

SUBJECT: **PRESENTATION: DENVER REGIONAL COUNCIL OF
GOVERNMENTS (DRCOG) REGIONAL HOUSING NEEDS
ASSESSMENT AND COMPLIANCE WITH SENATE BILL 24-174**

DATE: **AUGUST 19, 2025**

PREPARED BY: **JEFF HIRT, PLANNING MANAGER**

PRESENTED BY: **JEFF HIRT, PLANNING MANAGER**

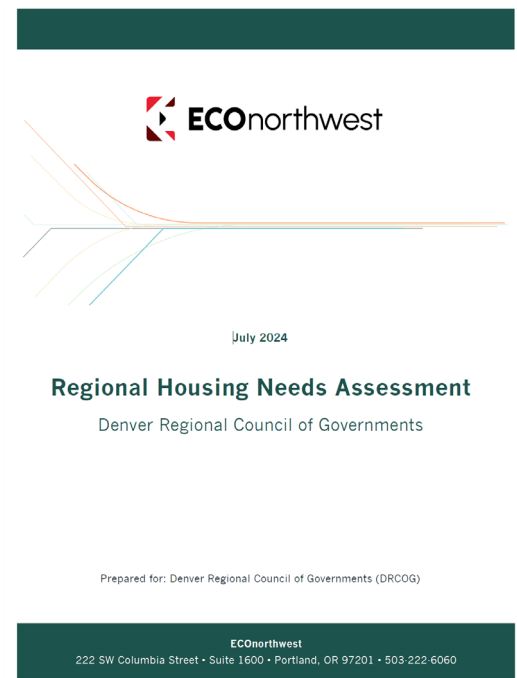
SUMMARY:

The purpose of this item is to address compliance with SB 24-174 and provide an opportunity for Council to gain a deeper understanding of regional housing topics to inform the City's related efforts. Specifically, City Council needs to review the Denver Regional Council of Governments (DRCOG) Regional Housing Needs Assessment by September 12, 2025, to ensure compliance with SB 24-174 Sustainable Affordable Housing Assistance and better position the City for future related grant funding opportunities. No action is required from Council regarding this item, although comments may be forwarded to DRCOG at Council's request.

BACKGROUND:

The State Legislature passed SB 24-274 in 2024, which requires the City of Louisville to have an adopted housing needs assessment (HNA) by December 31, 2026. It also requires that the State prioritize grant funding allocated with this bill to local governments with HNAs that meet very specific criteria. SB 24-174 creates a continuously appropriated fund for State technical assistance to support local government policy and regulatory work related to affordable housing with an initial sum of \$15 million for such grants.

City Council adopted the Louisville Housing Plan in May 2024, which included a robust housing needs assessment. However, like most of our peer cities, the needs assessment component of the Louisville Housing Plan is likely noncompliant with SB 24-174 because it did not follow the bill's specific data collection methodology.



The State Department of Local Affairs (DOLA) has recently been coordinating with DRCOG for an alternative to updating local HNAs to address this common issue among Front Range cities. DOLA has agreed that the recent DRCOG Regional Housing Needs Assessment complies with SB 24-274. This Regional HNA can now suffice for SB 24-174 compliance if a DRCOG member local government like the City of Louisville “reviews” it before its elected body.

Most cities like Louisville that are in the Boulder County Regional Housing Partnership have a similar issue and are bringing this topic to their elected officials for review.

DRCOG Regional Housing Needs Assessment

The DRCOG Board of Directors approved the Regional Housing Needs Assessment in July 2024. The key findings are that:

- Despite periodic building booms, the region has not produced enough housing to keep pace with population and job growth.
- Low-income households (below 50% Area Median Income) represent the greatest need for additional housing.
- Aging population and smaller household trends will require more diverse housing types.
- Housing types and affordability are unevenly distributed across the region.

The Regional HNA found that to address current and future needs across the income spectrum, the Denver region needs to build about 500,000 units by 2050. To stay on track to reach that goal, the region should work toward building 223,000 new units through 2032.

Key Louisville-Specific Findings from the DRCOG Regional HNA

To determine the increment of this housing need through 2032 by city, DRCOG created a publicly available housing data dashboard tool that is tied to the Regional HNA data. Using this tool results in the following key findings for Louisville in comparison to surrounding communities. These findings are generally consistent with the Louisville Housing Plan’s needs assessment. The Regional HNA shows Louisville with 8,920 housing units in 2022.

- Louisville needs to add 1,810 housing units by 2032 to address the City’s share of current and future regional housing needs. The Louisville Housing Plan identified a need of 2,483 housing units by 2047 (p. 24).
- 85% of the housing units needed in Louisville are for households with annual incomes under 120% Area Median Income (AMI), which is about \$173,000 annually for a family of four. 62% are for households with annual incomes under 50% AMI, which is about \$72,000 annually for a family of four. These numbers are similar across Boulder County cities.

- Louisville has the second lowest percentage of renter households that are cost burdened among Boulder County cities at 40%.
- Louisville has the second highest percentage of its housing units that are detached single family and owner occupied among Boulder County cities at 70% and 73%, respectively.

Table 1: Summary of DRCOG Regional Housing Needs Assessment Select Findings				
	Housing Unit Need by 2032	% of Renter Households Cost Burdened	% of Units Detached Single Family	% of Units Owner Occupied
Boulder	9,504	62%	43%	51%
Longmont	5,792	54%	65%	66%
Louisville	1,810	40%	70%	73%
Lafayette	1,574	54%	60%	68%
Erie	1,434	41%	88%	87%
Superior	750	31%	60%	60%
Boulder County	22,990	56%	58%	62%

The full DRCOG Regional HNA can be found at [this link](#). The DRCOG housing data dashboard tool can be found at [this link](#).

2025 COUNCIL WORK PLAN:

This item addresses the 2025 Council Work Plan and Housing Priority by better positioning the City for future grant funds from SB 24-174 to support affordable housing policy and regulatory work. Several of the Housing-related items from the 2025 Work Plan are examples of the type of policy and regulatory work that could be supported by such grant funds in the future (p. 6), as are many of the action items from the Louisville Housing Plan.

FISCAL IMPACT:

Budgeted?: **Not Applicable**

City Council's review of the DRCOG Regional Housing Needs Assessment enhances the City's eligibility for future grant funds from SB 24-174. Such grant funds are set aside for technical support related to local government housing policy and regulatory work. Housing affordability is likely to continue to be a priority near term topic for the City to address and also likely that the City would apply for grants for technical support for related projects.

ALTERNATIVE(S):

1. Review the DRCOG Regional Housing Needs Assessment at a City Council meeting by September 12, 2025, and comply with this component of SB 24-174.
2. Do not review the DRCOG Regional Housing Needs Assessment at a City Council meeting and risk noncompliance with SB 24-174.

3. Do not review the DRCOG Regional Housing Needs Assessment at a City Council meeting and request a State determination of the Louisville Housing Plan's compliance with SB 24-174. If found noncompliant, request that staff add an update to the Louisville Housing Plan for SB 24-174 compliance with an upcoming annual work plan.

STAFF RECOMMENDATION:

No formal action by City Council is requested. Staff recommend that City Council review the DRCOG Regional Housing Needs Assessment at the August 19 meeting to ensure compliance with SB 24-174 and gain a deeper understanding of regional housing needs. Staff will then forward documentation that the meeting was held and communicate any City Council comments to DRCOG if requested.

LINKS:

1. [SB 24-174 State Legislature Webpage](#)
2. [State DOLA SB 24-174 Informational Webpage](#)
3. [DRCOG Regional HNA Webpage](#)
4. [DRCOG Regional Housing Needs Assessment Data Dashboard Tool](#)

ATTACHMENT:

1. Presentation



July 2024

Regional Housing Needs Assessment
Denver Regional Council of Governments

Prepared for: Denver Regional Council of Governments (DRCOG)

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City Council

DRCOG Regional Housing Needs
Assessment and SB 24-174



Purpose

- Address compliance with SB 24-174 Sustainable Affordable Housing Assistance
- Share information on DRCOG Regional Housing Needs Assessment
- Better position City for future grant funding opportunities addressing affordable housing
- **No action requested from Council, but opportunity to submit comments to DRCOG**

Background

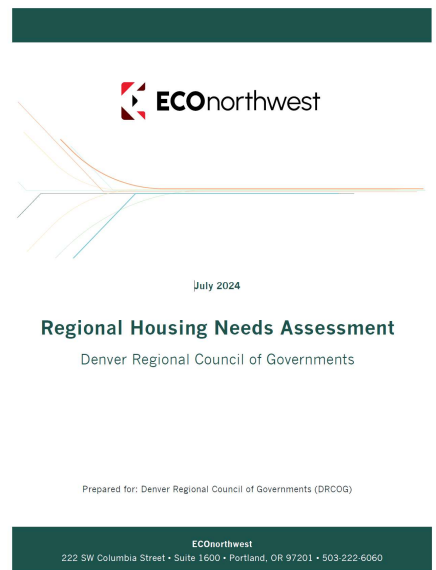
- SB 24-174 creates a new fund to support local government affordable housing policy and regulatory work.
- SB 24-174 requires the City to have a “compliant” housing needs assessment (HNA) by 12/31/26.
- Local governments with compliant housing needs assessments are given priority for future SB 24-174 grant requests.



Adopted by City Council May 7, 2024

Background

- Louisville and most nearby cities likely do not have a compliant HNA.
- Rather than update HNAs, the State and DRCOG are offering an alternative for elected bodies to “review” the DRCOG Regional Housing Needs Assessment for SB 24-174 compliance.

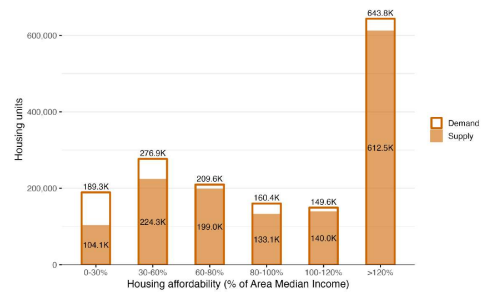


DRCOG Regional HNA Summary

Key Findings:

- The region has not produced enough housing to keep pace with population and job growth.
- Low-income households (below 50% Area Median Income) represent the greatest need for additional housing.
- Aging population and smaller household trends will require more diverse housing types.
- Housing types and affordability are unevenly distributed across the region.

Exhibit 7. 10-Year scaled estimate of housing need compared to current supply by income



Source: ECONorthwest analysis; DRCOG synthesis of State Demography Office 2022 Household Forecast and U.S. Census Bureau, American Community Survey 5-year 2013 Public Use Microdata Sample estimates; Metro Denver Homeless Initiative State of Homelessness Report, 2022-2023

DRCOG Regional HNA Summary

Key Findings (cont'd):

- About 500,000 housing units needed in Denver region by 2050.
- About 223,000 housing units needed in Denver region by 2032 to track towards this goal.
- Housing unit need was allocated by subregion based on population and job growth estimates, transportation infrastructure, and other factors.

Exhibit 10. Regional submarkets



Exhibit 10. Regional submarkets



DRCOG Regional HNA Summary

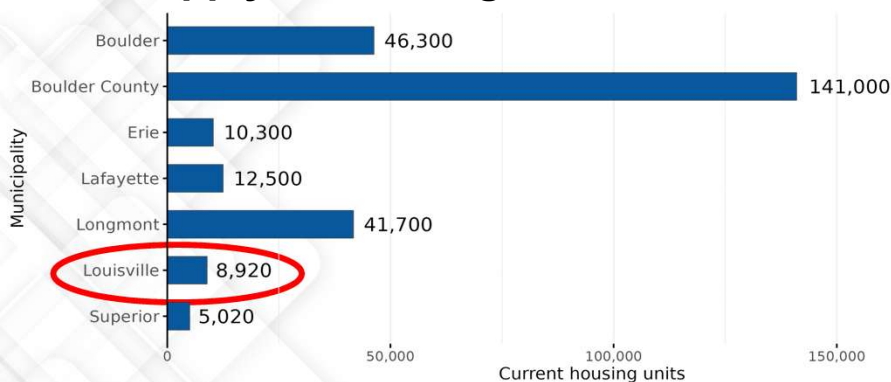
Key Findings for Louisville

- 1,810 housing units by 2032 to address city's share of current and future regional housing needs.
- 85% of housing units needed for <120% AMI households.
- 62% of housing units needed for <50% AMI households.
- Data generally tracks with Louisville Housing Plan.



DRCOG Regional HNA Summary

Current Supply of Housing Units

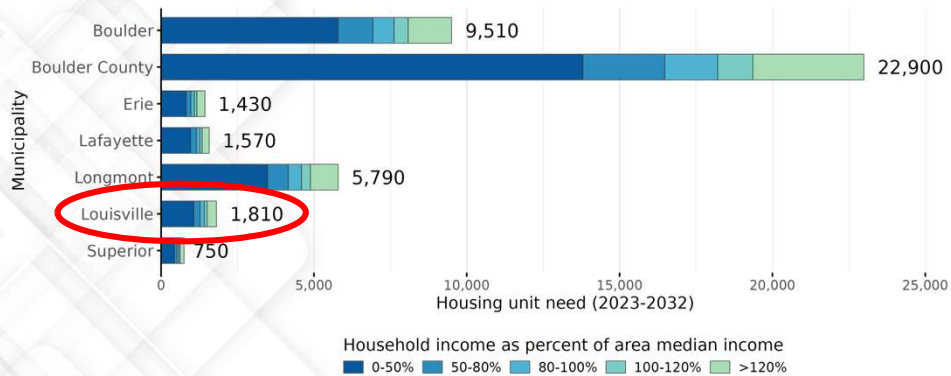


Source: ACS PUMS 1-Year 2022, Decennial Census 2020



DRCOG Regional HNA Summary

10-Year Local Need by Income



Source: DRCOG, ACS PUMS 1-Year 2022, ECONW calculations

DRCOG Regional HNA Summary

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Staff Recommendation and Next Steps

- No formal action requested from City Council.
- Comments may be forwarded to DRCOG at Council's request.
- Staff submits compliance documentation to DRCOG and State by September 12.