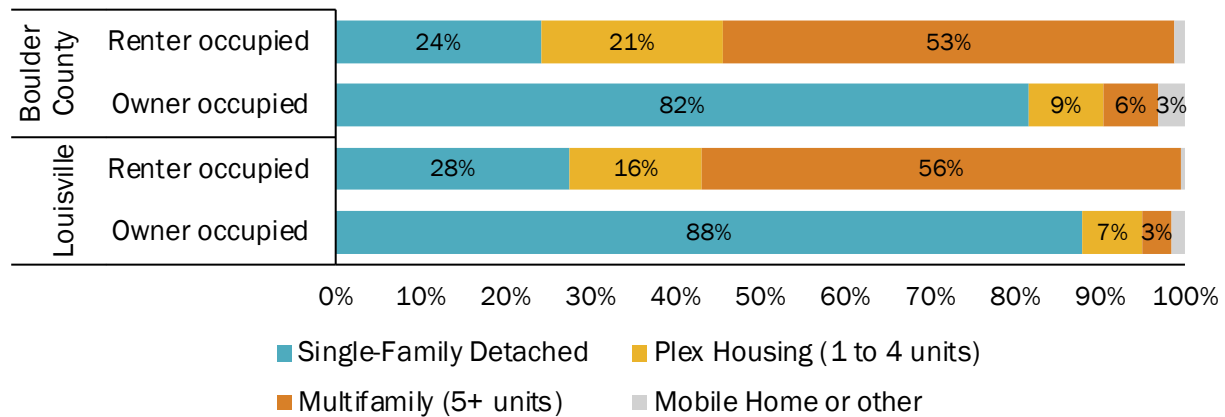
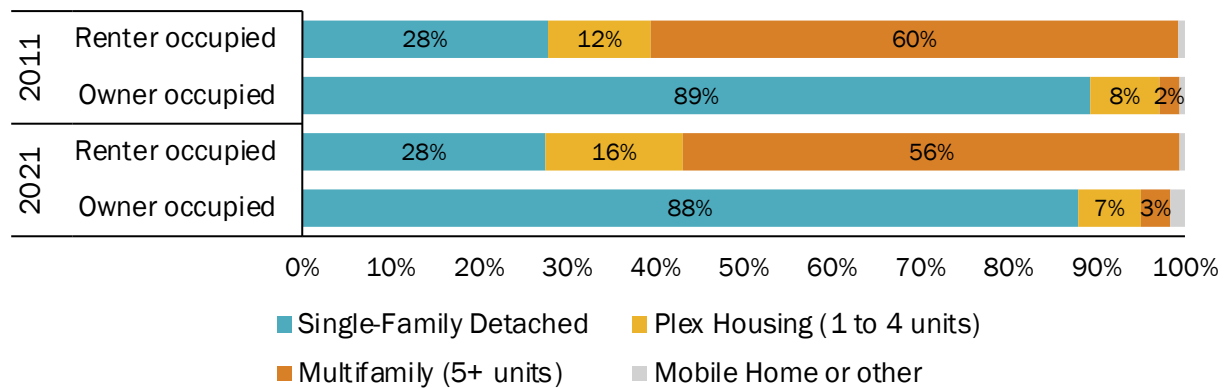


Exhibit 40 shows the change in household tenure by unit type for Louisville from 2011 to 2021. Tenure remained relatively consistent, with a slight increase (4%) in renters living in plex housing, matched by a similar decrease in renters living in multifamily housing.

Exhibit 40: Change in Household Tenure by Unit Type, Louisville, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

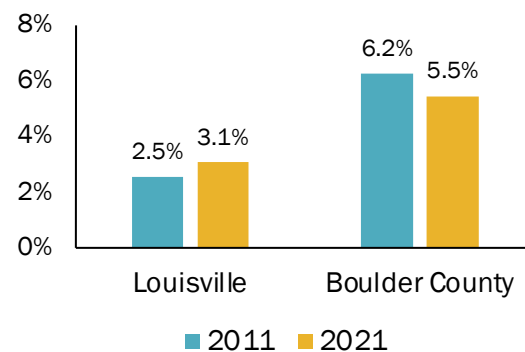


Vacancy Rates

The Census defines vacancy as "unoccupied housing units considered vacant". Vacancy status is determined by how the unit would likely be occupied, e.g., "for rent, for sale, or for seasonal use only." Vacancy rates are cyclical and represent the lag between demand and the market's response to demand for additional dwelling units. Vacancy rates for rental and multifamily units are typically higher than those for owner-occupied and single-family dwelling units. As of 2021, Louisville had 265 vacant housing units, representing 3.1% of the City's total housing stock.

Exhibit 41: Vacancy Rates, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



From 2011 to 2021, the share of units labeled vacant due to being "for rent" increased by 58%. High vacancy rates for rental units could indicate that available rental stock is not attainable for renter households in the area; it could also be mismatched in other ways, such as not being large enough for growing renter households. Over the same period, the share of vacant units labeled as being vacant "for sale" dropped from 15% to zero, likely a reflection of a constrained housing market as median homeowner incomes increased over the time period.

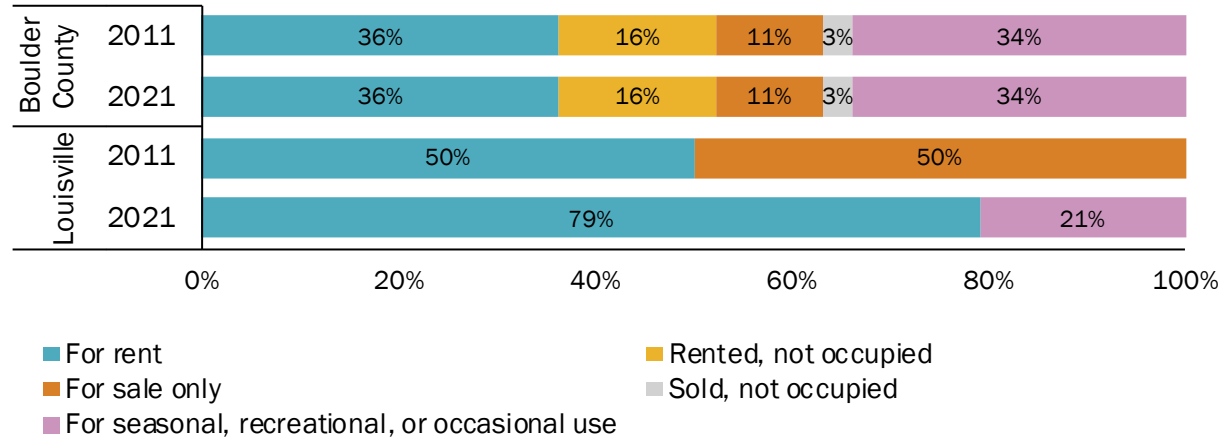
In 2021, of the vacant units reported, 19% of them were due to seasonal, recreational, or occasional use. While this data point is not comprehensive for understanding the intensity of short-term rentals or second and vacation homes, it can be used as an indicator for their presence in Louisville. Please note that while there were no units reported vacant for this reason in 2011, this is likely due to limited data availability rather than a reflection of the housing stock. Several smaller jurisdictions in the area (including Erie and Superior) reported zero vacant seasonal housing units until 2013, after which the share has remained relatively consistent.

Over the same time period, the share of vacant units labeled as "other vacant" in ACS data dropped by 63%. However, the Census changed how it collected its vacancy by reason data in 2012.⁹ Notably, it expanded its "other vacant" answer options in order to gather more detailed information, so it is possible that units marked "other vacant" in 2011 would have been classified differently in following years. For this reason, we have calculated the distribution of vacancy by reason in Exhibit 42 below excluding "other vacant" units.

⁹ <https://www.census.gov/housing/hvs/files/qtr113/PAA-poster.pdf>

Exhibit 42: Vacant Units by Reason (Excluding “Other Vacant”), Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



Income Restricted Housing Stock

An important component of any community’s housing inventory is the regulated affordable housing stock that is affordable to households earning lower incomes. Regulated affordable housing often has public funding that restricts the maximum incomes of the tenants or restricts the rents that can be charged to ensure that the housing is serving low-income households. This housing is sometimes referred to as government-assisted housing referencing the public funds for the property. These restrictions vary by the type of funding and the affordability level of the property, and typically have a limited duration, in which the property is affordable for a specified period of time. Louisville has 346 affordable units across several properties.

Exhibit 43: Affordable Housing Units, Louisville, 2023

Source: City of Louisville

Property Name	Affordable Units	Population Served	Affordability	Primary Funding Source
Acme Place	4		N/A	BCHA
Hillside Square	13		N/A	HUD PBV
Kestrel Mixed Age	129	Seniors	50% to 60% AMI	Tax Credit
Kestrel Senior Building	71	Seniors	50% to 60% AMI	Tax Credit
Lilac Place	12		N/A	BCHA
Lydia Morgan Senior Housing	30	Seniors	40% to 50% AMI	Tax Credit
Regal Court I	30		N/A	BCHA
Regal Court II	10		N/A	BCHA
Regal Square	30	Seniors	N/A	HUD MF
Sunnyside Place	17	Families	40% to 50% AMI	Tax Credit

Residential Development Trends

This section focuses on understanding trends in residential development over the last decade or so, using ACS data to look at the change in number of housing units compared to other geographies and city permit data to understand trends in the type of housing units developed.

Key findings include:

- Louisville is one of the slower growing geographies in the county, with an 11% growth of housing units from 2011 to 2021.
- The majority (70%) of housing permits issued in recent years have been for single family housing, primarily focused on rebuilding after the 2021 Marshall Fire.
- Residential development in Louisville declined substantially between 2018-2021. The sharp increase in units observed between 2022-2023 is almost entirely due to the permitted of replacement units from the Marshall Fire.

Exhibit 44 shows the change in total housing units from 2011 to 2021. According to ACS data, Louisville experienced similar rate of growth as the County overall, increasing its housing stock by about 11% over the ten-year period. While all comparison cities saw an increase in the total number of housing units over the same time period, Erie experienced the most growth, with a 67% increase in housing units. Boulder and Superior saw the least amount of growth, at just a 4% increase each. Given the increase in the number of high-income households over the time period, the limited amount of new housing is likely also contributing to high housing costs as wealthier households are able to outbid on limited stock.

Exhibit 44: Change in Total Housing Units, Louisville and Comparison Geographies, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	# Change	% Change
Erie	6,049	10,085	4,036	67%
Lafayette	10,193	12,944	2,751	27%
Longmont	34,477	40,908	6,431	19%
Louisville	7,773	8,665	892	11%
Boulder County	126,444	139,302	12,858	10%
Boulder	43,631	45,304	1,673	4%
Superior	4,597	4,790	193	4%

ACS data is survey based and tends to lag in time, so to supplement housing development trends, ECONorthwest examined the City's building permit data from 2016 to 2023.¹⁰

¹⁰ City permit data collection changed in 2015, so we have only examined 2016-2023.

From 2015 to 2023, Louisville issued 488 residential building permits, of which 207 (42%) have been issued a Certificate of Occupancy.¹¹ In total, the City issued 328 permits (70% of total permits) for single-family detached homes, 108 permits (16%) for single-family attached housing (townhomes and plex development), and 31 permits (4%) for multifamily housing. Of permits *issued* from 2015 to 2023, 250 (54%) were permits for Marshall Fire recovery, for which all permits were for single-family detached homes.

Exhibit 47 shows the total amount of residential units permitted each year between 2016 and May 2023. Residential development in Louisville began to decline substantially between 2018-2021. The sharp increase in units between 2022-2023 is almost entirely due to the permitted of replacement units from the Marshall Fire. 96% of units permitted between 2022-2023 were Marshall Fire - Single Family Detached units.

Housing Market Trends

Housing market cost data can provide insights into the attainability of existing housing stock in a city. Key findings include:

- Jurisdictions across Boulder County have experienced significant home price increases in recent years. Louisville has the second highest average home sale price among comparison geographies as well as the second highest rate of home sale price increase.
- Louisville also has the second highest rate of rent increases over the time period, and the third highest rent rates of comparison geographies.

Exhibit 45: Louisville Permit Data by Housing Type and Stage of Completion, Louisville, August 2015 - May 2023

Source: City of Louisville

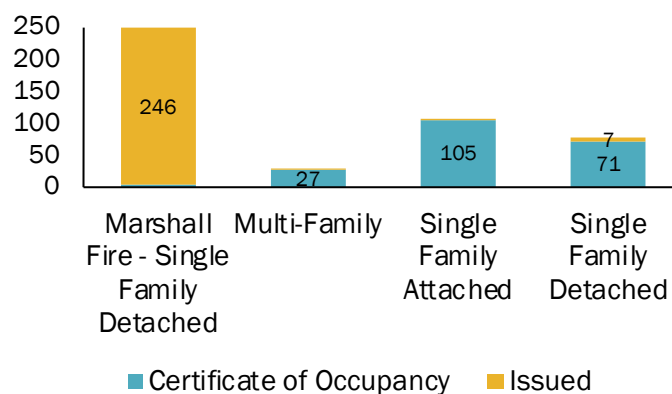
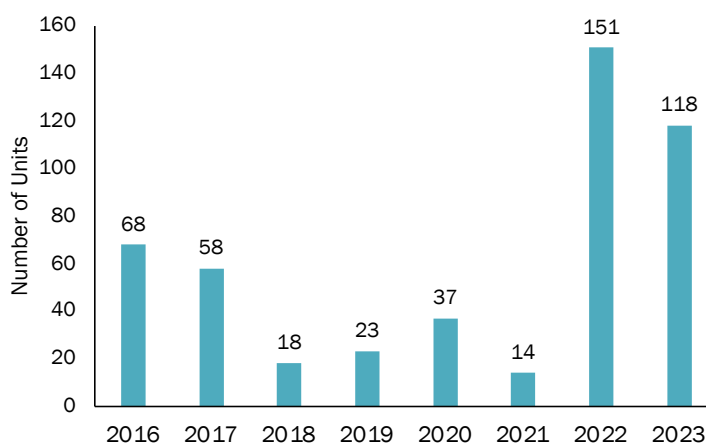


Exhibit 46: Louisville Annual Residential Permit Data by, Louisville, 2016 - May 2023

Source: City of Louisville



¹¹ Certificates of Occupancy are granted for commercial, industrial, and multifamily projects. Occupancy is granted (via a completed inspection card) for single family and duplex development.

Ownership Housing

As of 2023, Louisville had an average home sales price of \$831,000, second highest behind Boulder. The average home price in Louisville is about \$150,000 higher than the County overall.

Exhibit 47: Average Home Sales Price, Louisville and Comparison Geographies, 2023

Source: Redfin

\$550K Longmont	\$580K Lafayette	\$681K Boulder County	685K Erie	\$754K Superior	\$831K Louisville	\$912K Boulder
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While home sales prices rose dramatically across all comparison jurisdictions in Boulder County from 2012 to 2023, Louisville experienced the second highest rate of increase behind Longmont.¹² Over the time period, the average home price in Louisville increased by about \$473,000, or 132%.

Exhibit 48: Change in Average Home Sales Price, Louisville and Comparison Geographies, 2012-2023

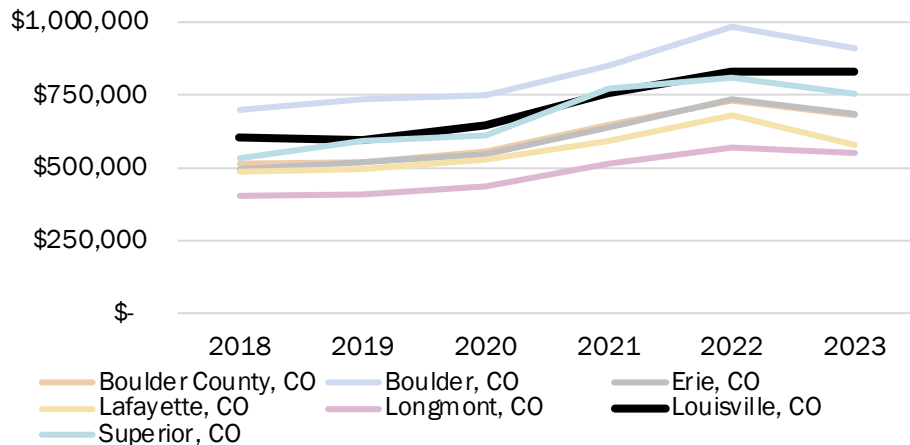
Source: Redfin

	2012	2023	\$ Change	% Change
Longmont	\$226,000	\$550,000	\$324,000	143%
Louisville	\$358,000	\$831,000	\$473,000	132%
Boulder	\$420,000	\$912,000	\$492,000	117%
Erie	\$315,000	\$685,000	\$370,000	117%
Boulder County	\$314,000	\$681,000	\$367,000	110%
Lafayette	\$281,000	\$580,000	\$299,000	107%
Superior	\$409,000	\$754,000	\$387,000	106%

While home prices in all other jurisdictions dropped from 2022 to 2023, Louisville home prices continued to grow, indicating a strong demand relative to other areas in the region.

Exhibit 49: Average Home Sales Price, Louisville and Comparison Geographies, 2018-2023

Source: Redfin



¹² Redfin began collecting housing data in 2012.

Rental Housing

According to ACS data, the median rent in Louisville was \$1,831 in 2021, around \$150 higher than Boulder County overall. Of comparison geographies, Longmont has the least expensive median rents, which may reflect its more remote position in the county. Erie has the most expensive rents in the County, as well as the lowest amount of rental housing stock.

Exhibit 50: Median Rents, Louisville and Comparison Geographies, 2021

Source: ACS 5-Year Data Tables, 2017-2021

\$1,538	\$1,694	\$1,711	\$1,733	\$1,831	\$2,162	\$2,564
Longmont	Boulder County	Boulder	Lafayette	Louisville	Superior	Erie

Because rents can often increase faster than ACS data is reported, we typically prefer to include an analysis of local rents from multiple data sources. According to CoStar data, the average *multifamily* unit rent in Louisville was \$1,715, slightly lower than reported by ACS data.¹³ As of 2023, CoStar reported the average rents in Louisville as \$1,961, just slightly higher than the County as a whole. Unlike home sales price trends (in which Boulder was the most expensive city), rent trends for comparison geographies more closely reflect median income trends for the respective geographies.

Exhibit 51: Average Multifamily Rents, Louisville and Comparison Geographies, 2023

Source: CoStar

\$1,665	\$1,867	\$1,917	\$1,961	\$2,078	\$2,406	\$2,442
Longmont	Lafayette	Boulder County	Louisville	Boulder	Superior	Erie

Like home sales prices, rent rates rose significantly across all geographies over the past decade. According to CoStar data, Louisville multifamily rents increased by \$721, or 58%, from 2012 to 2023.

¹³ CoStar reports rents for multifamily rental units (properties with five or more units), whereas ACS includes all housing types in its median rent calculations. While 57% of Louisville renters live in multifamily housing, it is possible that differences in rent rates for single-family or plex housing is also contributing to rent data differences between the two sources.

Exhibit 52: Change in Average Multifamily Rents, Louisville and Comparison Geographies, 2012-2023

Source: CoStar

	2012	2023	\$ Change	% Change
Superior	\$1,507	\$2,406	\$899	60%
Louisville	\$1,240	\$1,961	\$721	58%
Longmont	\$1,107	\$1,665	\$558	50%
Boulder County	\$1,310	\$1,917	\$607	46%
Boulder	\$1,470	\$2,078	\$608	41%
Lafayette	\$1,330	\$1,867	\$537	40%
Erie	\$1,931	\$2,442	\$511	26%

Housing Attainability

Housing attainability examines the cost of housing relative to household incomes in the area. Key findings include:

- At least 74% of Louisville residents would likely be unable to afford the current average home sales price, with a greater affordability gap for Louisville renters.
- While rates of household cost burden decreased from 2011 to 2021, around 41% of Louisville renters and 16% of Louisville homeowners currently spend more than 30% of household income on housing expenses. Given the dramatic increase in housing costs over the past decade, it is likely because households that were cost-burdened (especially severely cost burdened) in 2011 were eventually priced out of the area and moved to areas with a lower cost of living and higher-earning households have moved into the area.

Affordable Housing Income Limits

Aligning Housing Types with Incomes	
Household Income Level	Physical Type / Tenure of Housing (Building Focused)
100% AMI+ \$144k+	Multifamily rentals
	Multifamily ownership
	Middle housing ownership
	Single family ownership
80-100% AMI \$115k-144k	Multifamily rentals
	Multifamily ownership
	Middle housing (rent/own)
	Single family (rent/own)
50-80% AMI \$72k-115k	Multifamily (rent/own)
	Micro-unit rentals
	Middle housing (rent/own)
	Tiny homes (rent/own)
	Single family rentals
30-50% AMI \$43k-72k	Multifamily rentals
	Micro-unit rentals
	Mobile homes
0-30% AMI \$0-\$43k	Shelters
	Multifamily rentals
	Micro-unit rentals
	Mobile homes

Exhibit 53: AMI by Household Type

Source: ECONorthwest, Department of Housing and Urban Development

The Department of Housing and Urban Development (HUD) sets income limits each year to establish eligibility for its assisted housing programs and to define an area's Median Family Income (MFI). For these calculations, HUD includes Louisville as part of the Boulder metro area, which has a 2023 MFI of \$144,100 for a family of four. To compare this number to ACS data, 2021 Louisville median household incomes were slightly higher than the 2021 Boulder metro area MFI (\$125,124 to \$116,900). However, it is important to note that Median Household Income is not directly comparable to HUD's MFI. HUD's MFI calculation relies on underlying Census data related to family incomes, and the 100% median is set for families of four. Median *household* income is for all households – not just families – and households can have a wide range of compositions (e.g., roommates) compared to families.

Below, Exhibit 54 shows the assumptions of what households in the area can reasonably afford to pay on their housing costs without being cost-burdened, based on the 2023 Boulder metro area MFI.

Exhibit 54: Financially Attainable Housing by Median Family Income (MFI) for a Family of Four, Boulder Metro Area, 2023¹⁴

Source: US Department of Housing and Urban Development, Boulder Metro Area, 2023

If your household earns...				
\$43,230 <30% AMI	\$72,050 50% AMI	\$115,280 80% AMI	\$144,100 100% AMI	\$172,920 120% AMI
Then you can afford...				
\$1,100 MONTHLY RENT	\$984 MONTHLY RENT	\$1,574 MONTHLY RENT	\$1,855 MONTHLY RENT	\$2,226 MONTHLY RENT
OR	OR	OR	OR	OR
\$130k–\$151k HOME SALES PRICE	\$216k–\$252k HOME SALES PRICE	\$346k–\$403k HOME SALES PRICE	\$432k–\$504k HOME SALES PRICE	\$519k–\$605k HOME SALES PRICE
And you might work as a...				
 Medical Assistant \$44,870	 Middle School Teacher \$72,120	 Mechanical Engineer \$113,610	 Aerospace Engineer \$138,770	 Software Developer \$169,750
 Cashier \$33,900	 Firefighter \$65,110	 Nurse Practitioner \$122,320	 Pharmacist \$140,860	 Dentist \$161,060

A household would need to earn 145% of the MFI, or around \$209,000 to afford the average home sales price in Louisville. Only 26% of Louisville households earn more than \$200,000 annually, suggesting at least 74% of Louisville households would not be able to afford the current average home sales price. In addition, Louisville renter incomes are significantly lower than Louisville homeowner incomes (see Exhibit 28). Based on 2021 ACS data, renter median incomes would fall at around 56% of the 2023 MFI (qualifying as just above “very low income” under HUD standards), while the homeowner median income would fall at roughly 111% of the 2023 MFI, indicating that homeownership is likely significantly more out of reach for households that do not already own a home.

Cost Burdened Households

Housing costs are typically the largest portion of a household budget, and typically include mortgage or rent payment, utilities, interest, and insurance. The Department of Housing and Urban Development’s guidelines indicate that households paying more than 30 percent of their income on housing experience “cost burden” and households paying more than 50 percent of their income on housing experience “severe cost burden.” Using cost burden as an indicator is

¹⁴ Home sales prices may vary with mortgage interest rate fluctuations, any homeowner association costs, or utility fee variations.

one method of determining how well a city is meeting its community need to provide housing that is affordable to all households in a community.

Housing cost burden can put low-income households in vulnerable situations and force them to make trade-offs between housing costs and other essentials like food, medicine, or transportation. This unstable condition can also lead to rental evictions, job instability, school instability for children, and homelessness. Cost burdening for owner-occupied households is less common because mortgage lenders typically ensure that a household can pay its debt obligations before signing off on a loan.

Exhibit 55 shows rates of cost burden by tenure for Louisville. In Louisville, 25% of households are cost burdened, with 14% of households spending greater than 30% of gross income on rent and 9% spending greater than 50%. Renters are much more likely to be cost burdened, with 41% of renter households experiencing cost burden, versus 16% of homeowners.

Exhibit 56 shows rates of cost burden for both Louisville and Boulder County. Louisville has slightly lower rates of cost burden compared to the County overall; in Boulder County, 57% of renters are cost burdened (versus 41% in Louisville), and 22% of homeowners are cost burdened (versus 16% of homeowners in Louisville).

Exhibit 55: Cost Burden, Louisville, 2021

Source: ACS 5-Year Data Tables, 2017-2021

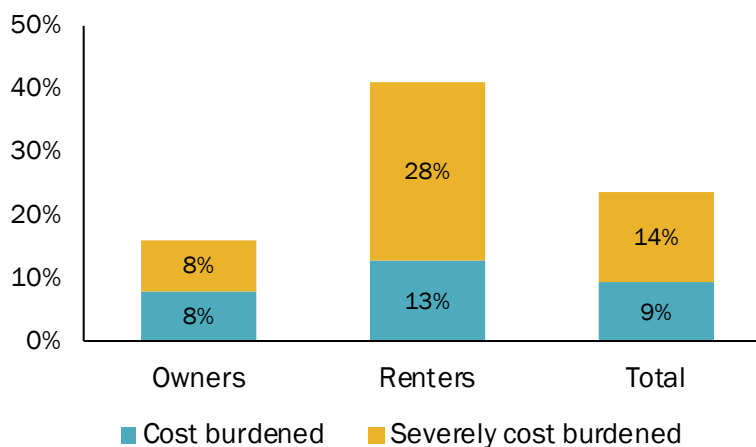


Exhibit 56: Cost Burden Rates, Louisville and Boulder County, 2021

Source: ACS 5-Year Data Tables, 2017-2021

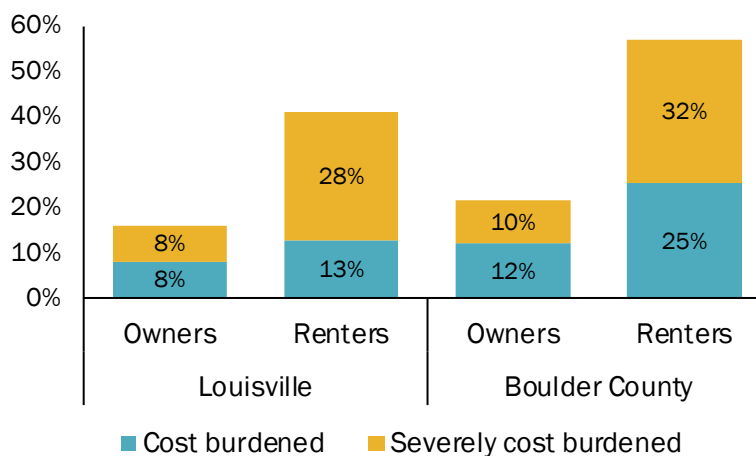
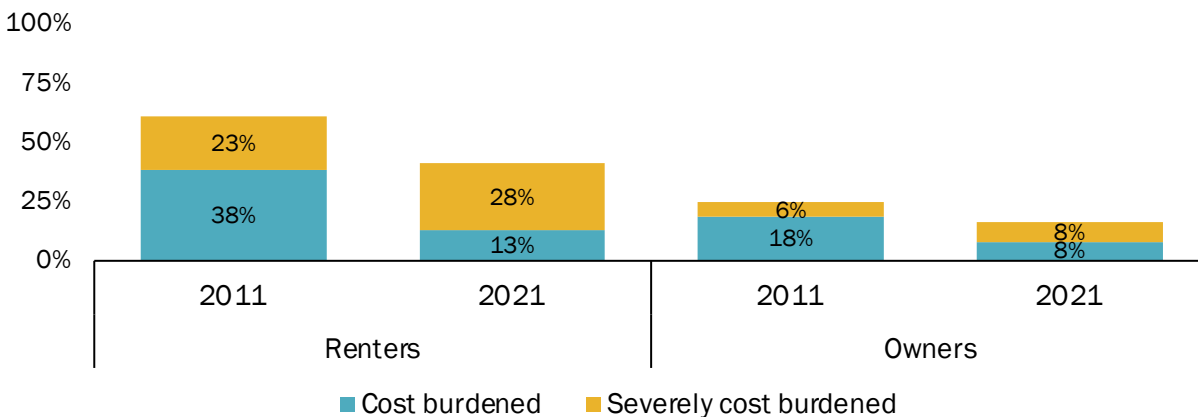


Exhibit 57 shows the change in cost burden rates in Louisville from 2011 to 2021. Rates of severe cost burden decreased significantly over the time period, with a 25% decrease for renters and a 10% decrease for homeowners. Rates of cost burden (spending greater than 30% but less than 50% of household income on rent) increased slightly, with a 5% increase for renters and a 2%

increase for homeowners. Overall, rates of cost burden decreased, from 34% to 25% of total households.

Exhibit 57: Change in Cost Burden, Louisville and Boulder County, 2011-2021

Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021



However, given the dramatic increase in housing costs over the past decade, it is unlikely that the decrease in cost burden is due to an increase in housing affordability. Rather, it is much more likely that households experiencing cost burden (especially severe cost burden) in 2011 were eventually priced out of the area and moved to lower cost of living areas and higher-earning households have moved into the area.

Homelessness in Boulder County

Gathering accurate homelessness data is challenging due to several factors that contribute to its unreliability, including:

- **Transient Nature:** Homeless populations are often highly mobile, making it difficult to capture an accurate snapshot of the homeless population at any given time.
- **Lack of visibility:** Many individuals experiencing homelessness do not use official shelters or services, locating in certain places to avoid detection, further complicating data collection efforts.
- **Resource Limitations:** Conducting comprehensive homelessness counts requires significant resources, including personnel, funding, and time which can also affect the frequency of data collection.
- **Lack of Coordination:** Homelessness data collection often involves coordination between multiple agencies, local governments, and non-profit organizations. Lack of coordination can lead to incomplete or duplicated data.

These factors, individually and collectively, often result in the underreporting of the homeless population. Exhibit 58 below shows the number of people experiencing homelessness who were

entered into the Boulder County Coordinated Entry system in 2022. Of the 409 individuals entered, 11 of them were located in Louisville.

Exhibit 58: Homelessness by City, Boulder County, 2022

Source: Boulder County Coordinated Entry

City	Number of Houseless People	Percent of Total Houseless Population
Boulder	186	45.4%
Erie	1	0.2%
Lafayette	18	4.4%
Longmont	172	42.1%
Louisville	11	2.7%
Lyons	5	1.2%
Nederland	12	2.9%
Superior	3	0.7%
Other	1	0.2%
Total	409	100%

Coordinated Entry data will certainly undercount those experiencing homelessness, as those individuals reflected in the Coordinated Entry data are those that actively sought out services. The Metro Denver Homeless Initiative (MDHI) publishes the annual Point-in-Time (PIT) Count. In 2023, the count included 839 people in Boulder County experiencing homelessness on the night of January 30, 2023. Of those 839 people, 71% were sheltered and 29% were unsheltered.¹⁵

¹⁵ MDHI discourages trending PIT data year-over-year due to the snapshot nature on a single night that can be influenced by variables such as weather, count methods, volunteer engagement, among other factors. Therefore, additional years have not been included in the HNA.

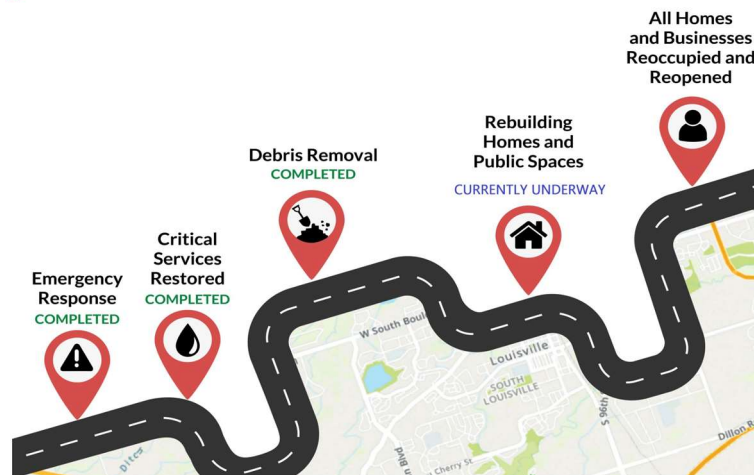
4. Marshall Fire Recovery

In late December 2021, the Marshall Fire destroyed 550 homes in Louisville, or roughly 6.3% of the City's housing stock at the time. In addition to the many negative environmental, economic, and physical and mental health impacts, the loss of housing exacerbated an already constrained and expensive housing market, particularly for lower income residents.

In March of 2022, the City released their Recovery Plan for coordinating the recovery response. This plan established a Recovery Roadmap, which outlined major phases for rebuilding, shown here. The Roadmap is continuously updated online on the City's [Louisville Rebuilds](https://www.louisvilleco.gov/living-in-louisville/residents/louisville-rebuilds-marshall-fire-recovery/recovery-roadmap) website.

Exhibit 59: Louisville Recovery Roadmap

Source: <https://www.louisvilleco.gov/living-in-louisville/residents/louisville-rebuilds-marshall-fire-recovery/recovery-roadmap>



As of July 2023, 281 housing rebuild permits have been issued and another 35 housing permits are under review. So far, 21 households have been able to move back into their homes.

In March 2023, Louisville and Superior sponsored a Marshall Fire Recovery Advisory Panel by the Urban Land Institute (ULI). This panel provided feedback and recommendations for rebuilding housing and climate resilience, including:

- **Affordable homeownership options:** The Panel found that new construction in Louisville and Superior is priced above what many households in the area could afford and was exacerbated by the loss of housing in the fire. Particularly for “workforce” households, first time home buyers, and seniors, many new homeownership products (especially single-family detached homes) are unattainable. The Panel found that there are opportunities to develop out more “missing middle housing” to offer more attainable homeownership opportunities, including developing deed restricted housing, subdividing existing lots, and supporting the development of accessory dwelling units. In addition, the Panel recommended cities consider implementing developer incentives for missing middle housing, purchase sites for infill housing, and offer first time homeowner financial assistance.

- **Limited rental opportunities:** The Panel found that the loss of housing further constrained an already limited rental stock in the area, leading to rental price gouging. Particularly for lower income residents, there is inadequate attainable rental stock in the areas. To address renter housing needs, the Panel recommended cities implement developer incentives for building rental housing, as well as disaster-related rental housing voucher program for displaced renters.
- **Data availability:** The Panel found there is a lack of data on the socioeconomic characteristics of the displaced neighborhoods following the fire. The Panel recommended cities consult findings from the Marshall Fire Unified Survey Team to better understand the affected residents' needs and tailor rebuilding strategies accordingly.¹⁶

Initial findings from the Marshall Fire Unified Survey Team revealed disparities in insurance coverage and rebuilding progress across income levels.¹⁷ The survey team found that underinsurance was a significant obstacle for many affected households, with only a small percentage of respondents expected insurance coverage to fully meet their rebuilding costs. The extent of expected insurance coverage correlated with income levels, with higher-income households anticipating higher payouts. This correlation was also reflected in the progress of rebuilding, as those expecting higher insurance coverage were more likely to have received building permits after one year compared to those with lower coverage expectations. This inequity can exacerbate existing inequalities during the rebuilding process, and the survey team recommends the City prioritize programs that offer rebuilding assistance to households with fewer resources.

¹⁶ This survey effort is being led by a Colorado-based team of researchers based at the University of Colorado's Denver campuses. After the fire, this group of researchers came together out of a shared interest in learning from this event and its aftermath. Researchers around the country were interested in conducting a household survey in the fire-affected communities, so the Marshall Fire Unified Survey Research Team was convened to create one combined survey. The survey is ongoing but has released some initial findings (as of June 2023).

¹⁷ <https://www.urban.org/urban-wire/after-marshall-fire-households-fewer-financial-resources-are-falling-behind>

5. Housing Demand and Future Needs

The following section details ECONorthwest's calculations of housing need, underproduction, and affordability for Louisville.

Population Forecast Assumption

As documented in the Community Profile of the HNA, local population forecasts are only available at the county-level. In order to forecast future housing needs, an understanding or assumption of how the city *could* grow is needed to establish a baseline projection.

ECONorthwest developed a population forecast for Louisville based on the Boulder County's population forecast from the Colorado Department of Local Affairs of 389,233 residents by 2047. The population forecast provided by ECONorthwest assumes that Louisville will maintain its current share of Boulder County's total population (6.3%), and would therefore increase its population to about 24,614 residents by 2047. This would mean the city would add another 4,115 residents to its 2023 population (see Exhibit 3).

Future Housing Needs

A key part of the HNA is to gain an understanding about the extent of total housing needed in Louisville and the quantity of new housing needed for different income levels over the next several decades. A significant challenge facing Louisville is to produce enough new housing units to accommodate potential population growth and to provide more affordable housing options that match the needs of current and future residents. ECONorthwest developed a method to help quantify existing and future housing needs for the next two decades that relies on the best available data provided by DOLA, the U.S. Department of Housing and Urban Development (HUD), and the U.S. Census Bureau (including PUMS data).

The method focuses on estimating housing needs based on future housing needed by 2047 and current needs based on housing underproduction.¹⁸ The inclusion of current housing underproduction helps to ensure housing needs targets address current unmet housing needs not provided for in the existing housing inventory.

Total Housing Needed by 2047

The following analysis estimates how much housing is needed based on a method combining current housing underproduction analysis with future housing needs analysis.

¹⁸ DOLA's latest county-level population forecast is for 2047.

Future Housing Need

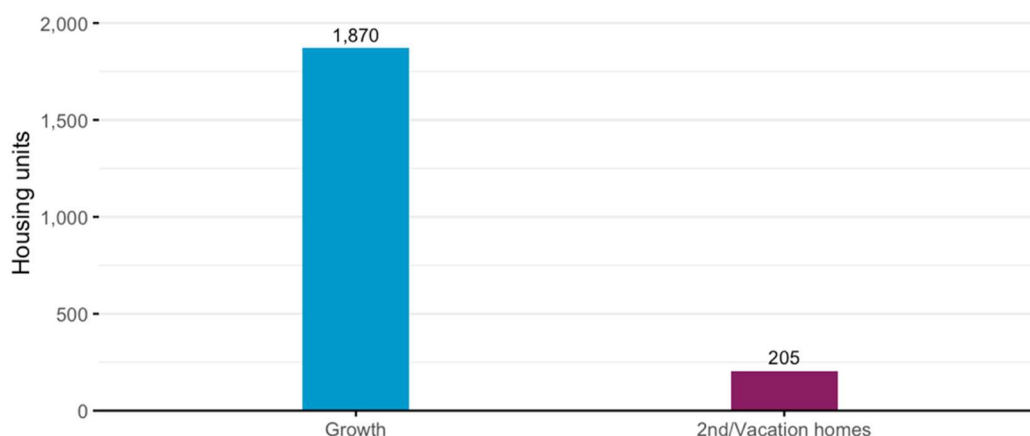
First, ECO identified the baseline number of future housing units needed by 2047. This estimate relies on the population forecast provided by ECO and discussed above. The estimate assumes a 2047 population forecast of 24,614, adding approximately 4,115 new people to Louisville by 2047. The quantity of future housing needed was estimated based on the following parameters:

- Total added population: 4,115 new people (based on the *assumed* population forecast for 2047).
- DOLA's household size estimate for Louisville is around 2.4 persons per household (slightly lower than ACS estimates), translates into approximately 1,700 additional households.
- This total was multiplied by a factor of 1.1 to bring the estimate of total housing needed by 2047 to 1,870 housing units needed. As note, this method uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes.
- According to 5-year ACS data, between 2010 and 2020, the total number of second/vacation homes in Louisville increased by 125 (either through conversion or new construction), while 1,038 total housing units were added to the city.¹⁹ The ratio of second/vacation homes added to total housing units added over time (125 divided by 1,038) comes to 0.12. This ratio of was then multiplied by the number of expected households, arriving at 205 housing units expected to be lost to second/vacation homes. When combined with the previous growth-based needed housing units, this brings the total to 2,075 new homes needed by 2047.

¹⁹ Assumes 2010 and 2020 DOLA estimates for housing units rather than ACS housing units due to inaccuracies found in the 2020 Census.

Exhibit 60: Future Housing Need + 2nd/Vacation Homes, Louisville, 2047

Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, ECONorthwest



Housing Underproduction

ECO then determined the extent of current housing underproduction in Louisville. Underproduction was quantified based on the difference between the existing housing stock, minus existing second/vacation homes (U.S. Census ACS data and DOLA housing unit estimates) and 1.1 times the current number of households. This method uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes.²⁰ Based on ECONorthwest's method, Louisville would need approximately 409 additional new housing units to address current housing underproduction.

Total Housing Need

Combining the current housing underproduction (409 housing units) with the future housing units needed brings the total to 2,483 new housing units needed by 2047 (see the exhibits below for more detail). On an annual basis this means an average of 96 housing units should be built per year.

Exhibit 61. Illustration of Housing Needs Calculation

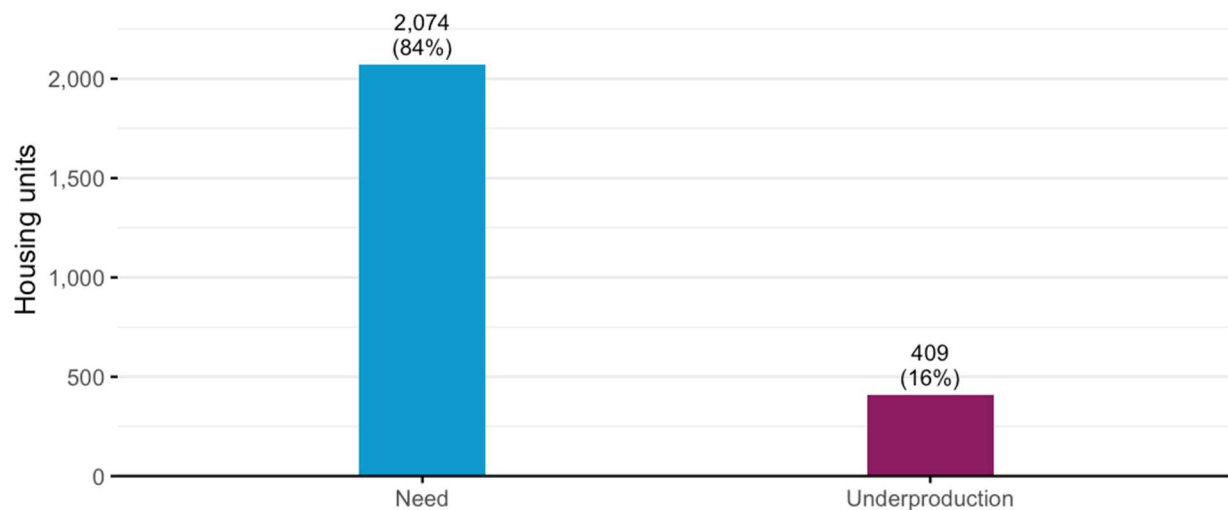
Sources: ECONorthwest.

²⁰ The ratio of 1.1 housing units to households is computed from the US Census estimate for the entire United States in 2019. The analysis uses 2019 as a reference year to avoid the unique nature of COVID-19 on housing production and household formation.



Exhibit 62: Future Housing Need + 2nd/Vacation Homes + Underproduction, Louisville, 2047

Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, ECONorthwest



The Housing Strategy will need to consider how the city can meet the total number of housing units that the assumed population growth with demand. Beyond that, prioritizing housing development can create more opportunities to support the city's workforce by meeting the demand created by employment growth, offer more stability for lower-income residents through affordable housing, meet sustainability and EDI goals (documented in the following chapter), generate a diverse range of households that can support local businesses and facilitate economic development, reduce commute times and even ease traffic congestion.

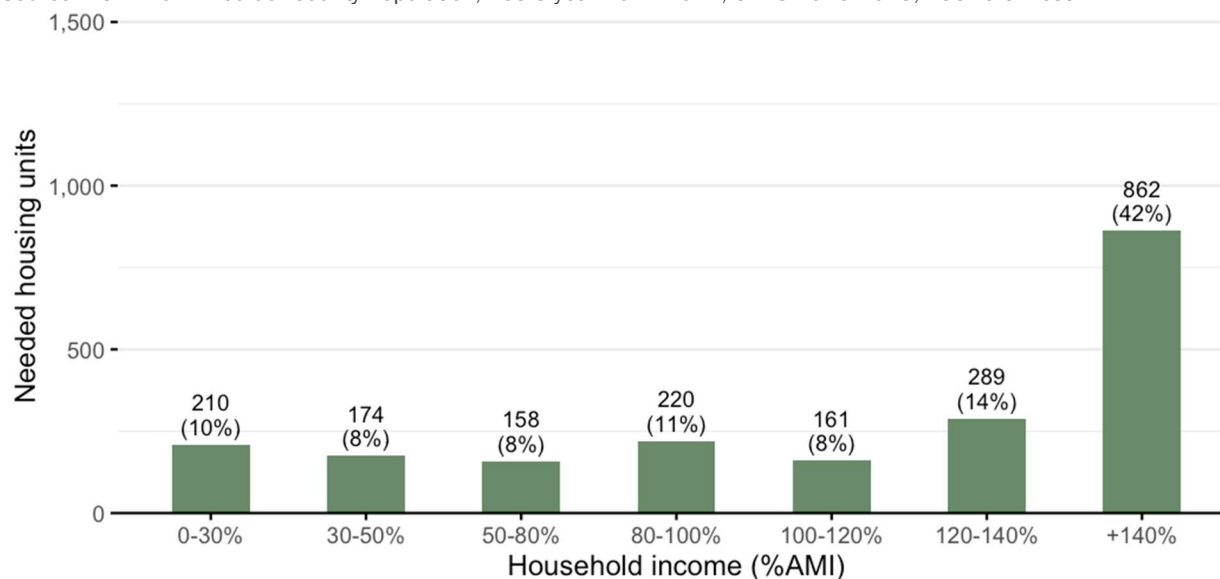
Housing Need by Income

While understanding the total number of housing needs required to meet the City's population forecast is an important step in planning for the future, it's also important to understand how the housing units should be distributed among income earners to ensure there are enough units attainable for each household. The housing need projections by income brackets shown in the exhibit below are derived using the most recent distribution of households by percent of AMI in Louisville. The analysis then accounts for current and future household sizes at the city level to better understand nuances of how housing need by income can shift over time as household sizes change and subsequent changes to housing affordability.

Exhibit 63 shows Louisville’s housing needs forecast by income, representing the number of housing units the city should plan to accommodate to meet the needs of each income group. Because forecasting incomes at the household level over time is challenging, this data evaluates housing need assuming current income distributions remain constant. The income breakdown shown below reflects a continued imbalance across income segments in Louisville. However, the forecast housing need by income category is likely to vary depending on future policy choices. If cities do not take meaningful action to increase housing production, and affordability worsens due to demand from higher-income households outpacing supply of total housing units, many low-income households will face displacement and the forecasted need for lower income households would likely be lower. The ultimate income distribution in 2047 will be the result of regional housing trends and policy decisions made at the local level.

Exhibit 63: Assumed Housing Need by Income Distribution, Louisville, 2047

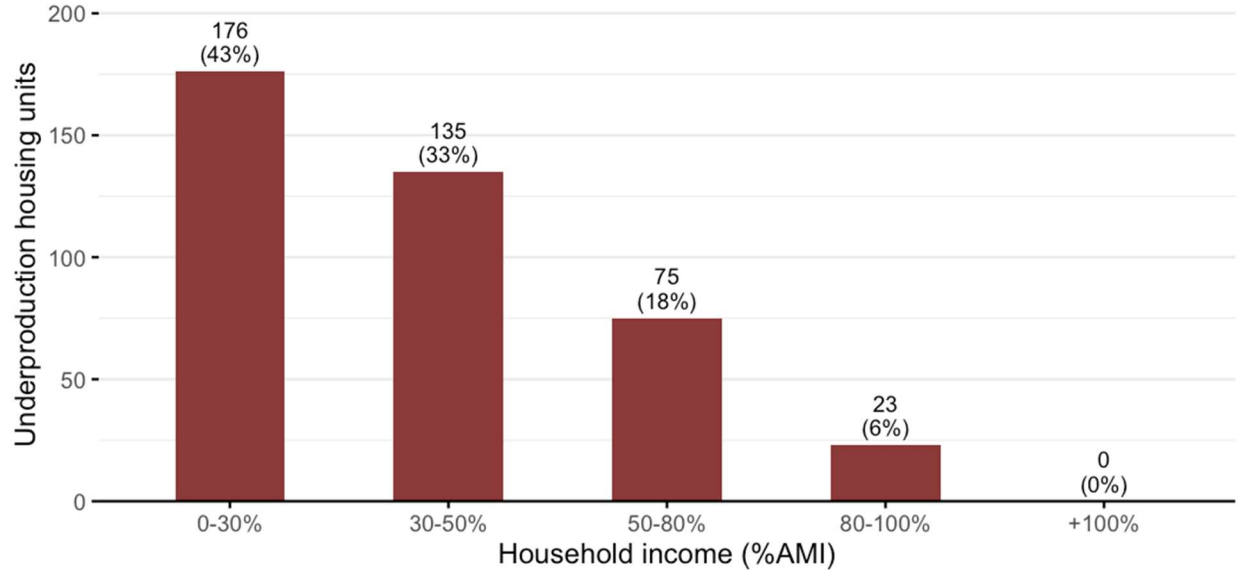
Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, CHAS 2015-2019, ECONorthwest



We then used a similar methodology seen in Exhibit 63 to combine income data and underproduction units to calculate underproduced units by income group to get a sense of what type of housing is needed in Louisville. For these units, the majority are needed for households earning less than 50% of the Area Median Income.

Exhibit 64: Louisville Underproduction Distributed by Income

Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, CHAS 2015-2019, ECONorthwest

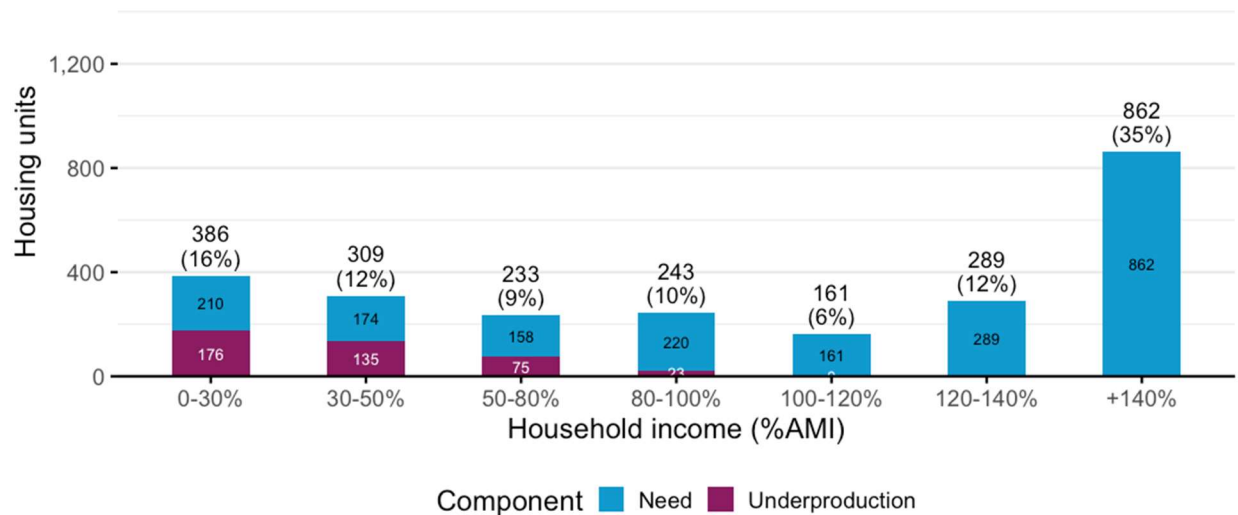


Source: ACS 5-year 2016-2020, CHAS 2015-2019

Exhibit 65 combines the results of calculated future housing needs and underproduction in Louisville. In total, Louisville will need to plan for 2,483 new homes by 2047 to meet its current and future housing needs. Given that the City is embarking on a comprehensive plan update that will have a 10-year planning horizon, the city will need to specifically plan for an additional 960 housing units over a 10-year period in order to stay on track with the projected 25-year demand assumption.

Exhibit 65: Total Units Needed by 2047, Louisville

Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, CHAS 2015-2019, ECONorthwest



6. Summary of Existing Housing Policies

Recognizing the guidance offered by relevant county and city plans within Louisville's planning context helps set the stage for the Housing Strategy and future policy development. A summary of the city's existing documentation on housing issues and policies is provided in this section. It includes a review of the following county and city plans:

- Comprehensive Plan
- Transportation Master Plan
- Preservation Master Plan
- Downtown Framework Plan
- Louisville EDI Task Force Final Report
- Boulder County Regional Housing Strategy
- Sustainability Action Plan
- Resolution 25, Series 2019: A Resolution Setting Clean Energy and Carbon Emission Reduction Goals

2013 Comprehensive Plan

Louisville is preparing to update its 2013 Comprehensive Plan and the Housing Strategy will play an important role in establishing a foundation for the city's approach to housing during the update. However, the 2013 Comprehensive Plan provides a framework for housing policy that is still very much relevant today and reverberates much of what is document in the HNA and reflected in conversations during community outreach.

- **Planning Context.** The Comprehensive Plan's Planning Context documents how the city's residential housing market is constrained by a scarcity of developable land, largely due to existing zoning and development regulations for both greenfield and infill opportunities. It notes that the market assessment in the comprehensive plan indicates there is significant demand for residential units in Louisville, which has continued to grow since 2013 as documented in the HNA. It suggests that opening up additional areas for residential development, either through rezoning, or revised development regulations, would likely result in additional residential development.
- **Vision Statement and Core Community Values.** Calls on the city to accommodate the needs of all individuals in all stages of life through parks, trails, and roadway design, City services and regulations to ensure they provide an environment which accommodates individual mobility needs, quality of life goals, and housing options.

Comprehensive Plan Policies Related to Housing

The comprehensive plan outlines explicit policies related to housing in Louisville, which are documented throughout the plan. The most relevant policies are included in the table below.

Overarching Theme	Principle Policy Related to Housing	Specific Policies
Neighborhoods and Housing (NH). The Comprehensive Plan recommends creating plans for each neighborhood and initiating a housing policy conversation in the City to aid in addressing these and other issues.	NH-3. Neighborhood Plans shall be compatible with this Comprehensive Plan and other adopted goals and policies for the City.	Policy NH-3.4: Diverse housing opportunities shall be available for residents of varying income levels.
	NH-4. The character and identity of existing residential neighborhoods should be maintained while allowing for evolution and reinvestment.	Policy NH-4.7: Housing should support vibrant retail and commercial centers that serve local residents
	NH-5. There should be a mix of housing types and pricing to meet changing economic, social, and multi-generational needs of those who reside, and would like to reside, in Louisville.	Policy NH-5.1: Housing should meet the needs of seniors, empty-nesters, disabled, renters, first-time homebuyers and all others by ensuring a variety of housing types, prices, and styles are created and maintained. Policy NH-5.2: The City should continue to work with Boulder County Housing Authority and others to ensure an adequate supply of affordable housing is available in Louisville Policy NH-5.3: Higher density housing should be located primarily in the centers and corridors of the Framework. Policy NH-5.4: Potential measures to increase housing type and price diversity should be evaluated, including allowing accessory dwelling units in established neighborhoods only if the essential character of the neighborhood is can be preserved. Policy NH-5.6: New housing should address defined gaps in the housing market that exist today and into the future. Policy NH-5.7: The City should define standards for low income and affordable housing units, and consider reducing or waiving building permit and impact fees for all qualifying projects.

Overarching Theme	Principle Policy Related to Housing	Specific Policies
	NH-6. The City should define City-wide goals for affordable and low-income housing through a public process.	Policy NH-6.1: The City should determine to what extent it would like to allow, encourage, or incentivize affordable and low-income housing Policy NH-6.2: The City should develop specific and achievable actions to meet the defined goals.
Economic Development (ED) and Fiscal Health (FH). Notes the key role residential development plays in attracting new businesses and retaining existing businesses in the community and that a diverse housing base is a prominent criterion businesses use to evaluate a community. The plan maintains that the relationship between residential diversity, availability and business growth should continue to be fostered in future economic development efforts.	ED-2. The City should direct growth in an economically responsible way in order to maintain high quality amenities and high service levels for residents.	Policy ED-2.2: The City should work to maintain and improve community assets such as the educational, housing, recreational, retail and cultural opportunities that encourage local businesses to remain and expand in Louisville

2019 Transportation Master Plan

The city's Transportation Master Plan (TMP) looks comprehensively at transportation conditions and options throughout Louisville and region for all modes of transportation. The TMP represents a long-range planning effort that describes baseline conditions of the City's transportation network, establishes eight overarching transportation Goals, and specific transportation Policies, Programs and Projects.

The TMP makes policy connections to housing, particularly around to the relationship between locating affordable housing near multimodal transit opportunities. Affordable housing with no transportation linkages will likely decrease the affordability of that housing while also making multimodal transportation less effective at reaching the people who need it the most. The availability of desirable, affordable housing along the transportation corridors identified in the plan would help the city achieve goals set forth in the TMP.

Housing Related Highlights in the TMP

- Higher density housing, like apartments and townhomes, can be complementary to transit stops and can help reduce reliance on automobiles for trips in areas that are walkable with a variety of uses in close proximity.
- City has recently endorsed the Boulder County Regional Housing Strategy to expand affordable housing options and the plan highlights that access to a vehicle is not always possible for lower income households , so mobility choices and connections to transit and biking are important.
- Finding more ways to limit vehicle travel by providing convenient and viable multimodal alternatives has also been a priority for the City. Providing better access to non-vehicular options can help those who are not able to drive or do not have access to personal vehicles, and can help reduce traffic congestion and vehicle emissions.
- Reduced household spending on transportation costs can offer lower-income households more financial stability.
- Under Policy 3: Transit-Oriented Development (TOD) Guidelines, the TMP recommends that as new development and redevelopment opportunities arise within proximity to transit, the City should consider implementing TOD principles. TOD principles encourage a mixture of uses in close proximity, including housing.

2015 Preservation Master Plan

Louisville's Preservation Master Plan provides a framework for the City's voluntary Historic Preservation Program and serves as a guide for proactive decision-making over the next 20 years. The Plan recommends actions for integrating preservation practices into the City's policies and regulations. The geographic scope of the document is city-wide, providing recommendations for areas beyond Downtown and Old Town. Recommended housing-related Louisville Municipal Code modifications for zoning options to support preservation goals include:

- **Accessory Dwelling Units.** Allows for residential use of historic garages and outbuildings - Potential to maximize development of historic site without significant change to massing, scale, and number of buildings.
- **Live-Work Ordinance.** Re-establishes historic pattern of business owners living adjacent to their business and can provide economic incentive to preserve historic storefronts.

1999 Downtown Framework Plan

The Downtown Framework Plan (DFP) provides a description of the key organizational systems influencing downtown. The DFP includes strategies for implementing the overall goals for downtown. The Plan also discusses policies for circulation, land use, public and private

parking, public facilities and public and private sector design. Highlights from the plan related to housing include the following:

- The plan includes a vision for downtown Louisville:
 - *That it will be a vital community center for pedestrian-oriented activity, including specialty retail, professional offices and housing that will occur in a manner that is compatible with the traditional scale and character of the area.*
- Identifies the historic mix of residential and commercial uses downtown and an interest in maintaining and promoting that mix of uses. This area of Louisville is desirable specifically due to that mix and the traditional scale and character of the area.
- Contemplates encouraging housing downtown and near downtown overall to support the vibrancy of the downtown area, which relates to the broader Housing Plan goal of providing more housing across the City.
- The Plan provides a specific recommendation to retain existing housing and consider mixed-use buildings.
 - **Goal:** Maintain downtown as a vibrant, mixed-use activity center.
 - **Policy:** Endeavor to retain existing housing in the downtown commercial area as a component in an overall policy of preserving the existing, historic downtown character.
 - **Task:** Explore on-site residential mixed uses downtown.

2021 Louisville EDI Task Force Report

Louisville's Equity, Diversity and Inclusion (EDI) Task Force was asked to identify areas of concern about EDI issues, prioritize the most crucial ones the City can affect through its policy choices and offerings and establish goals, objectives and suggestions for addressing the identified issues. The plan's recommendations relate to five key topic areas:

- Safe and welcoming environment (including language justice)
- Housing
- Public accommodation/access to services
- Youth engagement
- Public health

One of the five focus areas identified in the report was to expand housing access for diverse and low-income communities. The report documents that Louisville has an inaccessible housing market. The socio-economic status of communities of color varies widely in Louisville from the working poor to affluent individuals. Engagement efforts found that many minorities felt that housing in Louisville was inaccessible and unaffordable, jeopardizing their ability to remain members of the vibrant community. It was also reported that there are compounding barriers

that deter housing access; including a lack of language access for rental applications, the digital divide and access to capital for home ownership.

The report proposes the following *Actions and Desired Future State*:

- Educate the community and City Council about the history of housing in this country and the systemic barriers that continue to impact affordable housing to help eliminate negative perceptions, biases, and misinformation.
- All rental and home paperwork (housing applications, leasing paperwork, loan paperwork, websites, housing information) should be available in Spanish.
- Increase percentage of affordable homes allocated in new developments and hold developers accountable.
- Consider private funds that could be used for undocumented residents, those that are not US Citizens, "DACA-mented," and mixed status households which are often restricted by government funds.
- Assess housing options or programs for foster kids as they age out of the system.
- Assess hiring practices and increase representation to help families navigate housing system.

2017 Boulder County Regional Housing Strategy

The regional housing strategy, *Expanding Access to Diverse Housing for Our Community*, created in collaboration with nine jurisdictions in Boulder County, recognizes that many interconnected issues and opportunities are important elements of the discussion around solutions to the shared housing affordability crisis.

The report includes the goal for 12% housing inventory being permanently affordable (800 homes per year for next 15 years as of drafting). It also identifies the need to provide workforce housing and redevelopment needs due to land scarcity for housing development.

2020 Sustainability Action Plan

The city's Sustainability Action Plan (SAP) provides a framework to guide Louisville's vision to create a more sustainable community as well as provide a roadmap for achieving collective goals. The SAP methods to reach goals of reducing Greenhouse Gas (GHG) emissions focus on incentivizing multimodal transportation. The SAP also contemplates a short-term goal of having City staff understand their role in meeting the City's sustainability goals, which directly relates to the need for planning projects and zoning updates to help achieve lowering carbon emissions and reaching SAP goals. The Housing Study serves as an opportunity for staff to help directly further goals from the SAP (outlined below), as strategies in the Housing Plan could help achieve GHG reduction goals through increasing density, focusing housing near transportation centers and corridors, and so forth. Goals from the SAP include:

- Reduce core municipal greenhouse gas emissions annually below the 2016 baseline through 2025.
- Ensure that all departments understand their role in achieving Louisville's climate action and sustainability goals.
- Survey employees to better understand commuting patterns and available commuting solutions.
- Create new programs to mitigate vehicle miles traveled (VMT) such as parking cash-out programs, car-share opportunities, commute challenges with prizes and increased access to pool vehicles.
- Increase modal choice and decrease the single-occupancy vehicle share of local and regional trips.

2019 Resolution Setting Clean Energy and Carbon Emission Reduction Goals

City Resolution No. 25 from 2019 establishes clean energy and carbon emission reduction goals, including the following:

- Meet all of Louisville' s municipal electric needs with 100% carbon -free sources by 2025
- Reduce core municipal GHG emissions annually below the 2016 baseline through 2025
- Generate 75% of Louisville' s residential and commercial/ industrial electric needs from carbon -free sources by 2030
- Reduce core community GHG emissions annually below the 2016 baseline through 2030
- Denser housing, particularly near existing for future transit opportunities can help the city meet its GHG reduction goals adopted in the resolution.



COMMUNITY ENGAGEMENT SUMMARY

Housing Plan April 2023



COMMUNITY ENGAGEMENT SUMMARY

This summary addresses all public engagement completed throughout the *Housing Plan* through April 2023. In this document are methods, results, and analysis of key themes from respondents about the Housing Plan process.

This Summary consists of the following sections:

- How Did We Reach the Louisville Community?
- Public Participation by the Numbers
- Community Input Summary – Housing Needs Assessment Phase (June 2023)
- Community Input Summary – Housing Plan Draft Review Phase (Sept-Oct 2023)

HOW DID WE REACH THE LOUISVILLE COMMUNITY?

The Housing Plan project team used a multifaceted approach to engage with the community. One on one interviews, open houses, community events, social media posts, fliers, community advocates and a project website invited the community into the process. This allowed the project team to gather initial feedback on what the issues and opportunities related to housing were in the community. At the end of the first stage of engagement, consultants ECONorthwest made a presentation to the Planning Commission on June 22, 2023, about the results of the housing needs assessment and community feedback up until that date. The draft plan was written and presented to the community in the following months.

Housing Plan Community Events

Engagement	Dates (2023)	Details
One-on-one interviews	Jun 5 th through June 16 th @ Louisville Library	Community members, developers, realtors, non-profit organizations, business owners, interest groups and more were invited to participate to gather preliminary feedback to inform the Housing Plan Draft. They participated in 45 min to 1 hour interviews by video conference or in person.
Drop in Public Interviews	June 7 th and June 8 th from 4-5:30 PM @ Louisville Library	There were two opportunities for drop in interviews in person at the Louisville library for anyone to attend. These drop in interviews were notified to the public through the City's Facebook and Instagram accounts as well as the Housing Plan webpage (EngageLouisvilleco.org). They were also advertised using physical fliers at local community housing like the Kestrel Affordable Housing Complex.

Engagement	Dates (2023)	Details
Open House	June 21 st from 6-8PM @ City Hall, Council Chambers	The Open House on June 21st began with a presentation by the primary consultant, ECONorthwest, on the data related to the housing needs assessment. There was an opportunity to submit questions throughout the presentation, which led to a group Q&A session. The public open house was notified to the public through the City's Facebook and Instagram accounts, on the City's event calendar, as well as the Housing Plan website (EngageLouisvilleco.org). It was also advertised using physical fliers at local community housing like the Kestrel Affordable Housing Complex, Louisville Library and the Louisville Recreation Center. The notification strategy also included local community advocates such as a representative of the Kestrel Affordable Housing Complex, and Citizens Action Council who helped spread the word about the event.
Planning Commission	June 22 nd	A presentation to the Planning Commission took place on June 22 nd to inform the group about the results of the housing needs assessment data and public outreach to date. This meeting was recorded and publicly available on the EngageLouisvilleco.org website and on the City's Youtube account page.
Newsletter	July 12 th	A newsletter was sent out to the list of participants who signed up in person and through the website for project updates, by email.
Newsletter	Sep 18 th	A newsletter was sent out to the list of participants who signed up in person and through the website for project updates, by email.
Focus Groups	Sep 18 th and 20 th	Focus groups were conducted to share the draft housing strategy matrix with specific groups to gather feedback. The following groups were convened for 1.5 hours each: Affordable Housing Providers, Renters and Local Employers
Open House	Oct 4 th	The Draft Housing Plan strategies were presented to the community in an open house format to receive feedback.

PUBLIC PARTICIPATION BY THE NUMBERS

Public participation for the Housing Plan is summarized in the following table. Overall the outreach process has reached hundreds of members in the community.

Meeting/Event	Date	Attendance/Responses/Number
One-on-one interviews	June 5 th through June 16 th	22
Drop In Interviews	June 7 th and 8 th	8
Open House Attendees	June 21 st and Oct 4 th	~110
Mailing List	Through Sep 21	58
Website Total Visits	Through Sep 21	705
Newsletters	June and Sep	2
Focus Groups	Sep 18 and Sep 20	3 small groups (1.5 hours each)

COMMUNITY INPUT SUMMARY – HOUSING NEEDS ASSESSMENT PHASE (JUNE 2023)

One On One and Drop In Interviews

The following is an overview of some of the public engagement responses received during the Housing Needs Assessment phase. The following paragraphs do not represent every comment received in the interviews but are meant to be a high-level overview of the recurring themes expressed by multiple community members on questions posed to them by the project team.

What are the biggest issues related to housing that face the Louisville community?

Interviewees expressed concerns about housing affordability, lack of business growth, and reduced diversity within the community. Many current residents are struggling to afford housing and property taxes, whereas new workers and potential residents can't afford to move to the area. Intermediate housing and housing that allows for changes in life circumstance like rentals, condos, or townhomes are lacking, which prevents some demographic groups from being able to live in the City. In the wake of the Marshall Fire, Louisville's residents have experienced

challenges to either rebuild or buy a new home due to increasing costs. There was significant concern over the ability of the workforce (police, teachers, firefighters etc.) to live in Louisville in the future, as many expressed they are being priced out.

It was noted that Louisville has vacant buildings and a lack of commercial and business growth to support the community around it. Additionally, development opportunities in the area feel limited, and infill should be made more of a priority to reduce sprawl and concentrate public service access while integrating housing into live/work areas.

Have you experienced any challenges in finding housing that fits your needs in Louisville or in the region?

As heard throughout the interviews, there was a demonstrated need for more diversity in housing, as many populations cannot afford or access housing in the area. Populations of young families, the workforce, seniors, and diverse income levels experienced challenges finding housing that was accessible and affordable, as well as finding the quality of housing needed. Many expressed that their aging children could not afford to buy starter homes in Louisville to live close to their families.

However, some interviewees did not feel that finding housing in Louisville to meet their needs was an issue. Established residents were typically the ones who expressed this, as they were homeowners who had been in their homes for many years and were not looking to move.

What housing issues might arise in the future if not addressed now?

In the future, interviewees foresaw problems related to maintaining a complete community, where vital public workers and other members of the workforce could live and work in the same place. Additionally, many comments were concerned about a lack of social and economic diversity within Louisville due to market conditions. School enrollment was a dominant issue, as many expressed concern with reduction in enrollment and the challenges of young families with children being able to live in the City.

Many residents were concerned about sustainable growth or implementing growth management practices to maintain Louisville's existing quality of life. Established residents have enjoyed Louisville's peaceful atmosphere, unimpeded access to nature, and small-town character for many years, and would like to see these aspects preserved for the existing and future community.

Overall, there was a need to balance more attainable housing options with commercial development. Concern was expressed about a lack of development of housing. Most interviewees would like to see additional housing production in Louisville to address the above issues.

What types of change would you like to see in the future related to housing?

The main types of housing that were suggested for future development or redevelopment were primarily affordable housing options that match a range of incomes. There was a desire to see increased density and height in appropriate areas around Louisville, coupled with supporting commercial development that serves the needs of the community and adds to its character. Practices that would fit into the character of Louisville would be: maintaining relatively low

height buildings when increasing density, blending new development into existing development, and keeping streets safe for children.

There was support for regulation and rule changes that allow flexible housing options, such as more allowances for rental properties (STRs and Long-Term), allowing for ADUs, and creating more programming to support households that are housing burdened. Short Term rentals saw some support in the interviews as a way for the community to draw in more tourism and be a wealth building mechanism, while others saw short term rentals as harmful to the community and the long term rental market. Interviewees also would like to see the production of smaller single-family homes in the event that more single family home production was appropriate (1,000-2,000 sq ft) options rather than homes above ~2500 sq ft.

Interviewees also expressed that they would like to see diversity within the community increase in the future, both economically and socially.

What should be preserved as change occurs?

As Louisville grows, interviewees wanted to preserve its character as a family-friendly and small-town feeling community. The community values Louisville's active lifestyle, including recreational opportunities, community programming, and open space and parks. The historic character of buildings in Downtown/Old Town were important to preserve, along with the character they add to the built environment.

Many respondents wanted to preserve the aspects of Louisville that initially drew them to the area, including affordable living, a large multigenerational presence, peaceful communities, and a feeling of connection and support between residents. Throughout Louisville's growth, maintaining a sustainable, diverse, and healthy community was important to residents.

What opportunities and ideas related to housing should the new plan integrate?

Throughout the interviews, many participants reiterated similar ideas focused on adaptive reuse and drafting land use code updates for flexible housing. Creating a diverse housing stock that provides accommodations for the workforce, young and senior populations, and families was a priority to allow residents to continue living in Louisville at multiple stages in their lives. Identifying areas to apply adaptive reuse and creating more housing and business opportunities, such as mixed-use areas, for residents would alleviate some housing burdens.

Staying aware of growth patterns, utilizing reliable growth metrics, and remaining responsive and adaptive to rapid growth was important in the interviews to allow Louisville to grow holistically to meet the needs of its community.

What areas of the City can higher density housing fit into the current character?

Some interviewees expressed concern over development of higher density housing in downtown or historic areas. Some community members favored new buildings with heights up to 4-5 stories, while there were many community members who would prefer to keep building heights at 3 stories in established areas.

Those in favor of higher density housing or transit oriented development expressed the following places as opportunity areas.

- McCaslin Corridor, suburban core
- Near HWY 36, next to movie theater
- Davidson Mesa area offices
- South Boulder Rd.
- Courtesy Road
- Higher density housing along Downtown and Main St, Hwy 42 and DELO
- Red Tail Ridge
- Parcel O
- Downtown
- Cannin, south of the railroad tracks

What are the desired housing types that you would like to see in Louisville in the future?

- Townhomes and condos
- Small single family options (200sq ft and under)
- Single Story/Patio/Ranch style homes
- Mixed-use development
- Transit Oriented Development
- Duplexes, Triplexes
- ADUs
- Smaller lot homes near Downtown
- Allowances for STRs, long term rentals
- Multiplexes
- Single-family homes that are attainable for new families

How do the current occupancy restrictions impact you? What do you think the appropriate occupancy limits should be?

Many participants were unaware of the current restriction that says that only 2 unrelated persons can rent out a home in Louisville. Upon learning of the restriction, interviewees expressed the following sentiments.

- Want justification for the decision
- Believes that the restriction contributes to unaffordability
- There were no interviewees that supported an occupancy limit of 2 unrelated persons.

Do you have any additional thoughts?

- Think about what the objectives of the City are in terms of how the City's housing stock can help accomplish those objectives.
- Short Term Rentals – would like to see data to back up any policy.
- Housing should be talked about with transportation and other Comprehensive Plan topics.
- ADA/accessible housing is difficult to find.
- Programs should be designed for most people to improve their lives, sometimes programs can be unintentionally restrictive toward upward mobility.
- Housing standards should incorporate water wise, low impact landscaping.

- Preserve the 12% regional commitment to affordable housing and exceed it, with additional incentives to support its development.
- Reduce parking minimums.

June 21 Open House Results –

The following comments were made by community members and written onto boards at the Open House. These comments were later recorded verbatim by City staff and the consultant team and summarized below.

Sustainability Comments –

- The number of people who live and work here has stayed steady for decades
- We want more affordable options to stay in the community
- Houses are cheaper rentals than apartment buildings
- Louisville should make green building requirements affordable
- RTD Rail
- Reduce parking minimums
- More bus routes
- Consolidate units into singular buildings
- Introduce tax incentives for landlords to rent at affordable rates for teachers, workers etc.
- Integrate a mixture of affordable housing throughout the City
- Build more multifamily near transit oriented development, not separated land use
- Encourage more mixed use
- Encourage walkability and bikeability through density and mixed use
- Let people open small businesses in their homes
- I live here because the traffic is low – how do we preserve this?
- I avoid boulder due to traffic
- Build net zero
- More mixed use so people don't always have to drive
- Commute times in and out of Louisville are carbon intensive
- City subsidized housing for teachers. They do this in Salida
- More density
- Incentivize/require passive house standards for multifamily and single home builds
- Housing should be built for the future, not 1970s approaches
 - Green houses
 - Minimal energy required materials
 - Maximum use of solar
 - Landscaping for minimal water use
 - Use of grey water
- Help mobile home park residents stay here
- More use by right
- Electrification 100%

- Defining passive
- Use other communities as examples
- Add housing to tech center
- Circular busses with multifamily
- Incentives for passive energy
- Concern that the net zero requirements for homes and businesses will not achieve the sustainability goals or allow for affordable housing
- Housing should be near transit at the McCaslin corridor
- Consider the environmental impacts of people having to move when they get displaced from Louisville
- Consider costs of moving, waste from moving etc when thinking about how displacement impacts the community and environment.

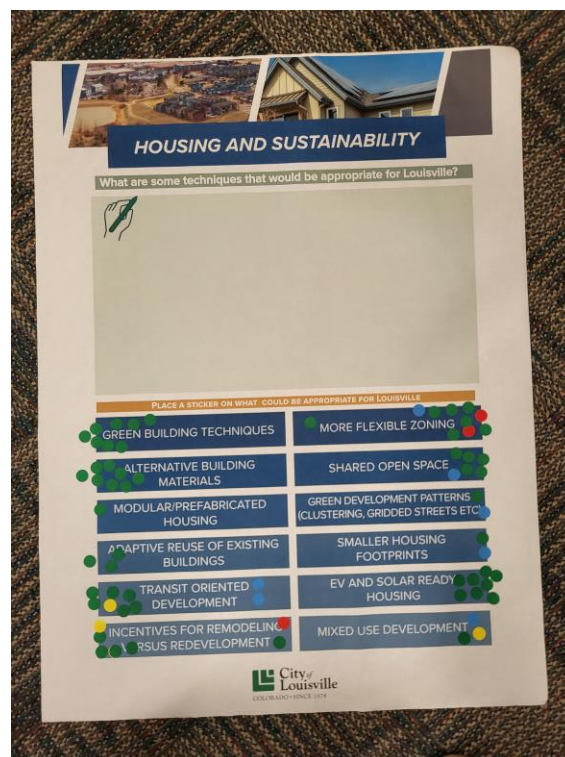


Image of Community Feedback at June 2023 Housing Plan Open House

Affordable Housing Comments –

- Use prop 123 funds to purchase land to add more small housing density
- Additional incentives for multifamily housing near transit
- Preserve some corridor views
- Legalize housing types
- Homes that single middle income earners can afford (townhouses, patio homes etc)
- Permanent affordable housing is an absolute requirement
- Don't clump transferred rights in the same areas to make even high density

- City purchase multifamily units when they sell
- Redevelop commercial vacant property to mixed use
- Add mixed use, reduce units
- Require new development to supply affordable housing
- Eliminate regulations on unrelated people in a unit
- Programs similar to H2O in boulder
- I don't want to see cost of the incentives become offloaded on existing residents
- Quality over quantity, we need to make novelty people will be congregated in not a big box by the highway
- Integration is key, not "other side of tracks" building

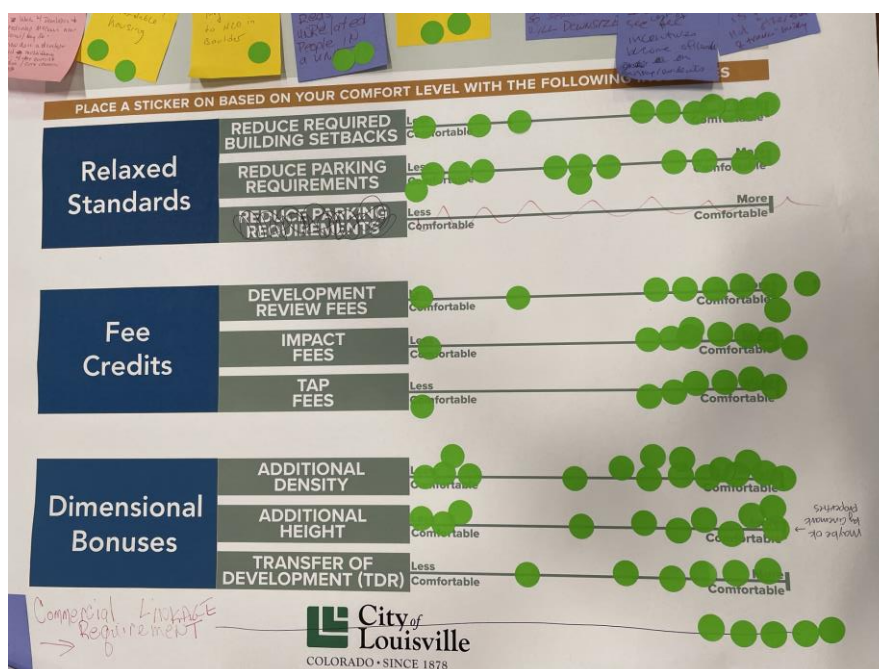
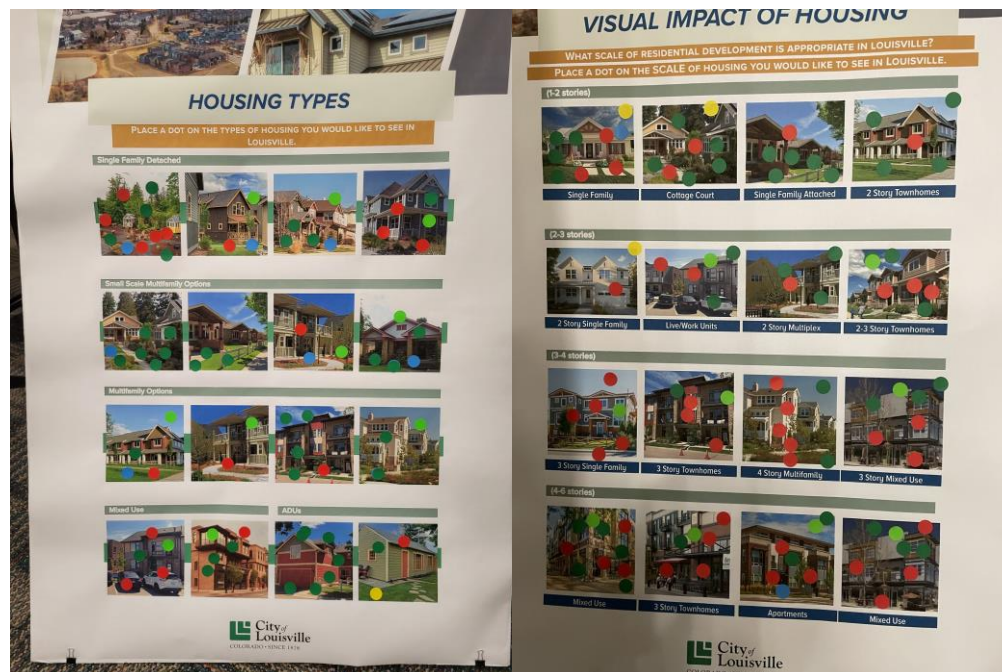


Image of Community Feedback at June 2023 Housing Plan Open House

Visual impact of housing and housing types comments –

- Most of multifamily housing mixed use townhouse apartments should be allowed in a redeveloped McCaslin by the transit corridor
- I don't think ADUs are appropriate in the communities that are developed
- Most of the streets are too narrow to allow for extra parking especially when entry level families have cars for every kid
- What will the size of ADUs be? Revisit the code in Louisville
- How can developers build homes to the net zero code and still make them affordable
 - The people I know who want to move here can not afford to move here
 - Transit/McCaslin should be redeveloped for housing and mixed use
 - Lowes? That whole area is suburban blight



Images of Community Feedback at June 2023 Housing Plan Open House

Fiscal responsibility of housing comments –

- Allow sensible use of special districts
- Prop 123 is important
- Prop 123 money needs to be applied for
- Condo (CDC) is really hard
- New energy code impacts affordability
- We don't really know what the optics are as a non/developer etc but walkability and
- Fire mitigation needs to be talked about
- McCaslin blight needs to be redeveloped for housing near transit
- Net zero is ridiculous
- Development that follows values
- Zoning that supports desired location for housing
- More flexible with development to encourage preservation and create more housing
- Storage/Lowes block – why not housing?
- RTD site zoned for office. Need to think about if office parks will actually happen
- Retail follows rooftops, we need more housing
- Row homes are really difficult and might be something that is helpful
- Comprehensive plan was good but zoning did not implement the vision
- Transit corridors and McCaslin
- Four stories are okay in certain locations
- Regional housing market
- How does Louisville actually compare to Erie?
- More mixed use, ADU, 4plex etc
- ADU requirements?

- Don't want to become boulder
- Boulder creek homes model, smallest wee cottages in Louisville
- May need zoning change
- Allow high energy bonds, eliminate mill levy to 5g
- Reduce parking requirements near transit
- Shared parking in other large developments
- Need a mix of everything
- Superior downtown small lot development
- Avoid excessive offsite extractions being put on district
- Don't take forever for approval
- Affordable housing incentives for adus
- Live work in industrial zones
- Horizontal mixed use works as well as vertical mixed use
- Do not offload costs of new housing onto existing residents and overcrowd our library, rec center, open space etc.
- Manufactured home preservation
- 12% affordable goals from 2018. We are way behind
- ADU motives for affordable housing
- Fee waivers
- Fee financing
- TIF/option not required
- Red tail ridge – how do you have unique opportunities for housing
- McCaslin is good for development
- Excessive use of HOAs (especially for ownership of long term infrastructure) is a hidden cost that impacts affordability
- Fee simple development and smaller lot sizes
- Need to update development standards
- Land trust shared equity models
- Allow more middle housing for internal conversion
- ADUs are a part of this
- Higher density at Regal cinema/TOD site
- RTD parking owned by Regal Cinema
- Clear and objective standards
- Parcel O, Sams and Safeway covenant is problematic – it is a URA also
- Supplement a design advice request process so a developer knows what they can do
- We need to plan with our infrastructure in mind

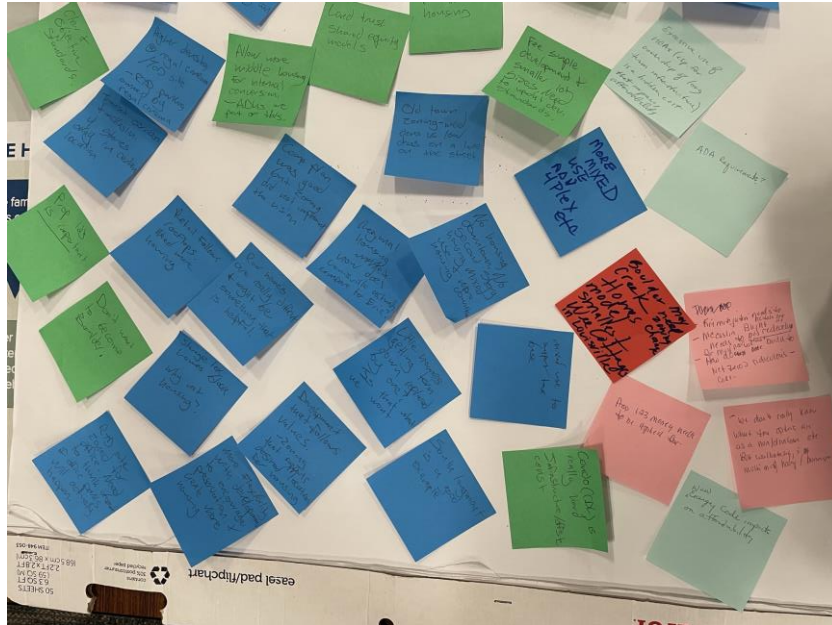


Image of Community Feedback at June 2023 Housing Plan Open House

COMMUNITY INPUT SUMMARY - DRAFT HOUSING PLAN PHASE (SEPT-OCT 2023)

The following phase of engagement was focused on gaining community feedback for a strategy matrix made up of 6 strategies and approximately 30 actions.

- **Focus Groups (conducted on September 18th and 20th):** The following small groups met to share their thoughts on the preliminary housing strategies drafted for the Plan.
 1. Affordable Housing Providers
 2. Local Employers
 3. Renters
- **Open House (conducted on October 4):** A second Open House present to the community the Draft Housing Plan and housing strategies.

Focus Group feedback (Sept 2023)

Affordable Housing Providers

- Add strategy that addresses HOA concerns that make housing unaffordable. HOAs have become too expensive and are continuing to rise while preventing a mixture of housing types and income levels in neighborhoods
- Set priority for MFI ranges that are most in need of assistance in the City for affordable housing
- Establish a homeownership program and hire someone at the City to oversee it
- Add strategy that helps affordable housing providers convert apartments to condos for homeownership options

- Worried about the 7 year rule that allows residents to sue the developer
- Add a strategy or action that connects locals with information and funding
- More avenues for partnerships
- Connect people with funding opportunities
- Create resources that are easily accessible to the community
- Add a strategy that focuses on enforcement.
- Enforce STRs in affordable units so that they are not taken advantage of.
- Hire a dedicated housing staff person on the City's side to support prop 123 efforts and partnership efforts
- Need for dedicated maintenance funding for affordable housing. City could connect people with resources for maintenance funding
- Create detailed records after disasters so that people have access to funding (mobile home parks were not documented thoroughly and insurance wouldn't help the community because they couldn't prove damage origin)
- Keep detailed records and clear tracking systems of deeds so that affordable housing doesn't slip through the cracks and get sold at market prices later
- Include the social costs in market analysis
- Add modular housing to permitting allowances and use table
- Include ADA standards in more housing so people don't have to move if mobility becomes an issue. Include ADA standards in landscaping and surrounding areas as well
- Focus Strategies on streamlining the processes of affordable housing development and open communication channels between the City and housing groups.
- Ensure that the incentives for developers make processes substantially faster and easier so that they are true incentives.
- Allow modular in multifamily zones
- More support for ADUs that can be ownership units rather than rentals
- Give preference for affordable housing units to people who live and work in the same City

Renters

- Add a strategy for design guidelines for new projects so that affordable units fit in and are not discriminated against
- Make sure that the surrounding infrastructure around new housing developments also fits people's needs
- Area around kestrel doesn't have proper crosswalks so it is hard to cross streets
- Make sure that if flexibility is given to developers, that they are given for affordable housing units, not just any development. Developers shouldn't get to "take without giving back to the community what it really needs"
- Disincentivize large expensive home building
- Add strategy that addresses how harmful HOA fees are on the community and finding affordable housing
- Add transitional housing opportunities for people to get on their feet

- Establish more programs for low income people, like financial assistance
- Connect low income folks with existing programs that can provide food, rental and financial assistance in the community
- Create incentives for not just developers to build affordably but individual homeowners as well.
- Don't want people to get resentful that they followed all the rules, while developers get tax breaks and fee reductions
- Make sure that if rents are going up, that the buildings are making the improvements they say they are going to make
- Incentivize tiny homes or ADUs that can be a path to homeownership rather than manufactured homes that can leave people vulnerable to displacement
- Need more homeownership programs that open up the ability for rent to own situations
- The City should address the discrimination against renters and tenants of affordable housing. Help provide support to renters and affordable housing tenants so that the community doesn't make assumptions about them, accepts them and embraces them.
- Kestral housing residents don't feel like they have a voice

Local Employers

- Add design standards so that multifamily housing is attractive with community oriented spaces
- Add strategy/action incorporating EV charging in new housing projects and around town
- Add strategy enforcing STRs because they are hurting the long term rental market
- Modular housing should adhere to quality and design standards to fit with existing character
- Add a strategy/action that relates to the timing of construction to help local businesses
- Construction around businesses hurts them severely. If new housing projects goes in there should be a construction plan to minimize the impact on business access and atmosphere
- If projects are utilizing tax funding, there should be greater transparency with where that money is going and progress updates with the public. Ex. Light rail line funded but not delivered.
- If smaller houses are created, they will be more successful if they are next to a thriving downtown/commercial area
- Expand adaptive reuse to projects outside of downtown
- Include lighting requirements in new housing projects for safety

General Comments from Focus Groups

- McCaslin area would be good for up to 5 stories
- Employees are not difficult to find if you pay them well
- Many employees commute from Denver, Boulder or surrounding areas
- There are no scaled down options for people in Louisville

- The City needs to create both housing and jobs, place housing near existing businesses that may need assistance
- Plan ahead for infrastructure so that consistent road construction doesn't impact businesses
- Prioritize housing near transit or future transit lines
- Require traffic studies before construction and adapt infrastructure accordingly

October 3 Community Open House Strategies Feedback

The following comments were made by community members and written onto boards at the October 3 Open House. These comments were later recorded by staff and the consultant team and summarized below.

Strategy 1 – IDENTIFY OPPORTUNITIES FOR RESIDENTIAL DEVELOPMENT

- 1.1 Establish criteria and identify areas to rezone to support additional residential development - 4 support stickers
- 1.2 Develop standards to encourage and ensure a range of housing types are provided on large greenfield sites - 5 support stickers
 - Comment: We don't need more single family. If we rezone it should be for multifamily and serious consideration should be given to transportation proximity as the only way density should increase. This can lead to reduced GHGs.
 - Comment: There are little to no options for middle class families and children leaving the nest.
- 1.3 Establish cost-sharing opportunities for infrastructure on sites where affordable housing is provided, particularly on large sites that are rezoned for housing - 3 support stickers
 - Comment: This makes sense for grant programs for greater than 120% AMI restricted. Development needs to support public benefits (eg. Safe routes to school, parks etc)
- 1.4 Conduct a market analysis during major planning processes to ensure that proposed future land uses are economically viable – 4 support stickers and 1 caution sticker
 - Comment: This should be a part of the comprehensive plan
 - Comment: This seems like implementation not policy

General Comments about Strategy 1

- We need more mixed use

Strategy 2 - ADOPT CODE ALLOWANCES FOR MORE DIVERSE HOUSING DEVELOPMENT

- 2.1 Conduct a robust code audit to properly evaluate the effectiveness of development regulations and identify existing barriers to housing development – 5 support stickers
- 2.2 Adopt code amendments to reduce barriers to residential development with sensitivity to existing overlays and districts (e.g., historic overlay) – 5 support stickers
- 2.3 Offer a height bonus for projects that pay a higher fee in lieu than currently required under the City's existing inclusionary housing program – 3 support stickers

- 2.4 Explore permitting allowances for cottage housing and detached/attached ADU development, and internal conversions – 7 support stickers
 - Comment: Strategy does not necessarily follow what was heard.
- 2.5 Consider expanding allowances for low-density middle housing into single-family zones – 9 support stickers
- 2.6 Incentivize accessibility and visit ability standards and first floor accessible housing options for seniors – 8 support stickers

General Comments about Strategy 2

- Stop Tearing Down the small cottages downtown
- Please consider the prior old town zoning project. Should provide higher density ADUs, preservation

Strategy 3 – FACILITATE DEVELOPMENT AND PRESERVATION OF INCOME-RESTRICTED HOUSING THROUGH PROP 123

- 3.1 Adopt regulations and programs to better support income-restricted* housing development, particularly in TOD** areas – 2 support stickers
 - Comment: Our climate goals need this.
- 3.2 Consider establishing a commercial linkage fee to provide financial support for income-restricted affordable housing projects - 3 support sticker, one caution sticker
- 3.3 Monitoring income-restricted units for expiring subsidies and explore intervention options to maintain affordability - 2 support stickers
- 3.4 Establish a land banking program to support new income-restricted affordable housing projects - 3 support stickers
- 3.5 Adopt the low-income housing property tax exemption to financially support new projects - 3 support stickers
- 3.6 Adopt development fee reductions and/ or exemptions for income-restricted projects - 3 support stickers

Strategy 4 – EVALUATE LAND USE PROCEDURES AND STREAMLINE PROCESSES/STANDARDS

- 4.1 Establish clear and objective development standards - 4 support stickers
 - Comment: My understanding is that the problem with creating true affordable housing developments is lack of money not our process. We could use more income restricted housing.
- 4.2 Establish thresholds for development types that meet objective criteria to be reviewed and permitted administratively - 5 support stickers
- 4.3 - Allow more housing types to be permitted “by-right” to reduce the need for variances or conditional uses processes - 6 support stickers

General Comments about Strategy 4:

- Concerns about parking with additional density.

- There are support for internal conversions with owner occupants for ADUs.
- Keep current setbacks to retain community character.
- Don't want income generating ADUs
- There should be mixed use above the commercial.
- There should be strict regulations on where ADUs can be.
- There should be attached ADUs

Strategy 5 - SUPPORT MORE FLEXIBLE INFILL DEVELOPMENT

- 5.1 Define standards in the downtown for the ground floor requirements and allow commercial or residential above, without a special review process - 4 support stickers
 - Comment: Adus need to include affordable options, not just market rate.
- 5.2 Increase height allowances to 3 stories throughout Downtown for projects that include income-restricted affordable housing units - 4 support stickers
 - Comment: Why not 5 stories?
 - Yes if more than the existing 12% required affordable units.
- 5.3 Allow ADUs* both attached and detached on all single-family lots, City-wide - 8 support stickers, 2 caution stickers
 - Comment: Would neighborhoods have a say in whether ADUs are the best choice for their area?
- 5.4 Expand allowances for more stand-alone residential development in commercial areas - 5 support stickers
- 5.5 Lower the minimum lot size to accommodate more subdivision opportunities on large lots – 6 support stickers
- 5.6 Offer incentives for adaptive reuse projects downtown - 4 support stickers
 - Comment: can the square footage increase of a tear down replacement (code change for infill)

General Comments about Strategy 5:

- All of 5.1-5.6 sound like good ideas. 3 stories downtown should be done with caution.
- Create incentives for income restricted ADUs or ADUs for elderly, disabled or caregivers. Extreme caution that ADUs get built just to make bigger houses with more square footage with guest suites that drive up prices.
- Would it be realistic to consider vacant commercial properties near mccaslin corridor as potential residential or mixed use development?
- There are areas of town that are too small for ADUs
- How do you limit the gentrification of Old Town as small houses are razed and replaced by larger mansions. The average prices rise.

Strategy 6 – SUPPORT THE PRESERVATION OF NATURALLY OCCURRING AFFORDABLE HOUSING

- 6.1 Remove or raise occupancy restrictions - 3 support stickers
- 6.2 Explore programmatic and zoning approaches to preserving manufactured home parks - 2 support stickers

- Comment: Have right of first refusal for the city to purchase more mobile home land. Allow subdivision and assist mobile home owners to buy their own land.
- 6.3 Establish partnerships with non-profit housing providers, affordable housing providers, and/or religious organizations to support intervention efforts - 1 support sticker
 - Comment: Assume of course this will happen. Pass 1B for funding.
- 6.4 Create a legacy homeownership program- 1 support sticker
 - Comment: Cant hurt but limited effectiveness (1 support sticker)

General Comments about Strategy 6

- Look at the ponderosa model in boulder with regard to building mobile home parks
- Help improve mobile home parks with money.

Housing Plan

City of Louisville

November 2023

Development Feasibility Analysis

Prepared for: City of Louisville

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Development Feasibility Analysis

ECONorthwest conducted a development feasibility analysis to:

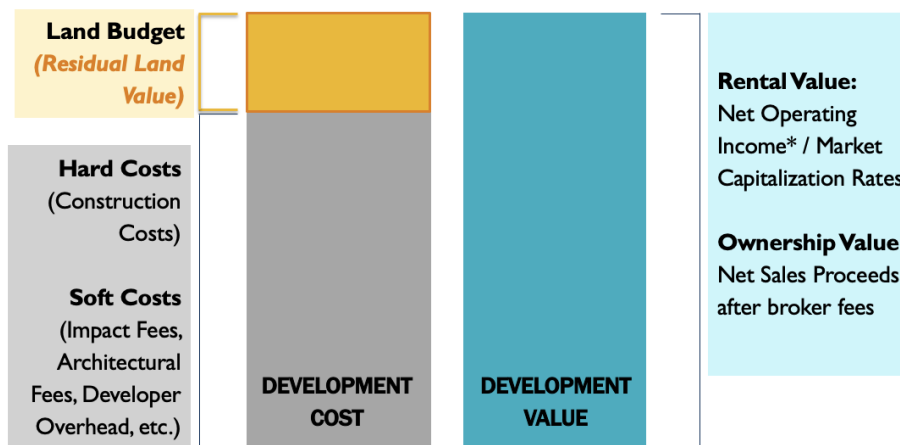
- Evaluate the feasibility of middle housing types in the City.
- Evaluate the effect of allowing up to four stories for multifamily development in certain areas.

Methods

To model development feasibility, we employed a pro forma model and used a residual land value (RLV) metric, which measures the land budget a developer would be left with after accounting for potential development costs and revenues.

Exhibit 1: Example of Feasible Development using Residual Land Value (RLV) Model

Source: ECONorthwest.



If the RLV is equal to or above land prices in the potential development area, the development is considered feasible at market rate. If the RLV is zero dollars, the development could be feasible if the land were donated for free. However, if the RLV is less than zero, the development is likely infeasible unless a developer receives additional subsidies or incentives. Please note that results from this method describe a general analysis of prototypes and do not consider the many potential unique conditions that could be a factor in development feasibility (e.g., increased predevelopment costs, low land basis from longtime land ownership, etc.). For these reasons, a residual land value analyses should be thought of as a strong indicator of the relative likelihood of development, rather than an absolute measure of return to the investor or developer.

Prototypes

ECONorthwest evaluated the following prototypes:

Exhibit 2: Building Summary Table

Source: ECONorthwest

	Cottage	Cottage	Fourplex	Sixplex	3 Story	4 Story	4 Story
Tenure	Ownership	Ownership	Ownership/ Rental	Ownership/ Rental	Rental	Rental	Rental
Recent Development Example	Rogers Farm	Rogers Farm			Delo Apartments	Delo Apartments	Delo Apartments
Total floors	2	2	2	3	3	4	4
Units	6	12	4	6	120	160	160
Lot Size	19,240	38,480	7,059	8,263	107,639	129,028	107,639
Parking	Garage	Garage	Garage	Surface	Surface	Surface	Surface
Parking ratio	2.0	2.0	2.0	2.0	1.4	1.4	1.0
Average unit size	1,000	1,000	1,400	1,200	783	783	783
Unit mix	2 bedrooms	2 bedrooms	2 bedrooms	2 bedrooms	25% studio, 50% 1-bed, 15% 2-bed, 10% 3-bed	25% studio, 50% 1-bed, 15% 2-bed, 10% 3-bed	25% studio, 50% 1-bed, 15% 2-bed, 10% 3-bed
Landscape area	11,440	22,880	1,059	1,239	10,764	12,903	10,764
Impervious coverage	41%	41%	85%	85%	90%	90%	90%
Dwelling Units per Acre	14	14	25	32	49	54	65
Floor Area Ratio	0.31	0.31	0.79	1.03	1.09	1.21	1.45
Sale price:	\$700,000	\$700,000	\$750,000	\$650,000	\$475,000	\$475,000	\$450,000
Price per sf	\$700.00	\$700.00	\$535.71	\$541.67	\$607.03	\$607.03	\$575.08
Average rent	\$0	\$0	\$3,400	\$3,200	\$2,100	\$2,100	\$2,100
Rent per sf	\$0	\$0	\$2.43	\$2.67	\$2.68	\$2.68	\$2.68

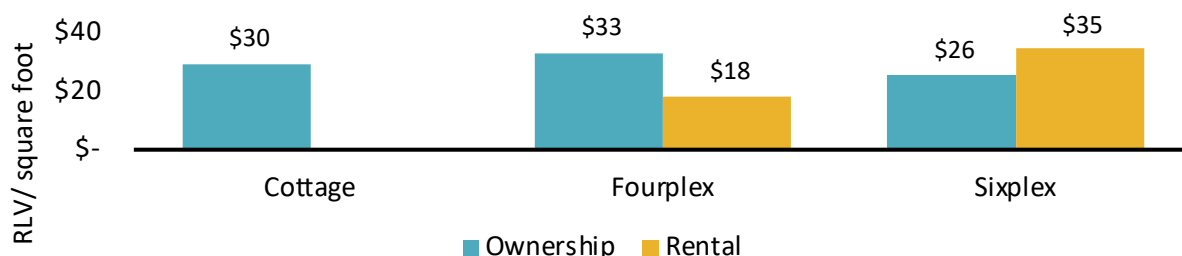
Results

Middle housing types are likely feasible in Louisville.

All modeled middle housing types produced a positive RLV. Fourplexes (modeled as side-by-side units) are more likely to be for-sale products, while sixplexes (modeled as stacked units) are more likely to be rental products.

Exhibit 3: Feasibility Results for Middle Housing Types, Louisville, 2023

Source: ECONorthwest

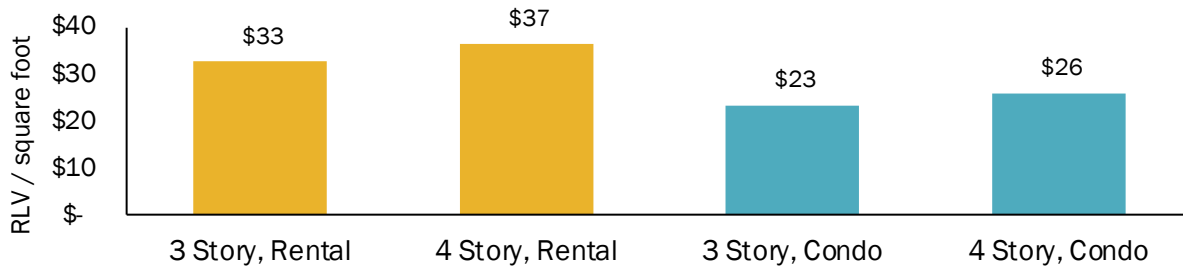


There is value in allowing up to four stories for multifamily development.

For both rental and condominium products, increasing the prototype from three stories to four while holding other building aspects (such as parking ratios) constant resulted in a small increase to residual land value per square foot (\$4 for apartments and \$3 for condominiums).

Exhibit 4: Feasibility Results for Three- and Four-Story Multifamily Prototypes, Louisville, 2023

Source: ECONorthwest

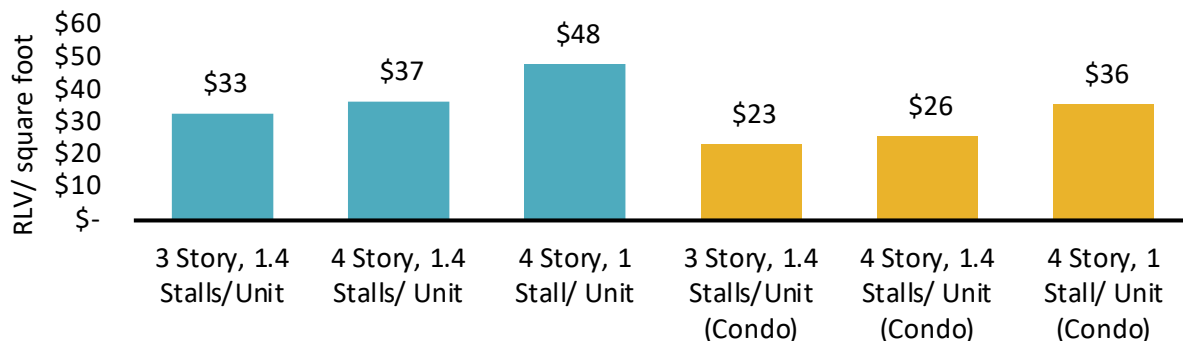


Reducing parking requirements increases development feasibility more than adding building height.

We also modeled the four-story multifamily prototype with a reduction in parking from 1.4 stalls per unit to roughly one stall per unit of surface parking. While increasing the prototype from three stories to four stories without a reduction in parking increased the RLV per square foot by \$4 for apartments and \$3 for condominiums, reducing the parking ratio increased the RLV per square foot by an additional \$11 and \$10, respectively.

Exhibit 5: Feasibility Results for Three- and Four-Story Multifamily Prototypes with Parking Reduction, Louisville, 2023

Source: ECONorthwest



Increased feasibility for multifamily units could provide an opportunity to increase affordable housing fee-in-lieu option as part of an incentive.

We explored ways that both a developer and the City could benefit from an increase in development value created by zoning changes. To test flexibility around affordable housing fees, we held the residual land value constant to the value of the three-story building and modified the affordable housing fee-in-lieu rate. However, to maintain the development incentive, it is very important to not pick the maximum possible fee. To this end, we propose fee ranges that would still give 30% to 50% of the increased development bonus to the developer. These ranges are shown below.

Exhibit 6: Proposed Fee-in-Lieu Fee Ranges for Development Bonus

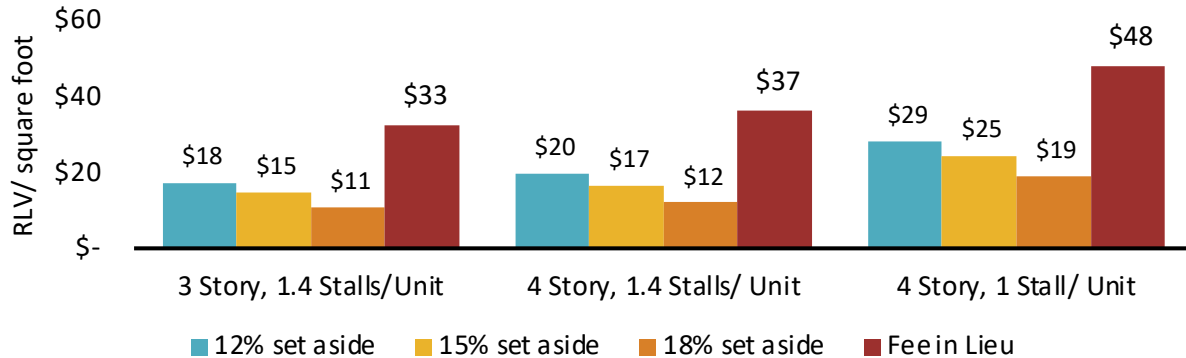
Source: ECONorthwest

Building Form	Apartment Fee Range	Condominium Fee Range
3 Stories, 1.4 stalls/ unit (current fee)	\$4.72 per sf	
4 Stories, 1.4 stalls/ unit	\$6.24-\$6.84 per sf	\$10.18-\$10.56 per sf
4 Stories, 1 stall/ unit	\$10.04-\$12.17 per sf	\$12.90-\$14.36 per sf

In addition, we tested three different set-asides for affordable housing: 12% (current requirement), 15%, and 18% of units, maintaining current target affordability depth requirements. Results are shown below.

Exhibit 7: Feasibility Results for Affordable Housing Sensitivity Testing

Source: ECONorthwest



Including commercial space in a mixed-use building has a small negative impact to development feasibility.

We also explored the impact of either including commercial retail onsite or paying a fee in lieu of onsite commercial space. First, we tested the impact of including 5,000 and 10,000 square feet of retail onsite, which had a negative impact on the RLV of \$2 and \$4 per square foot, respectively. Next, we tested an in-lieu fee of both \$5 and \$10 per square foot for 10,000 square feet of retail space, which had a very small negative impact of less than \$1 per square foot.

Exhibit 8: Feasibility Results for On-Site and Fee-In-Lieu Commercial Retail

Source: ECONorthwest

