



Root Policy Research

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Executive Summary

Community Housing Needs

Assessment

PREPARED FOR:

City of Centennial
13133 E. Arapahoe Rd.
Centennial, CO 80112

REPORT

7/18/2022

Report Organization:

- Existing Conditions
- Current Housing Needs
- Future Housing Needs
- Strategy and Policy Change

Why work to address housing needs?

- Research shows that a constrained housing market negatively impacts economic growth.
- Residents' housing needs change over time, most often due to aging, education and skill development, employment, economic disruption, care for family members, and/or transition to a fixed income.
- Recent trends in market prices, increasing mortgage interest rates, and land constraints are putting the city out of reach for middle income households.
- The existing housing products and price points offered may not be able to accommodate the needs of starter families, the growing workforce, or aging residents who wish to downsize.

Introduction

The Community Housing Needs Assessment (HNA) is the first phase of a four-phase Housing Study and Policy Development which includes 1) HNA, 2) refinement of strategies, 3) draft policy and land development code changes, and 4) policy and code consideration.

The HNA provides an update of past housing analyses with new data reflecting current gaps in the housing market and determining how residents' needs have changed since the last housing market update in 2017. The housing needs identified in the report can be leveraged by city staff, community members, and decision makers as the project moves into the next phase of the process—refinement of strategies.

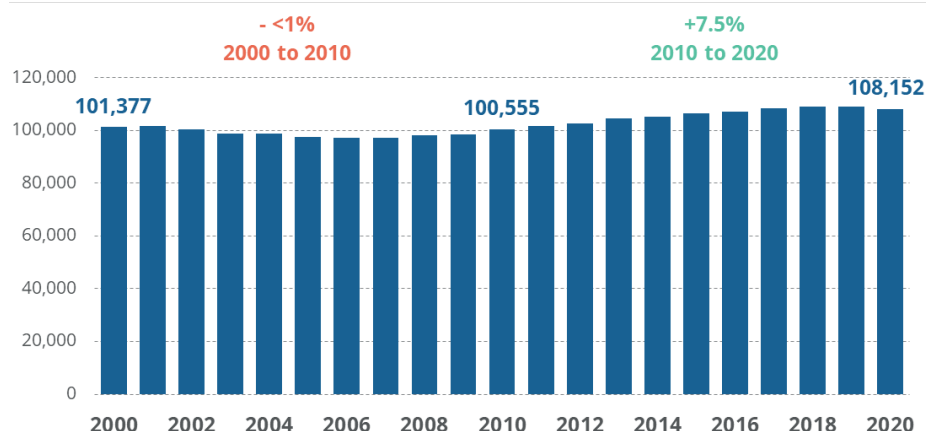
Top Housing Needs in Centennial Today

- To accommodate projected household and employment growth, the City of Centennial would need to **increase production of housing**—including market rate rental units and for sale housing. Over the past 10 years, the city has approved an average of 241 units per year. To keep up with household projections the city needs to produce 561 to 706 new units per year. (see Section II and III)
- To address the existing gap for low income renters with annual incomes less than \$35,000 in the city, **896 rental units and/or subsidies** priced under \$875 per month (including utilities) are needed. (see Section II)
- To allow for a wider variety of households to purchase homes in Centennial and for seniors to downsize, the city needs to **accommodate more missing middle housing types**—single family attached and condos. Increasing smaller-scale ownership opportunities would alleviate some of the barriers to homeownership and provide housing for smaller household sizes—specifically, **two-bedroom ownership opportunities**. (see Section II)
- To accommodate growing employment industries in the city, Centennial should **target affordable homeownership and rental strategies** toward price points that **Centennial workers can afford**. If the city's workers cannot be housed in the city, in-commuting will increase, and homeownership will decline. (see Section III)

Existing Conditions

- Centennial experienced modest population growth from 2010 to 2020 compared to the State of Colorado and Denver Metropolitan Statistical Area (MSA). From 2010 to 2020, the city's population grew by 7.5% compared to 14% in the Denver MSA and 33% statewide (ES-1).
- Centennial is an older community compared to the rest of the state with a median age of 41.3 in the city compared to 36.9 statewide. The senior population in the city is growing as residents age in place (ES-2).
- Centennial is a relatively high income community in the Denver MSA with a very low poverty rate (3% poverty).
- Family households with children and school-aged children have declined. The share of nonfamily households has increased (ES-2).
- Employment increases in the city—primarily in low wage jobs in arts, entertainment, and recreation—have driven up in-commuting for workers who work in the city but cannot afford housing prices or prefer to live elsewhere (ES-3).
- Racial and ethnic diversity in the city increased from 2010 to 2020, particularly within school aged children.

Figure ES-1. Total Population, 2000-2020



Source: DOLA and Root Policy Research.

Figure ES-2. Share of Population by Age, 2010-2020

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

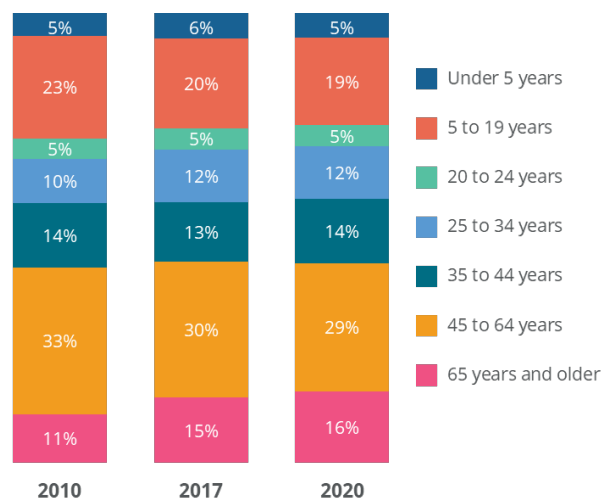
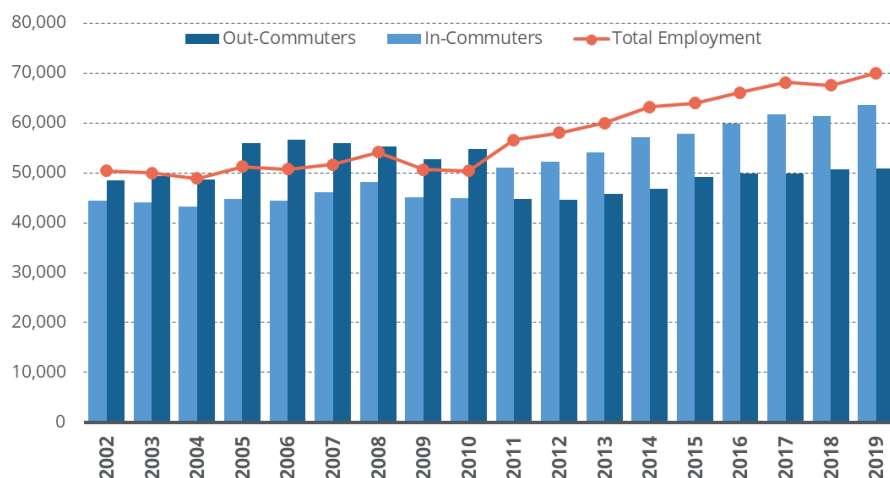


Figure ES-3. Commute Patterns and Total Employment, 2002-2019



Source: LEHD and Root Policy Research.

Housing Market

Housing Stock

- Around three-fourths of homes in Centennial are single-family detached homes. However, much of the development in recent years has been multifamily units (ES-4).

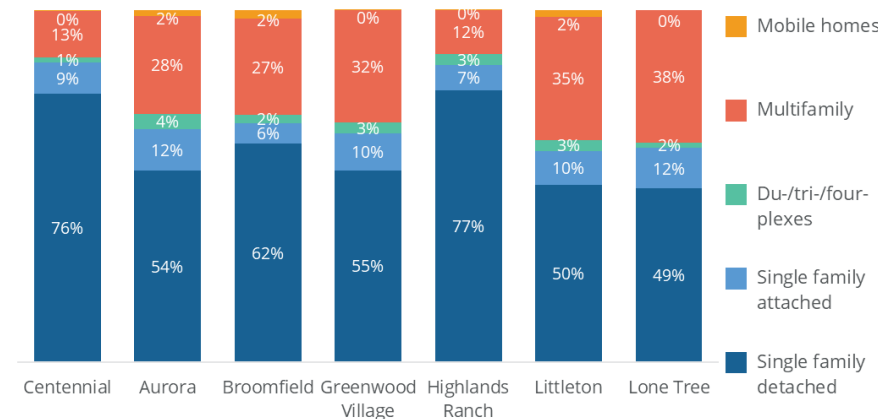
Rental Market

- Overall, the median gross rent in Centennial increased from \$1,554 in 2017 to \$1,728 in 2020 (11% increase).
- Over the past year (Q2 2021-Q1 2022) rents in the City of Centennial have increased dramatically, particularly in west Centennial (ES-5).

Ownership Market

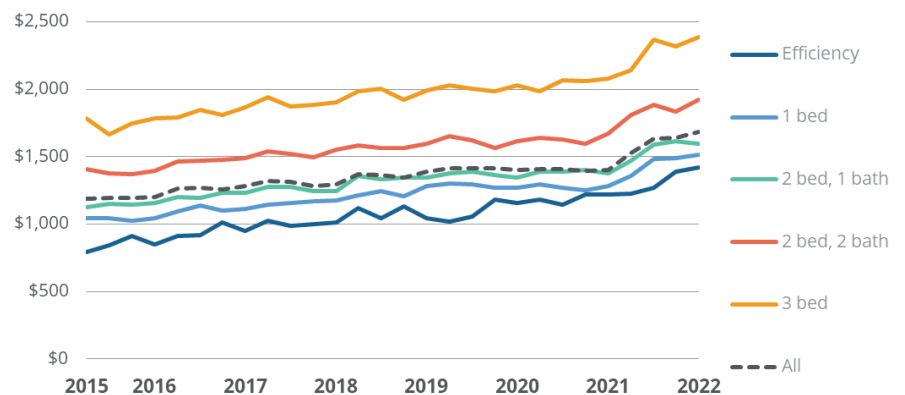
- Centennial has an above average homeownership rate. In Centennial 82% of all households own their home compared to 60% statewide.
- The average price of single family detached units sold in 2022 was \$233,990 higher than attached units and \$301,766 higher than condos. However, from 2012 to 2022 79% of all sales were single family detached (ES-6).
- Barriers to homeownership in Centennial include difficulty making a downpayment, households debt to income ratio, credit history, and increasing interest rates.

Figure ES-4. Housing Type, Centennial and Peer Communities, 2020



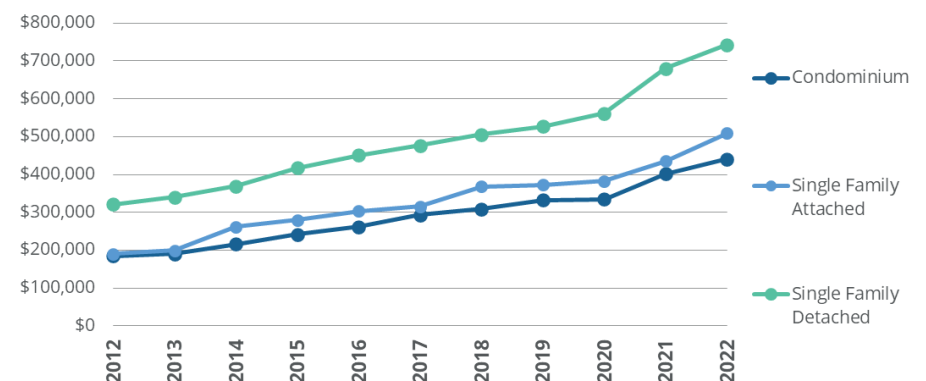
Source: 2020 5-year ACS and Root Policy Research.

Figure ES-5. Median Rent by Type, Arapahoe County, 2015-2022



Source: Denver Metro Vacancy and Rent Survey Q1 2022 and Root Policy Research.

Figure ES-6. Average Sale Price by Housing Type, 2012-2022



Source: MLS and Root Policy Research.

Current Housing Needs

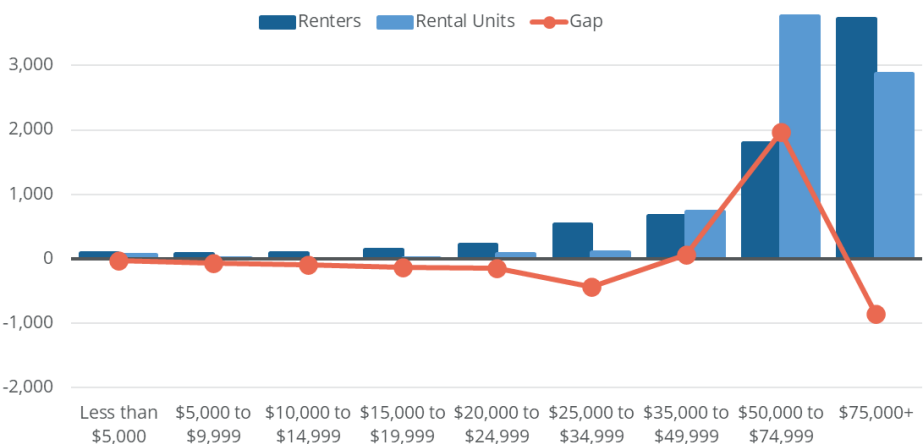
Rental Market

- The city has a gap of 896 units for renter households earning less than \$35,000. Sixteen percent of renter households have incomes less than \$35,000. These residents are not homeless, rather they are renting-up into units they cannot afford and are housing cost burdened—spending more than 30% of their income on housing (ES-7).

Ownership Market

- Units for sale in the City of Centennial are predominantly three- to four-bedroom units (67%). Conversely, most households are one or two person households (57%). There is a mismatch between the current inventory of for sale housing and the types of households living in Centennial (ES-8).
- With a 5.25% interest rate, households need to earn \$100,000 or more to be competitive in the market. Increased interest rates have decreased the purchasing power for households based on their income (ES-9).

Figure ES-7. Rental Gaps, Centennial, 2020



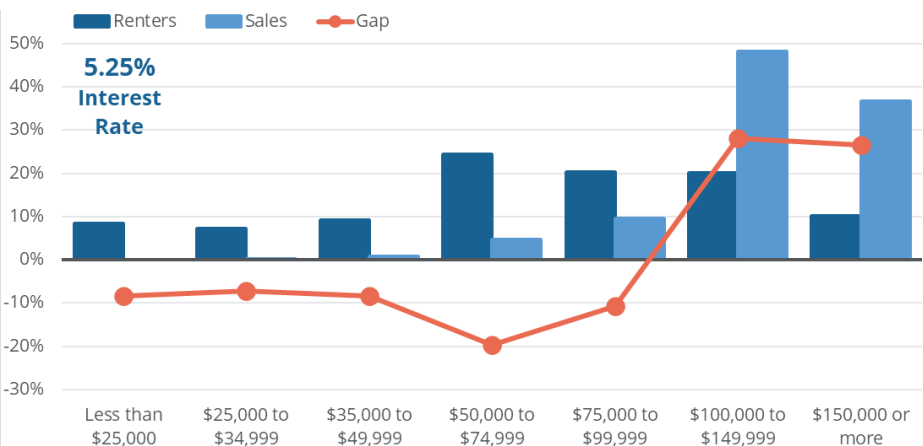
Source: 2020 5-year ACS and Root Policy Research.

Figure ES-8. Households by Number of People in Household vs. Sales by Number of Bedrooms

Number of Bedrooms or People in Household	Households		Sales in Centennial (2020-2022)	
	# of Households	% of Households	# of Sales	% of Sales
Centennial				
1 or less	8,637	21%	97	2%
2	14,560	36%	480	11%
3	7,428	18%	1,311	29%
4	6,388	16%	1,724	38%
5 or more	3,684	9%	935	21%

Source: MLS, 2020 5-year ACS, and Root Policy Research.

Figure ES-9. Renter Purchase Gaps, 5.25% Interest Rate, Centennial, 2020



Source: 2020 5-year ACS, MLS, and Root Policy Research.















Future Housing Needs

What if all new workers who can afford to live in Centennial are housed?

Figure ES-10 shows the outcomes of a scenario where all new worker households who can afford to rent or purchase in Centennial are housed and those who cannot afford Centennial become in-commuters.

By 2025, an estimated 4,948 new worker households will work in the city and 519 households would be able to afford the median priced detached single family home in 2025 (\$823,688); 1,453 households could afford to purchase a condo or attached home (\$780,000); and 2,189 households could afford the median rent (\$2,063). Out of the 8,321 new workers in the city, 1,324 could not afford to live in the city and would be forced to in-commute to work. Without an increase in ownership affordability in the next five years, the homeownership rate is estimated to decrease from 82% in 2020 to 77% in 2025.

Figure ES-10. Industry Workers can Afford, 2035

	 New Workers	 New Households	Housing Types Households Can Afford		Impact
2025	+8,321 Workers	+4,948 Households	 Detached	Households 519	In-Commuters  +1,324
			 Attached & Condos	1,453	Homeownership Rate 82% to 77%
			 Rent	2,189	
2030	+13,447 Workers	+7,996 Households	 Detached	Households 383	In-Commuters  +2,138
			 Attached & Condos	2,688	Homeownership Rate 82% to 75%
			 Rent	3,654	
2035	+17,791 Workers	+10,590 Households	 Detached	Households 17	In-Commuters  +2,826
			 Attached & Condos	1,154	Homeownership Rate 82% to 67%
			 Rent	7,728	

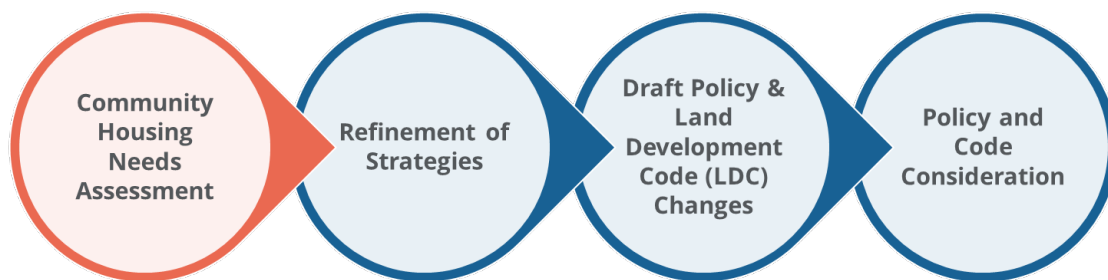
Note: Affordability based on 1.68 wage earners in with the average weekly wage for each industry per household and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.

Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

Next Steps:

The ultimate purpose of the study is to provide a strategy and recommendations to guide future policy decisions relating to housing. This draft reflects the first phase of the overall study—an analysis of demographics, existing housing stock, and needs related to the Centennial’s housing context and potential future housing needs. This is the first phase of a four-phase process which includes 1) HNA, 2) refinement of strategies, 3) draft policy and land development code changes, and 4) policy and code consideration.

Figure ES-11.
Centennial Housing Study and Policy Development Phases



Throughout the process, the City of Centennial and the consultant team are committed to conducting robust community engagement efforts. Upcoming events, public drafts and information, and our newsletter can be accessed at www.centennialco.gov/housing.

The next phase of work will center around the nine strategies identified by the City of Centennial as strategies for further exploration. Each strategy will undergo a public vetting process with community members, stakeholders, the Working Group, and decision makers. The strategies for consideration include:

- (B) Subsidize or reduce development fees¹
- (C) Expedited development review for affordable housing
- (D) Expedited development review for underutilized commercial/office property
- (E) Establish density bonus program
- (G) Dedicated funding source to subsidize infrastructure costs
- (J) Authorizing Accessory Dwelling Units (ADUs)
- (N) Create a land donation/banking program
- (IIa) Inclusionary zoning policy
- (IIb) Incentivize current landlords to lower prices of existing units

¹ Lettering references the strategies as presented in HB21-1271.



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SECTION I.

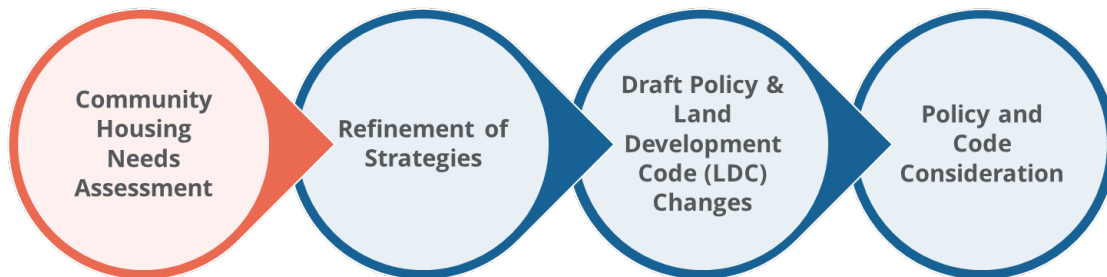
EXISTING CONDITIONS

Section I.

Existing Conditions

This Community Housing Needs Assessment (HNA) is the first phase of a four-phase process which includes 1) Completion of the HNA to identify housing needs, 2) Refinement of strategies to address identified needs, 3) Draft policy and land development code changes, and 4) Policy and code consideration as shown in Figure I-1.

Figure I-1.
Centennial Housing Study and Policy Development Phases



This HNA provides an update of past housing analyses with new data reflecting current gaps in the housing market and determining how residents' needs have changed since the last housing market update in 2017. The housing needs identified in this report can be leveraged by city staff, community members, and decision makers as the project moves into the next phase of the process—refinement of strategies.

This section of the report provides baseline data on the demographics and employment conditions in the City of Centennial.

Demographics. For the purposes of this analysis, the following demographics are provided as context for the housing needs in Centennial.

- Population
- Race and ethnicity
- Age
- Household size and family composition
- Student enrollment,
- Educational attainment
- Incidence of disability
- Income and poverty

Employment. The following employment characteristics are provided in this section.

- Employment by Industry
- Commute patterns

Sources of data for this market analysis. This study relies on the following data sources.

- American Community Survey (ACS)
- Quarterly Census of Employment and Wages (QCEW)
- Colorado Department of Local Affairs (DOLA)
- Colorado Department of Labor and Employment (CDLE)
- Multiple listing service (MLS)
- Denver Metro Vacancy and Rent Survey
- LEHD Origin-Destination Employment Statistics
- Colorado Department of Education
- Public Use Microdata Sample (PUMS)
- Comprehensive Housing Affordability Strategy (CHAS) data
- Home Mortgage Disclosure Act data (HMDA)
- City of Centennial

A note about peer communities. Peer communities in the Denver Metro Area were selected as comparison geographies to be used in this analysis. Peer communities were selected based on their similarities in size, proximity, land use, and socioeconomic makeup compared to the City of Centennial. Peer communities include:

- Aurora
- Broomfield
- Greenwood Village
- Highlands Ranch
- Littleton
- Lone Tree

Primary Findings

- Centennial experienced modest population growth from 2010 to 2020 compared to the State of Colorado and Denver Metropolitan Statistical Area (MSA). From 2010 to 2020, the city's population grew by 7.5% compared to 33% statewide and 14% in the Denver MSA. Tampered population growth in Centennial compared to the region is likely due to the lack of vacant land zoned for residential development in the city and the following demographic trends specific to the city.
- Compared to the rest of the state, Centennial has an older population with a median age of 41.3 in the city compared to 36.9 statewide. The senior population in the city is growing as residents age in place. The population 65 years and older increased from 11% of the population in 2010 to 16% in 2020. Without opportunities or preferences for seniors to downsize, senior households continue to occupy their three- to four-bedroom homes that could be suitable for larger households. In 2010, seniors living alone in Centennial made up 6% of all households; in 2020 seniors living alone increased to 9% of all households.

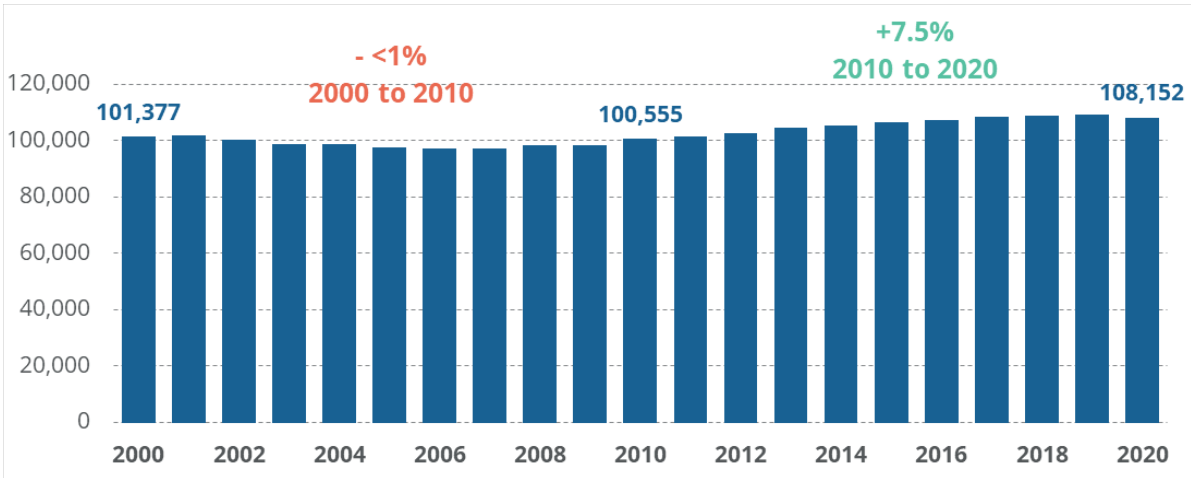
- Conversely, the share of households made up of married couples with children decreased from 28% in 2010 to 26% in 2020. Over the same time, the share of the population age 18 and younger decreased from 28% in 2010 to 24% in 2020. These trends, paired with an increase in nonfamily households, indicates a lack of housing opportunity for families looking to buy or rent in the city.
- Employment growth in Centennial—primarily in low wage jobs in arts, entertainment, and recreation—coupled with lack of workforce housing has increased in-commuting. Historically, the number of out-commuters in Centennial outpaced in-commuters, meaning Centennial was more of a bedroom community. In 2011, that trend changed with job growth in the city and now more workers commute into Centennial.
- Racial and ethnic diversity in the city increased from 2010 to 2020, particularly within school aged children. Growth in the population that identifies as Hispanic, Asian, or two or more races has driven the increase in racial and ethnic diversity. Growth in racial and ethnic diversity among young residents is also evident in public school enrollment: From the 2009-2010 school year to the 2021-2022 school year, the share of White students in Centennial schools decreased from 71% to 62% while the share of Hispanic and Black students increased by three percentage points and two percentage points respectively.
- Centennial is a relatively high income community in the Denver MSA with a very low poverty rate (3% poverty). Centennial’s median household income in 2020 was \$109,767—much higher than the median in the county (\$83,289) and the state (\$80,291). Since 2010, the city has gained an influx of higher income households. While some of the increase in median household income can be attributed to rising wages and household growth, it is likely that some low income households were priced out of Centennial and were replaced by higher income households.

Demographics

This section provides an overview of key demographic indicators that impact housing needs in the City of Centennial.

Population. Figure I-2 shows the total population in the City of Centennial from 2000 to 2020. From 2000 to 2010, the city lost less than 1% of its population from 101,377 people in 2000 to 100,555 in 2010. Comparatively, the State of Colorado’s population increased by 16% from 2000 to 2010. From 2010 to 2020, the city’s population grew by 7.5% as the market recovered from the Great Recession compared to a 33% increase statewide.

Figure I-2.
Total Population, 2000-2020



Note: DOLA population estimates may differ slightly from ACS estimates.
Source: DOLA and Root Policy Research.

While the City of Centennial experienced population growth from 2010 to 2020, growth in Arapahoe County and the Denver-Aurora Metropolitan Statistical Area (MSA)¹ outpaced the city, as shown in Figure I-3. Most recently, Centennial's growth has been closer to that of the county and MSA: From 2017 to 2020, the city grew by 2,883 people, or 3%, compared to 4% in the county and 5% in the MSA.

Figure I-3.
Total Population, 2010-2020

	2010	2017	2020	2010-2017		2017-2020	
				Number	Percent	Number	Percent
Centennial	99,999	108,448	111,331	8,449	8%	2,883	3%
Arapahoe County	552,860	626,612	649,980	73,752	13%	23,368	4%
Denver-Aurora MSA	2,464,415	2,798,684	2,928,437	334,269	14%	129,753	5%

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

¹ The Denver-Aurora-Lakewood MSA contains 10 counties including the City and County of Denver, Arapahoe, Jefferson, Adams, Douglas, the City and County of Broomfield, Elbert, Park, Clear Creek, and Gilpin.

Figure I-4 shows the total population in the City of Centennial and peer communities in 2010, 2017, and 2020. Aurora is the largest peer community with a total population in 2020 of 379,434. For this reason, the city was excluded from figure I-4 to avoid distortion of the chart. Followed by Aurora, Highlands Ranch and Broomfield are the largest of the peer communities. From 2010 to 2020, Lone Tree (35%), Broomfield (31%), and Aurora (21%) experienced the greatest percent change. Aurora (65,342), Broomfield (16,572 people), Highlands Ranch (11,917), and Centennial (11,332) experienced the greatest numerical increase during the same time.

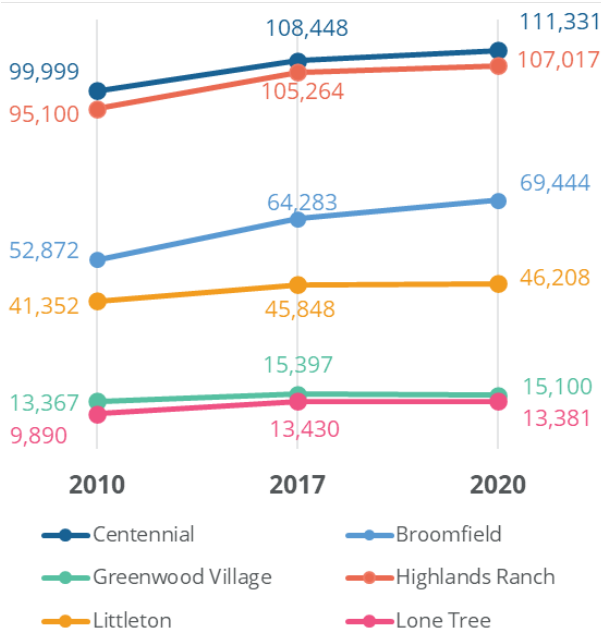
Figure I-4.
Population, Centennial and Peer Communities, 2010-2020

Note:

Aurora is the largest peer community with a total population in 2020 of 379,434. For this reason, the city was excluded from figure I-4 to avoid distortion of the chart.

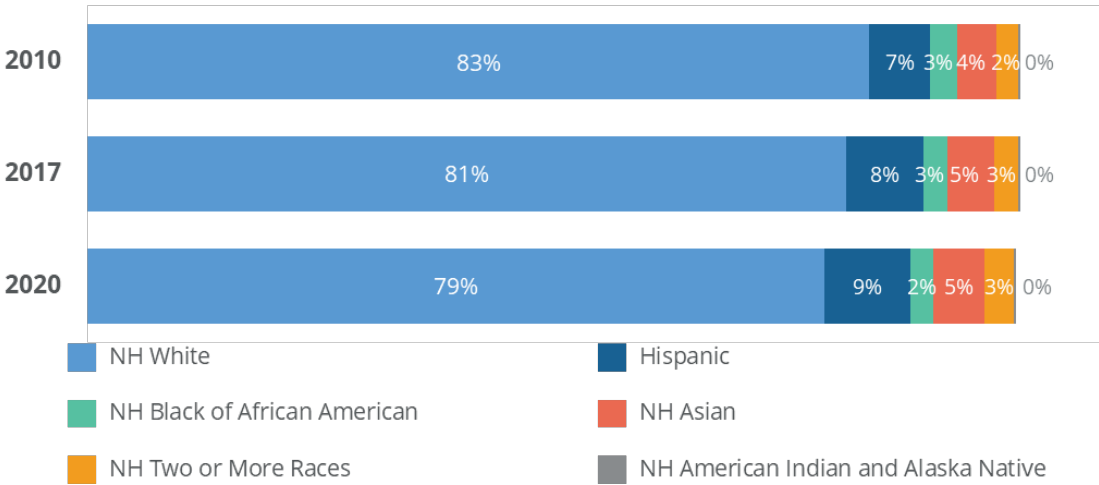
Source:

2010, 2017, and 2020 5-year ACS and Root Policy Research.



Race and ethnicity. Figure I-7 shows the population in the city by race and ethnicity in 2010, 2017, and 2020. Overall, the city has become more racially and ethnically diverse since 2010. Growth in the population that identifies as Hispanic, Asian, or two or more races has driven the increase in racial and ethnic minorities.

Figure I-7.
Share of Population by Race and Ethnicity, Centennial, 2010-2020

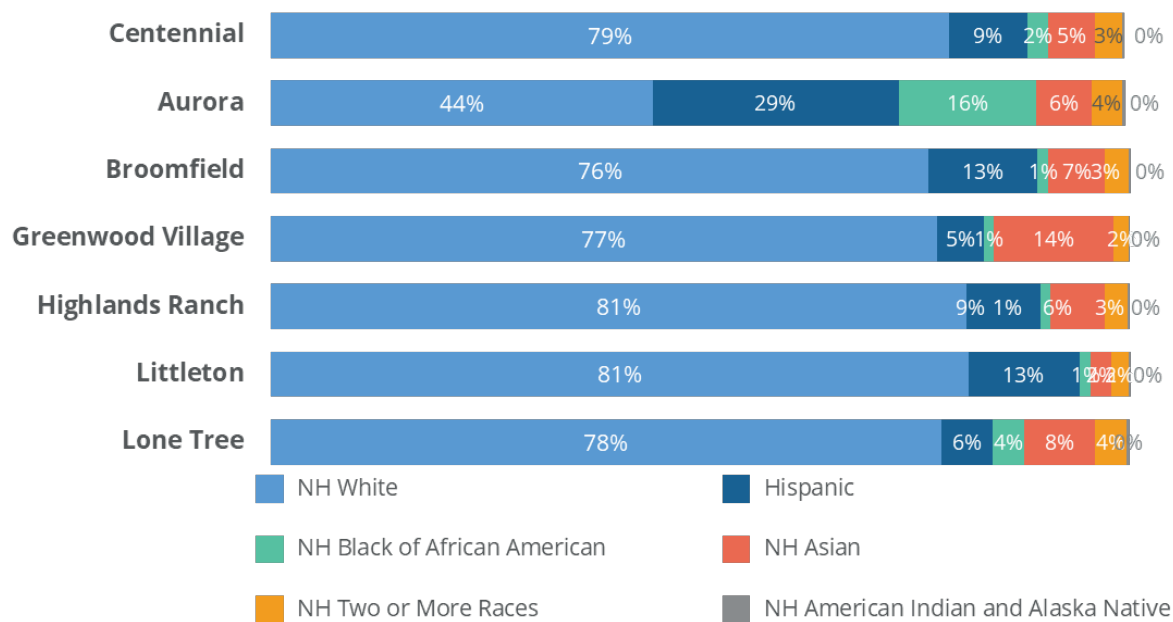


Note: NH stands for non-Hispanic.

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Centennial has a similar racial and ethnic composition as peer communities in the metro area—apart from Aurora²—with 79% of the population non-Hispanic White compared to 76% in Broomfield up to 81% in Littleton and Highlands Ranch. Aurora (29% of the population), Broomfield (13%) and Littleton (13%) have the greatest share of Hispanic residents followed by Centennial (9%) and Highlands Ranch (9%). Greenwood Village has the largest proportion of Asian residents at 14%, while Aurora has the largest share of African American residents at 16%.

Figure I-8.
Share of Population by Race and Ethnicity, Centennial and Peer Communities, 2020



Note: NH stands for non-Hispanic.

Source: 2020 5-year ACS and Root Policy Research.

² Aurora was chosen as a peer community because of its proximity to the City of Centennial. Aurora differs from Centennial in size, built form, and demographics.

Age. Figure I-5 shows the share of the total population by age cohort in the City of Centennial in 2010, 2017, and 2020. Overall, the share of the population under 19 decreased and the share of the population over 65 increased between 2010 and 2017. Specifically, in 2010, 28% of the population in the city was under 19 compared to 24% in 2020 and 11% of the population was over 65 compared to 16% in 2020. Statewide, the proportion of the population over 65 years old also increased from 11% to 14%.

Figure I-5.
Share of Population by
Age, Centennial, 2010-
2020

Source:
2010, 2017, and 2020 5-year ACS and Root
Policy Research.

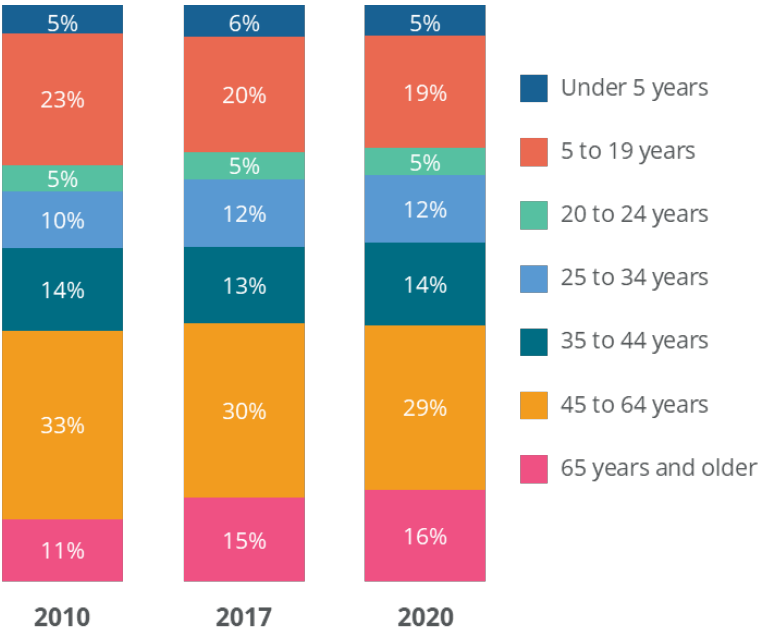
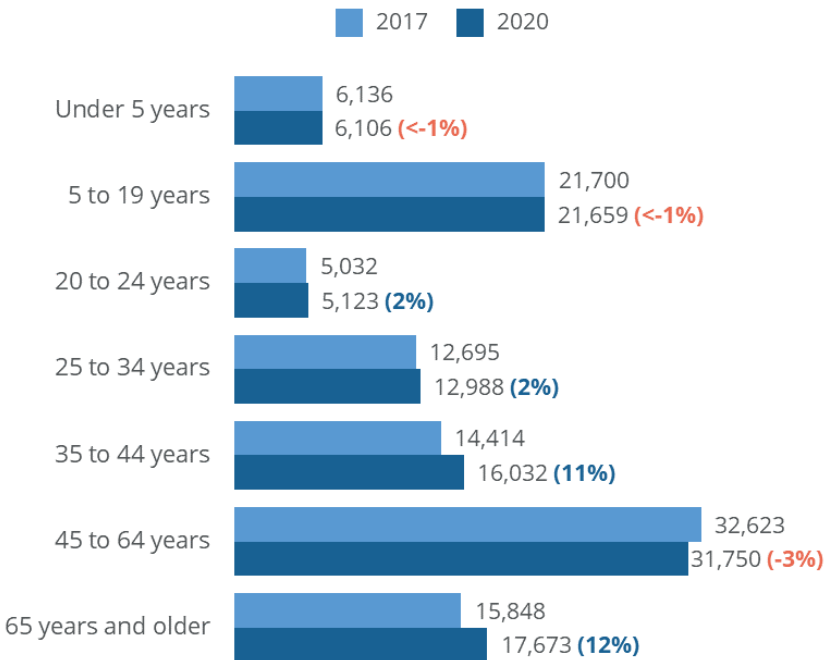


Figure I-6 shows the numerical population by age cohort in Centennial in 2017 and 2020—accentuating the three dominant age cohorts in the city: middle age adults (age 45 to 64), their children (5 to 19 years old and under 5), and seniors (65 years plus).

Figure I-6.
Population by Age,
Centennial, 2017
and 2020

Source:
2017 and 2020 5-year ACS and
Root Policy Research.



Household size and family composition. Household characteristics of a community greatly impact the types of housing needed and the market availability of existing housing. Figure I-10 shows households by types in the city in 2010, 2017, and 2020.

Between 2010 and 2017, married couple households grew slightly in numbers but declined in the share of all households they represent. Female headed households without a spouse declined numerically and proportionally. Non-family households and male households with no spouse increased in numbers and as a share of all households.

Overall in Centennial, most households in the city are married couples and more than one in four households are married with children in 2020. Another one in four households are non-family households (e.g., seniors living alone, roommates, and other living situations).

Figure I-10.
Households by Type, Centennial, 2010-2020

	2010		2017		2020	
	Number	% Total Households	Number	% Total Households	Number	% Total Households
Total households	37,506	100%	39,505	100%	40,697	100%
Married Couples	23,823	64%	25,008	63%	25,139	62%
With children under 18	10,663	28%	10,471	27%	10,620	26%
Without children under 18	13,160	35%	14,537	37%	14,519	36%
Male householder, no spouse	1,179	3%	1,672	4%	1,711	4%
With children under 18	758	2%	951	2%	854	2%
Without children under 18	421	1%	721	2%	857	2%
Female householder, no spouse	3,433	9%	3,090	8%	3,326	8%
With children under 18	2,048	5%	1,720	4%	1,966	5%
Without children under 18	1,385	4%	1,370	3%	1,360	3%
Non-family households	9,071	24%	9,735	25%	10,521	26%
Living alone less than 65	4,962	13%	4,537	11%	4,882	12%
Living alone over 65 years	2,404	6%	3,203	8%	3,756	9%
Other Non-family households	1,705	5%	1,996	5%	1,883	5%

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Figure I-11 shows total households and the share of households by type in Centennial and peer communities in 2020. Highlands Ranch (78%) and Centennial (74%) have the highest shares of family households among peer communities. Similarly, Highlands Ranch (40%), Centennial (33%), and Greenwood Village (31%) have the highest shares of families with children. Littleton (14%) and Centennial (9%) have the highest shares of householders over 65 living alone.

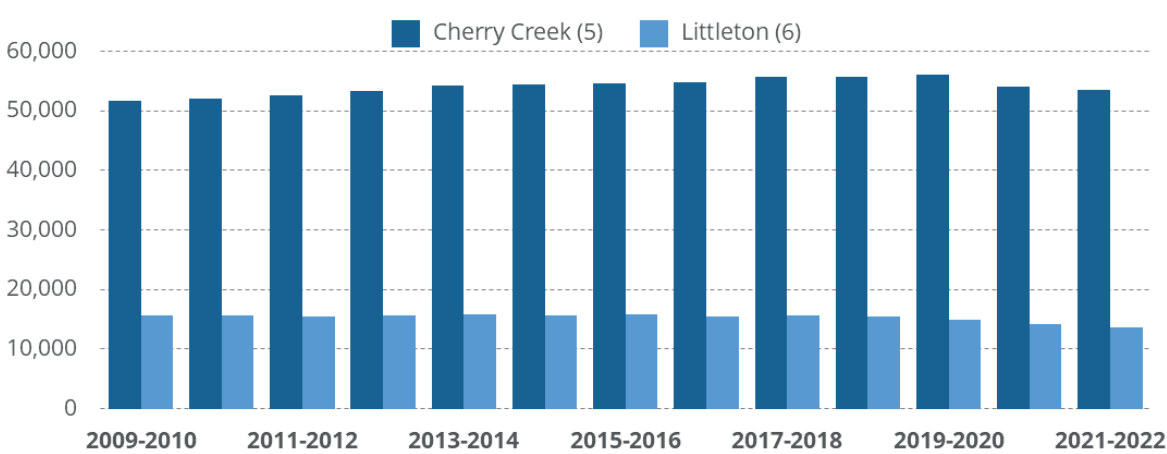
Figure I-11.
Households by Type, Centennial and Peer Communities, 2020

Jurisdiction	Total Households	Family Households			Nonfamily Households		
		All family households	Families with Children	Families without Children	Living Alone <65	Living Alone >65	Other Nonfamily
Centennial	40,697	74%	33%	41%	12%	9%	5%
Aurora	133,062	66%	31%	35%	17%	9%	8%
Broomfield	27,199	64%	29%	35%	19%	8%	8%
Greenwood Village	5,798	69%	31%	38%	17%	7%	7%
Highlands Ranch	37,550	78%	40%	38%	10%	8%	4%
Littleton	20,300	56%	22%	34%	21%	14%	9%
Lone Tree	5,638	60%	26%	33%	24%	7%	9%

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Student enrollment. The City of Centennial is covered by two school districts including the Littleton Public Schools (west) and Cherry Creek School District (east). During the 2021-2022 school year Cherry Creek had 53,558 total students in the district and Littleton had 13,698 total students, as shown in Figure I-14. From the 2009-2010 school year to the 2021-2022 school year, Cherry Creek gained 1,850 students (4% increase) and Littleton lost 2,055 students (13% decrease).

Figure I-14.
Student Enrollment by School District, District Totals, 2010-2020

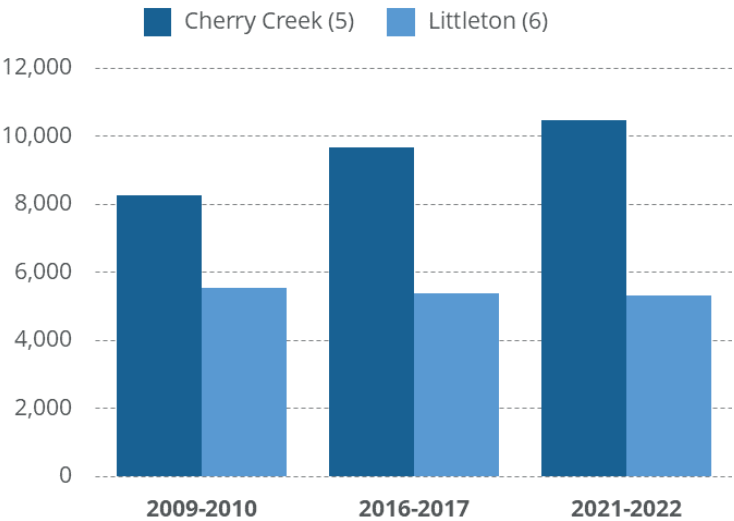


Source: Colorado Department of Education and Root Policy Research.

Figure I-13 shows the students enrollment from the 2009-2010 school year to the 2021-2022 school year for schools located in the City of Centennial. Between the 2009-2010 school year and the 2021-2022 school year, enrollment in Cherry Creek schools located in Centennial rose by 2,179 students. In Littleton, enrollment decreased by 199 students during the same time. In 2022, there are 10,458 students in Cherry Creek District schools located in Centennial and 5,339 in Littleton Public Schools located in the city.

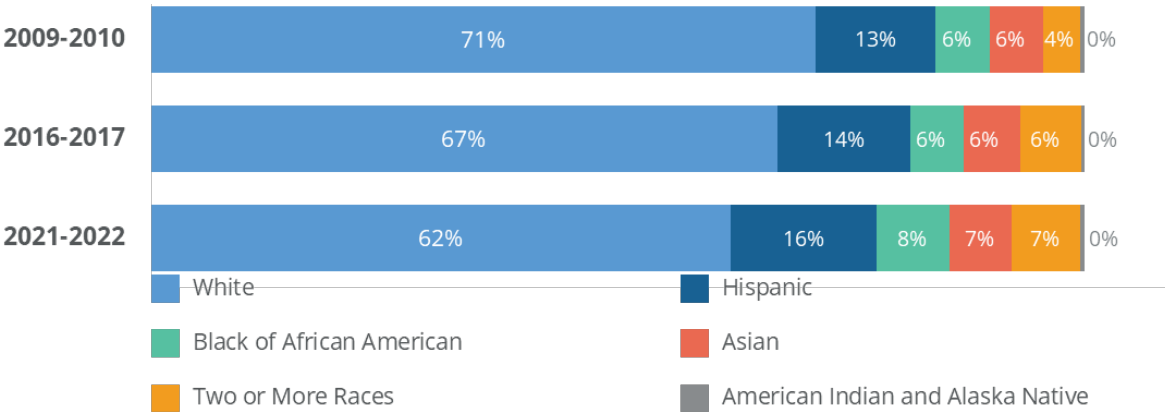
Figure I-13.
Student Enrollment by School District, Schools Located in Centennial, 2010-2020

Source:
Colorado Department of Education and Root Policy Research.



Overall, the student population within schools located in Centennial are becoming more racially and ethnically diverse. Figure I-14 shows the share of students by race and ethnicity for all schools located in the City of Centennial. From the 2009-2010 school year to the 2021-2022 school year, the share of White students decreased from 71% to 62% while the share of Hispanic and Black students increased by three percentage points and two percentage points respectively.

Figure I-14.
Student Enrollment by Race and Ethnicity, Schools Located in Centennial



Source: Colorado Department of Education and Root Policy Research.

Educational attainment. Figure I-15 shows the population 25 years and older in the City of Centennial by educational attainment in 2010, 2017, and 2020. The majority of residents in the city have a bachelor’s degree or higher (59%) in 2020. Educational attainment has increased in the city since 2010 when 54% of residents had a bachelor’s degree or higher.

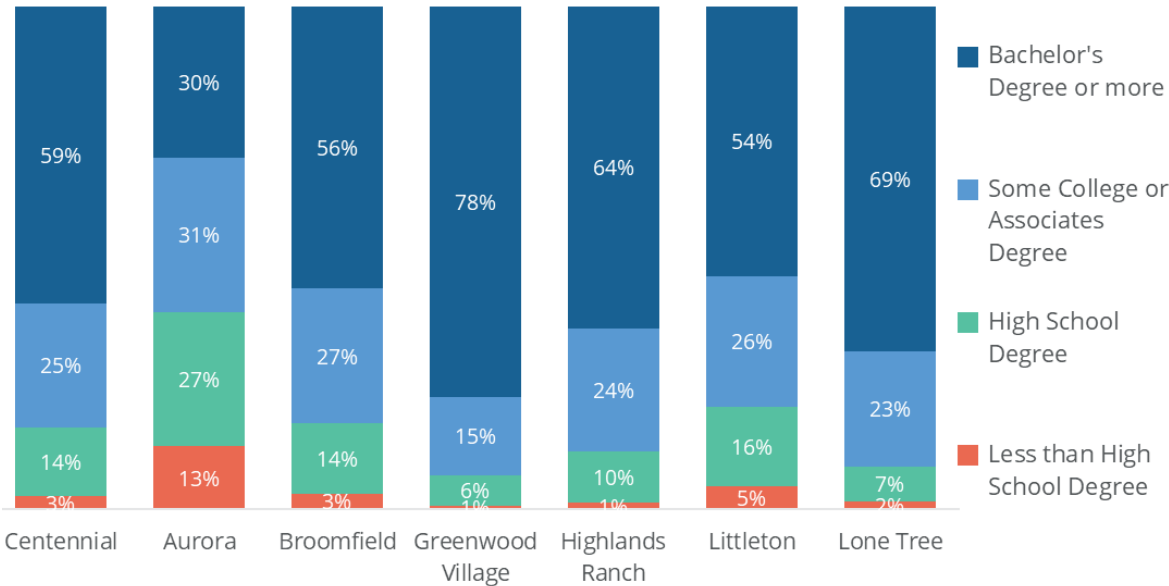
Figure I-15.
Educational Attainment for the Population 25 Years and Older, Centennial, 2010-2020

	2010		2017		2020	
	Number	Percent	Number	Percent	Number	Percent
Less than high school graduate	2,095	3%	2,002	3%	2,114	3%
High school graduate	9,733	14%	10,333	14%	10,751	14%
Some college or associate's degree	19,128	28%	20,270	27%	19,342	25%
Bachelor's degree or higher	36,633	54%	42,975	57%	46,236	59%

Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Figure I-16 shows the share of the population 25 years and older by educational attainment in Centennial and peer communities in 2020. Greenwood Village (78%), Lone Tree (69%), and Highlands Ranch (64%) have the highest proportion of residents with a bachelor's degree or higher. Conversely, Aurora (30%), Littleton (54%), and Broomfield (56%) have the lowest share of residents with a bachelor's degree or higher.

Figure I-16.
Educational Attainment for the Population 25 Years and Older, Centennial and Peer Communities, 2020



Source: 2020 5-year ACS and Root Policy Research.

Incidence of disability. This section provides information about the population living with a disability in the City of Centennial. People living with disabilities have an array of accessibility needs that are important to consider in planning for housing and future development.

The prevalence of disability increases with age, as shown in Figure I-17. Two out of five residents over the age of 75 in Centennial have at least one disability compared to 13% of residents between 65 and 75 years old. As the population in the city ages and the share of householders over the age of 65 increases, accessibility needs in new development and accessibility modifications to existing housing will become a more prevalent need in the community.

Figure I-17.
Share of Population
with a Disability by
Age, Centennial, 2020

Source:
2020 5-year ACS and Root Policy
Research.

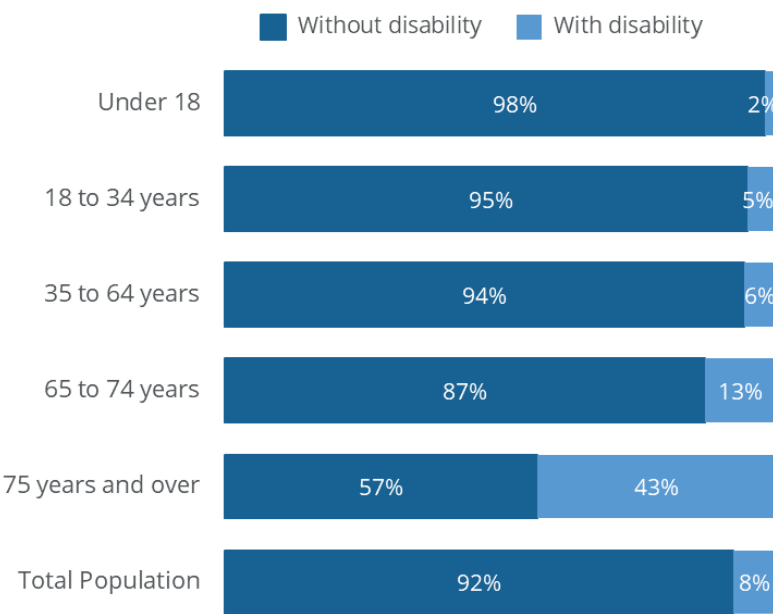
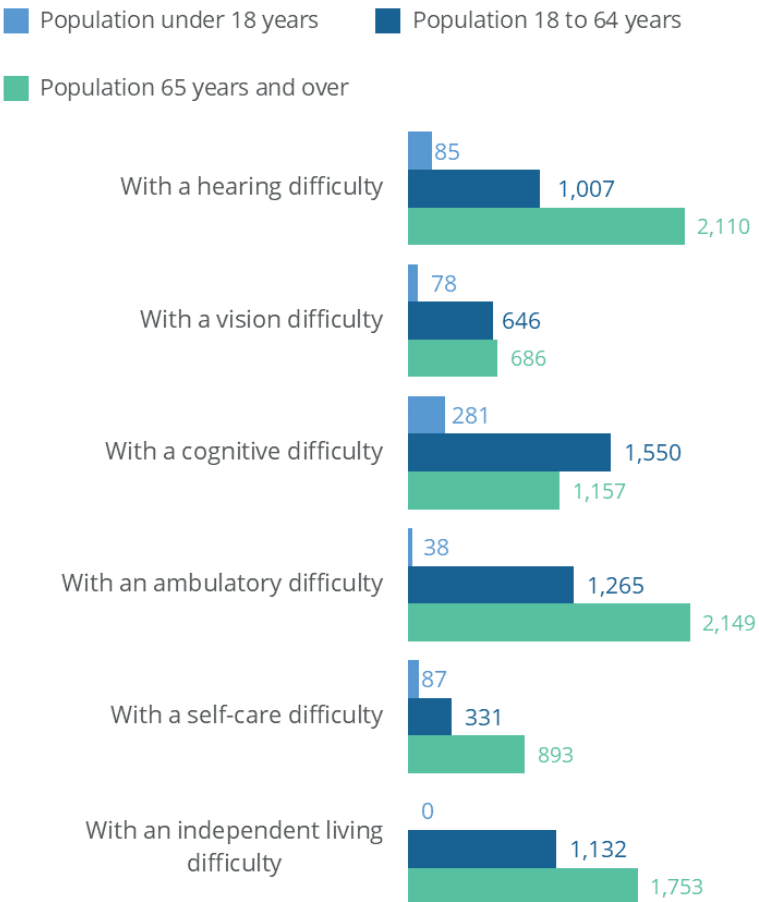


Figure I-18 shows the population with a disability by type and age in 2020. Ambulatory, hearing, and independent living difficulties are the most prevalent among older residents in the city (65 years and older). Conversely, cognitive difficulties are the most common disabilities for youth and working age (18 to 64) residents.

Figure I-18.
Share of Population
with a Disability by
Type and Age,
Centennial, 2020

Source:
2020 5-year ACS and Root Policy
Research.

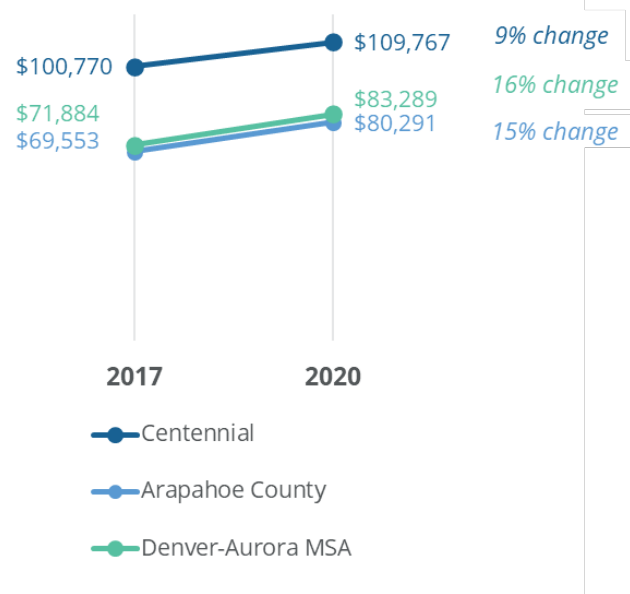


Income and poverty. This section presents income and poverty data trends in the City of Centennial and the Denver MSA. Income trends help describe the purchasing power of residents in the community to buy or rent housing.

Figure I-19 shows the median household income from 2017 to 2020 for Centennial, Arapahoe County, and the Denver-Aurora MSA. Centennial has a higher median household income in 2020 at \$109,767 compared to the county (\$83,289) and the state (\$80,291). From 2017 to 2020, however, the growth in median income in the county (16% change) and state (15%) outpaced growth in the city (9%).

Figure I-19.
Median Household Income,
2017-2020

Source:
2017 and 2020 5-year ACS and Root Policy Research.



Owner households in the city have a higher median household income of \$122,673 compared to renters at \$76,076 in 2020, as shown in Figure I-20.

Figure I-20.
Median Household Income by
Tenure (owner or renter),
Centennial, 2017-2020

Source:
2017 and 2020 5-year ACS and Root Policy Research.

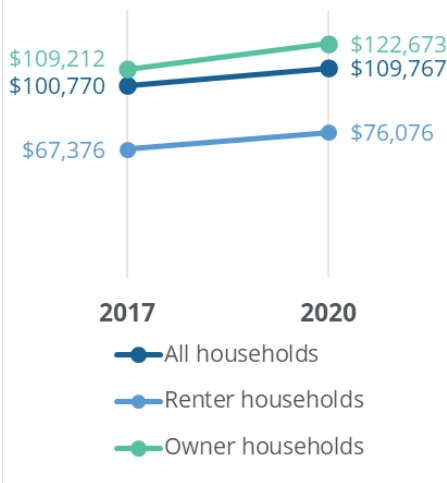
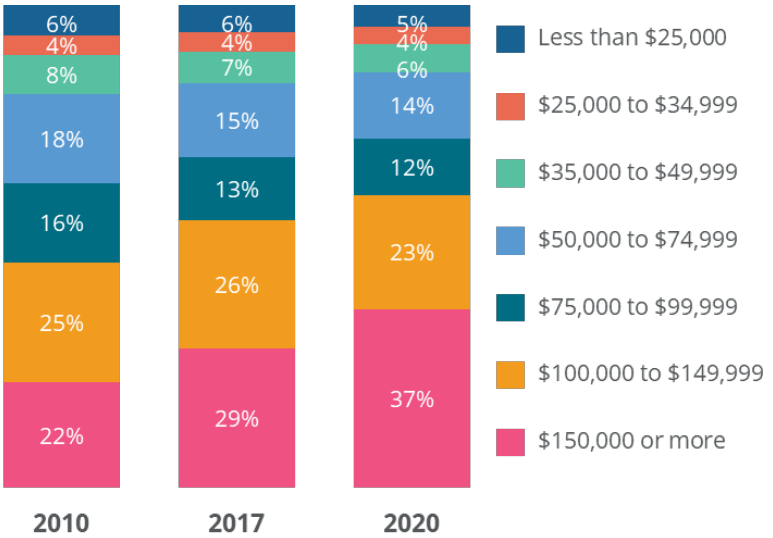


Figure I-21 shows the distribution of owner households by income in the city in 2010, 2017, and 2020. The proportion of households earning more than \$150,000 has increased from 22% of owners in 2010 to 37% of owners in 2020. While some of the increase in incomes can be attributed to wage growth, it is likely that these shifts reflect low income households becoming priced out of the Centennial's market and displaced.

Figure I-21.
Owner Household
Income Distribution,
Centennial, 2010-2020

Source:
2010, 2017, and 2020 5-year ACS and
Root Policy Research.



Similarly, Figure I-22 shows the distribution of renter households by income in 2010, 2017, and 2020. Again, higher income brackets including renters earning more than \$75,000 grew during this time, while the share of households earning less than \$75,000 decreased. The share of households in Centennial earning more than \$100,000 rose from 12% in 2010 to 30% in 2020.

Figure I-22.
Renter Household
Income Distribution,
Centennial, 2010-2020

Source:
2010, 2017, and 2020 5-year ACS and
Root Policy Research.

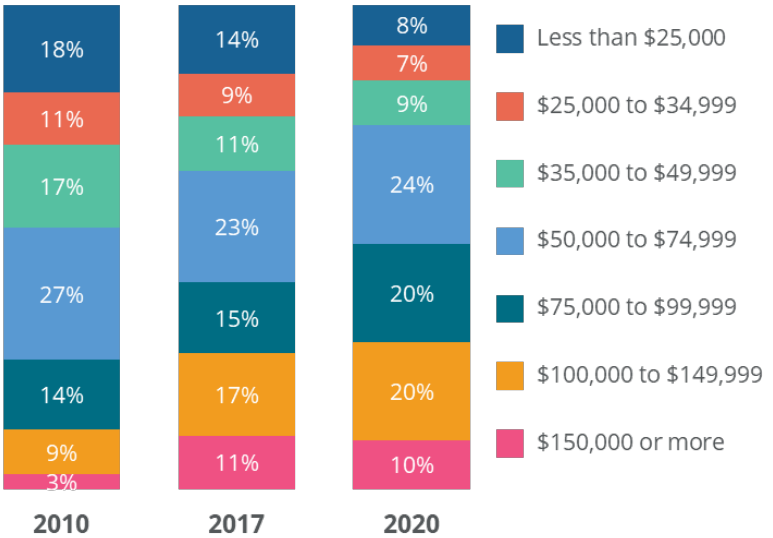


Figure I-23 shows the poverty rate in the city, county, and Denver MSA in 2017 and 2020. Overall, poverty has decreased since 2017, in Centennial, Arapahoe County, and the Denver MSA. Centennial has a low poverty rate compared to the county and the MSA.

Figure I-23.
Poverty Rate, 2017-2020

Source:
2017 and 2020 5-year ACS and Root Policy Research.

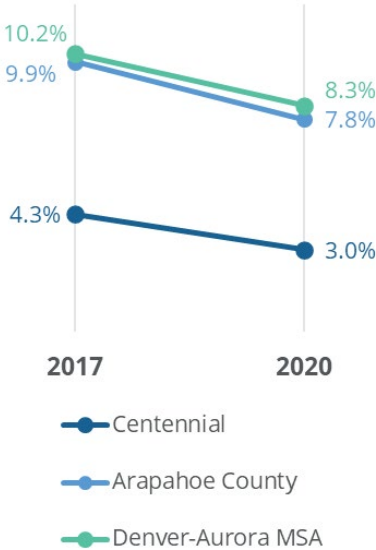
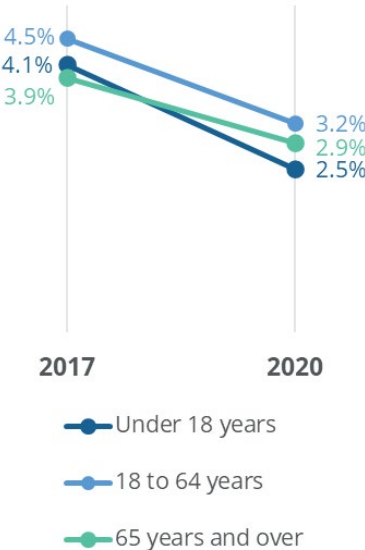


Figure I-24 shows the poverty rate in the city by age range including children (under 18 years old), working age adults (18 to 64), and seniors (65 years and over). Poverty decreased for all age groups during this time. Poverty among seniors surpassed child poverty in 2020 with a rate of 2.9% for seniors and 2.5% for children.

Figure I-24.
Poverty Rate by Age, 2017-2020

Source:
2017 and 2020 5-year ACS and Root Policy Research.



Employment

This section provides an update of key economic indicators that impact housing needs and affordability in the City of Centennial.

Employment by industry. In 2019, the largest employment industries in the City of Centennial were professional services (10,254 jobs), finance and insurance (7,690), and health care and social assistance (6,344), as shown in Figure I-25. From 2010 to 2019, the industries that experienced the highest percent change include arts and recreation at 382%, management of companies at 86%, and construction at 85%. The city lost jobs in utilities, public administration, educational services, and finance and insurance.

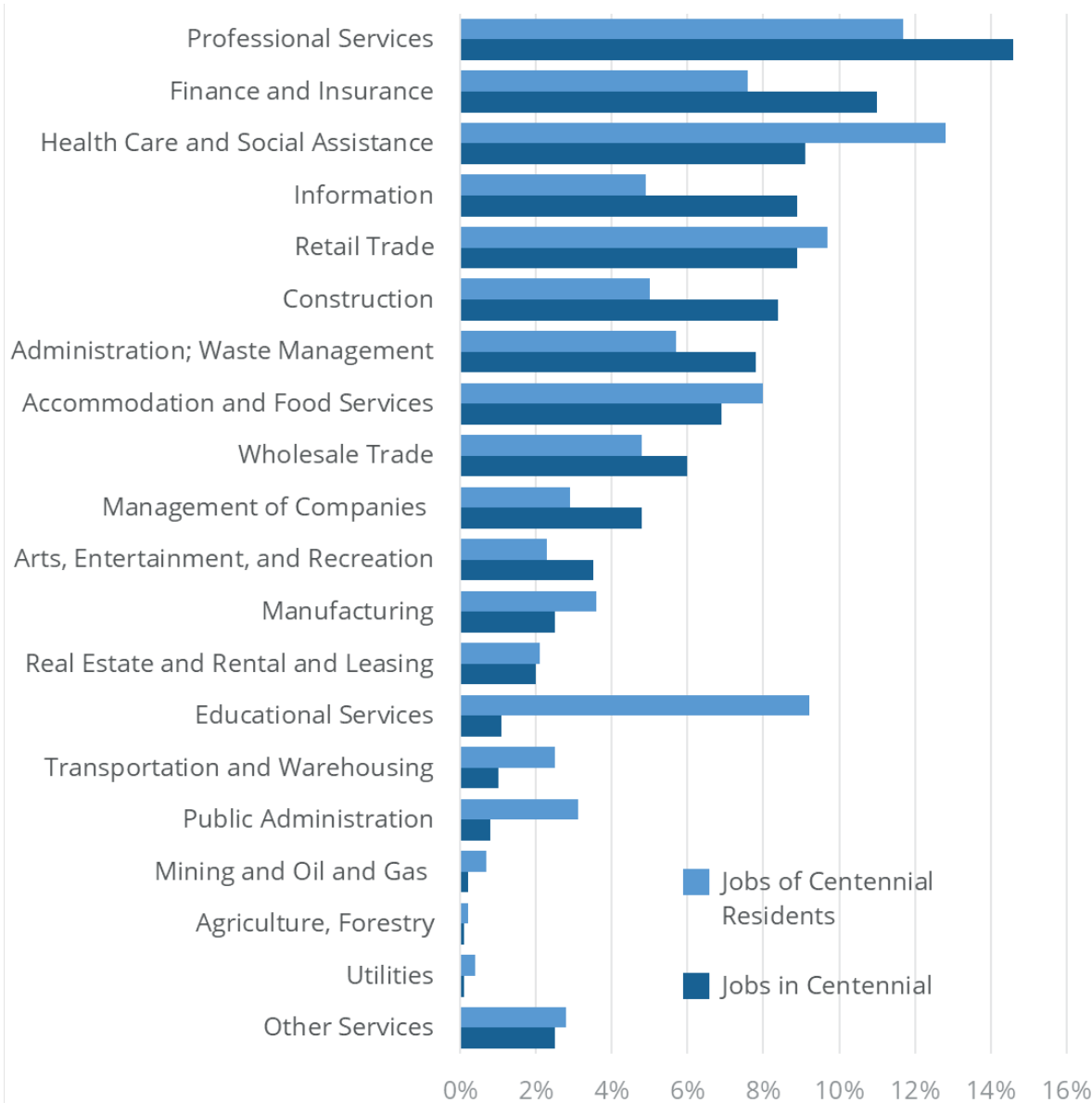
Figure I-25.
Employment by Industry, 2010-2019

	2010		2017		2019		Pct. Change 2010-2019
	Number	Percent	Number	Percent	Number	Percent	
Utilities	88	0%	43	0%	58	0%	-34%
Agriculture, Forestry	37	0%	9	0%	65	0%	76%
Mining and Oil and Gas	130	0%	112	0%	139	0%	7%
Public Administration	1,093	2%	664	1%	581	1%	-47%
Transportation and Warehousing	398	1%	693	1%	703	1%	77%
Educational Services	1,143	2%	830	1%	773	1%	-32%
Real Estate and Rental and Leasing	865	2%	1,084	2%	1,375	2%	59%
Manufacturing	1,082	2%	1,717	3%	1,726	2%	60%
Other Services	1,278	3%	1,784	3%	1,729	2%	35%
Arts, Entertainment, and Recreation	503	1%	2,384	3%	2,426	3%	382%
Management of Companies	1,800	4%	3,249	5%	3,348	5%	86%
Wholesale Trade	4,081	8%	4,070	6%	4,205	6%	3%
Accommodation and Food Services	3,928	8%	4,900	7%	4,801	7%	22%
Administration; Waste Management	3,465	7%	5,038	7%	5,475	8%	58%
Construction	3,176	6%	5,463	8%	5,866	8%	85%
Retail Trade	4,200	8%	5,870	9%	6,208	9%	48%
Information	3,827	8%	5,024	7%	6,264	9%	64%
Health Care and Social Assistance	4,732	9%	5,723	8%	6,344	9%	34%
Finance and Insurance	7,993	16%	10,445	15%	7,690	11%	-4%
Professional Services	6,580	13%	9,051	13%	10,254	15%	56%
Total Employment	50,399	100%	68,153	100%	70,030	100%	39%

Source: LEHD and Root Policy Research.

Figure I-26 shows the number of jobs located in the city by industry and the number of jobs held by Centennial residents by industry. In industries where there are more residents in Centennial than jobs in the city, residents are out-commuting to work in other communities. Conversely, in industries where there are more jobs available than city residents working in the industry, workers are in-commuting from other communities to work in Centennial.

Figure I-26.
Residents Jobs and Jobs in the City of Centennial, 2019

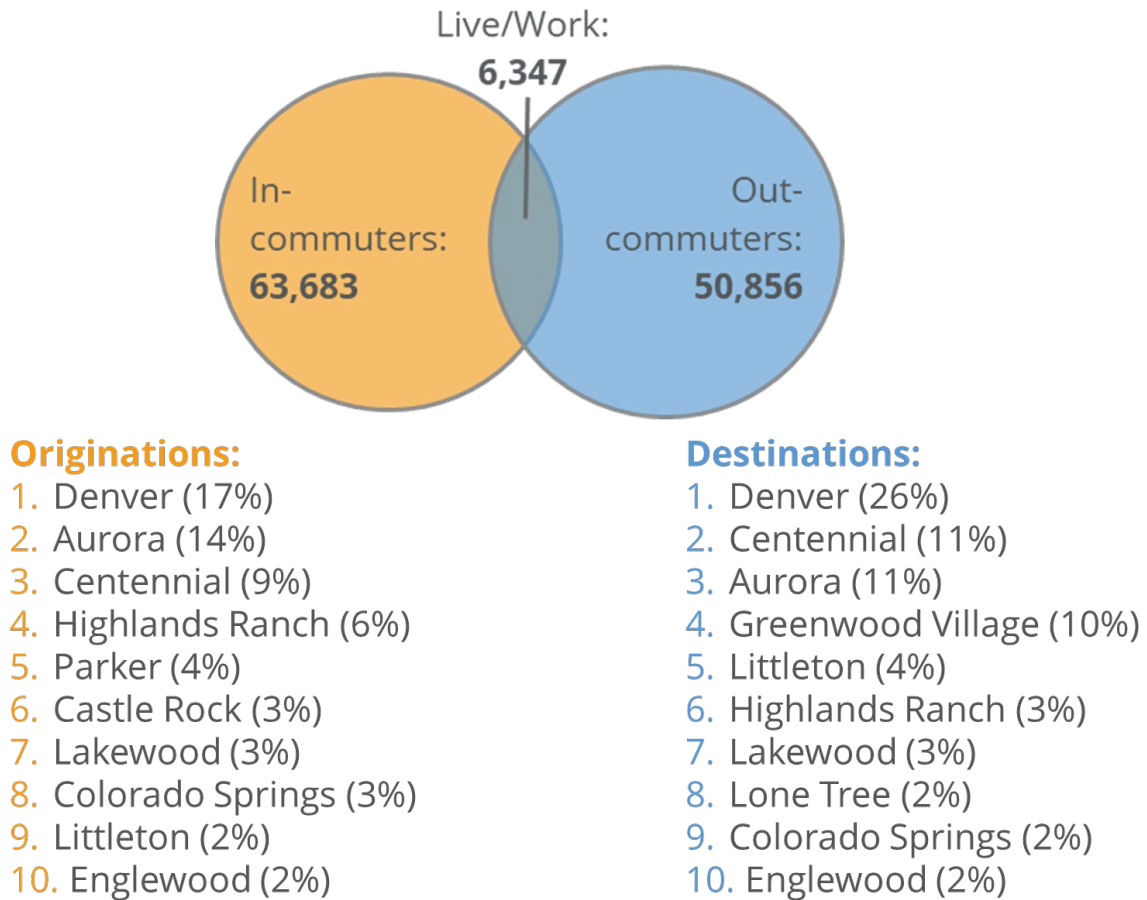


Source: LEHD and Root Policy Research.

Commute patterns. Figure I-27 shows the commute patterns for the City of Centennial in 2019. Generally, more workers commute to work in Centennial than residents commute out to work elsewhere. The majority of in-commuters come from Denver (17%), Aurora (14%), and Highlands Ranch (6%). Most out-commuters go to work in Denver (26%), Aurora (11%), or Greenwood Village (10%).

Figure I-27.

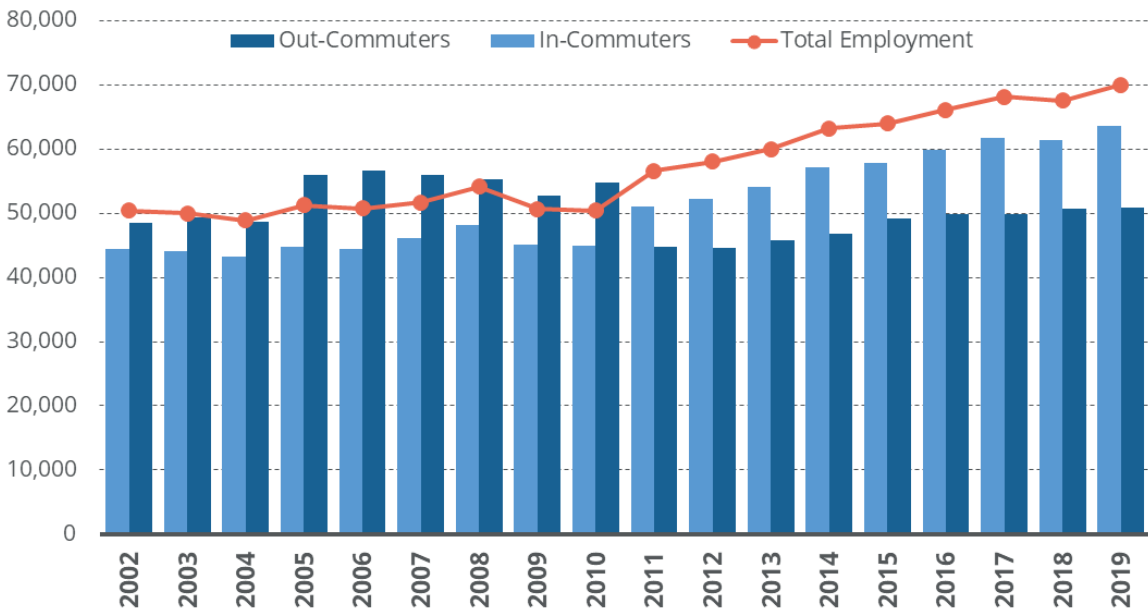
Commute Patters and Top 10 Origins and Destinations, Centennial, 2019



Source: LEHD and Root Policy Research.

Historically, the number of out-commuters in Centennial outpaced in-commuters, meaning Centennial was more of a bedroom community. In 2011, that trend changed with job growth in the city and now more workers commute into Centennial, making the city a center of economic opportunity in the south metro area, as shown in Figure I-28.

Figure I-28.
Commute Patterns and Total Employment, Centennial, 2002-2019



Source: LEHD and Root Policy Research.

SECTION II.

CURRENT HOUSING NEEDS

Section II. Current Housing Needs

This section provides the housing market analysis used to determine current housing needs in the City of Centennial. The section is divided into the following areas.

Existing housing stock. Describes the existing housing stock in Centennial using the following indicators.

- Profile of owners and renters
- Current and future development
- Housing inventory
- Regional share

Rental housing needs. Informs Centennial's rental housing needs using the following data.

- Rental market trends
- Cost burden
- Vacancy
- Rental housing gaps

For sale housing needs. Informs Centennial's for sale housing needs using the following market data analysis.

- Historical ownership affordability
- Ownership housing gaps
- For sale market trends
- Regional affordability analysis
- Cost burden
- Mortgage applications

Primary Findings

- Centennial has a current gap of 896 units for renter households with incomes of less than \$35,000 per year. These residents are not homeless, rather they are renting-up into units they cannot afford and are housing cost burdened—spending more than 30% of their income on housing. Rental subsidies, in the form of rental assistance and production of new affordable units, are needed to alleviate the rental gap for low income households.
- Rents in the City of Centennial have increased dramatically over the past year (Q2 2021 to Q1 2022), particularly in west Centennial. Overall, rents increased the most for two-bedroom/two-bath (\$426 per month increase) and three-bedroom units (\$443) in the west.

- Centennial is a relatively high income community with an above average homeownership rate. Statewide, the homeownership rate is 60% of all households, whereas in Centennial 82% of all households own their home.
- Since 1980, household incomes have not kept up with increasing for sale home values. In 1980, 19% of the median household income would be needed to put down for a 10% downpayment on the maximum affordable purchase price. In 2020, prospective buyers with the city's median household income would need to put down 51% of their annual income for a 10% downpayment.
- From 2010 to 2020, the composition of the city's housing stock changed very little. Single family detached units comprise most of the city's homes for sale, and they tend to be more expensive than other product types. Between 2012 and 2022, 79% of all sales were single family detached, 19% were apartments or condos, and 1.5% were single family attached. The average price of single family detached units sold in 2022 was \$233,990 higher than attached units (townhomes and rowhomes) and \$301,766 higher than condos.
- Units for sale in the City of Centennial are predominantly three- to four-bedroom units (67%). Conversely, most households are one or two person households (57%). There is a mismatch between the current inventory of for sale housing and the types of households living in Centennial.
- Larger families and racial and ethnic minorities living in Arapahoe County are less likely to be able to afford to buy into homeownership in the City of Centennial. Overall, non-Hispanic White households are two times as likely to be able to afford the median priced home in Centennial compared to racial and ethnic minorities.
- Barriers to homeownership for households who wish to buy in Centennial include difficulty making a downpayment, households debt to income ratio, credit history, and increasing interest rates. Overall, debt to income ratio and credit history were the top reasons mortgages were denied in the city in 2020, and racial and ethnic minorities were disproportionately denied access to mortgages. Missing middle housing types—attached housing and condos—may help remove some of the barriers to homeownership, boost inventory of starter homes, allow seniors to downsize, and close racial homeownership gaps.

Existing Housing Stock





















This section provides a profile of owners and renters in the city, a snapshot of the current housing inventory, recent and future development projects, and an analysis of the city's regional share of housing.

Profile of owners and renters. Figure II-1 shows key characteristics of households in the city by tenure.

Eighty-two percent of households in the city are owner households. Compared to renter households, owner households:

- Have a higher median household income (\$122,673) than renter households (\$76,076).
- Are more likely to be older: 73% of owner households are older than 45 years old compared to half of all renter households.
- Are less likely to be “nonfamily” households—defined as living with unrelated persons. Twenty-two percent of owner households live in nonfamily arrangements compared to 44% of renter households.
- Are most likely to be non-Hispanic White households. That said, homeownership is high across other racial and ethnic groups—ranging between 68% and 72%—except for Native American households (35%).

Figure II-1.
Profile of Owners and Renters, 2020

	Renters		Owners		Ownership	
	Number	Percent	Number	Percent	Rate	Ownership Rate Charted
Total Households	7,361	100%	33,336	100%	82%	 82%
Median Income	\$76,076		\$122,673			
Income Distribution						
Less than \$25,000	622	8%	1,525	5%	71%	 71%
\$25,000 - \$50,000	1,207	16%	3,150	9%	72%	 72%
\$50,000 - \$75,000	1,802	24%	4,550	14%	72%	 72%
\$75,000 - \$100,000	1,498	20%	3,935	12%	72%	 72%
\$100,000 - \$150,000	1,480	20%	7,821	23%	84%	 84%
\$150,000+	752	10%	12,355	37%	94%	 94%
Age of Householder						
Under 35	2,475	34%	2,779	8%	53%	 53%
Ages 35-44	1,625	22%	6,261	19%	79%	 79%
Ages 45-64	2,235	30%	15,072	45%	87%	 87%
Ages 65 and older	1,026	14%	9,224	28%	90%	 90%
Household Type						
Family without children	2,387	32%	11,053	33%	82%	 82%
Family with children	1,746	24%	14,990	45%	90%	 90%
Nonfamily household	3,228	44%	7,293	22%	69%	 69%
Race/Ethnicity of Householder						
Non-Hispanic White	5,395	73%	28,930	87%	84%	 84%
Hispanic	809	11%	1,873	6%	70%	 70%
African American	202	3%	529	2%	72%	 72%
Asian	495	7%	1,270	4%	72%	 72%
Native American	104	1%	55	0%	35%	 35%
Other minority	630	9%	1,357	4%	68%	 68%

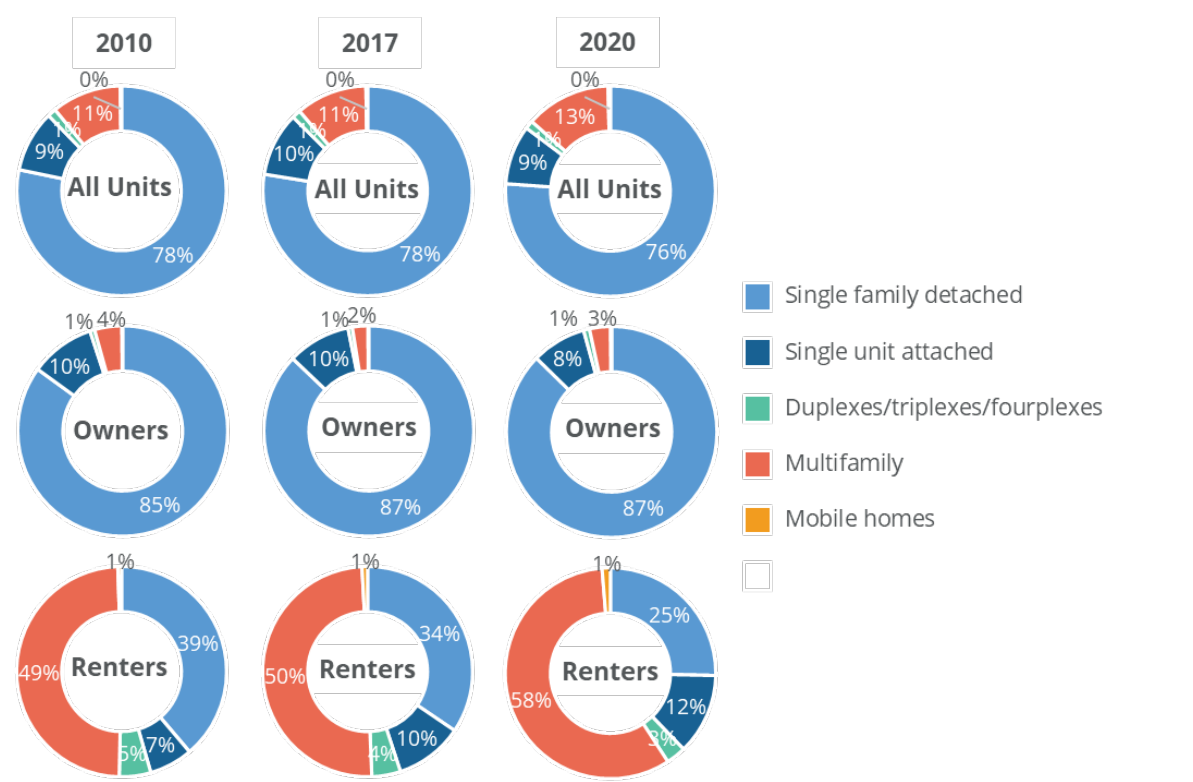
Source: 2020 5-year ACS and Root Policy Research.

Housing inventory. Figure II-2 shows the share of housing units in Centennial by type and tenure. Overall, three out of every four units in the city are single family detached; this increases to 87% for owner occupied units.

From 2010 to 2020, the composition of the city’s housing stock changed very little: the proportion of single family detached units decreased by two percentage points while the proportion of multifamily units grew two percentage points.

Renters are more likely than owners to live in a wider variety of housing types with more than half living in multifamily units, 25% in single family detached homes, and 12% in single family attached (e.g., townhomes, duplexes).

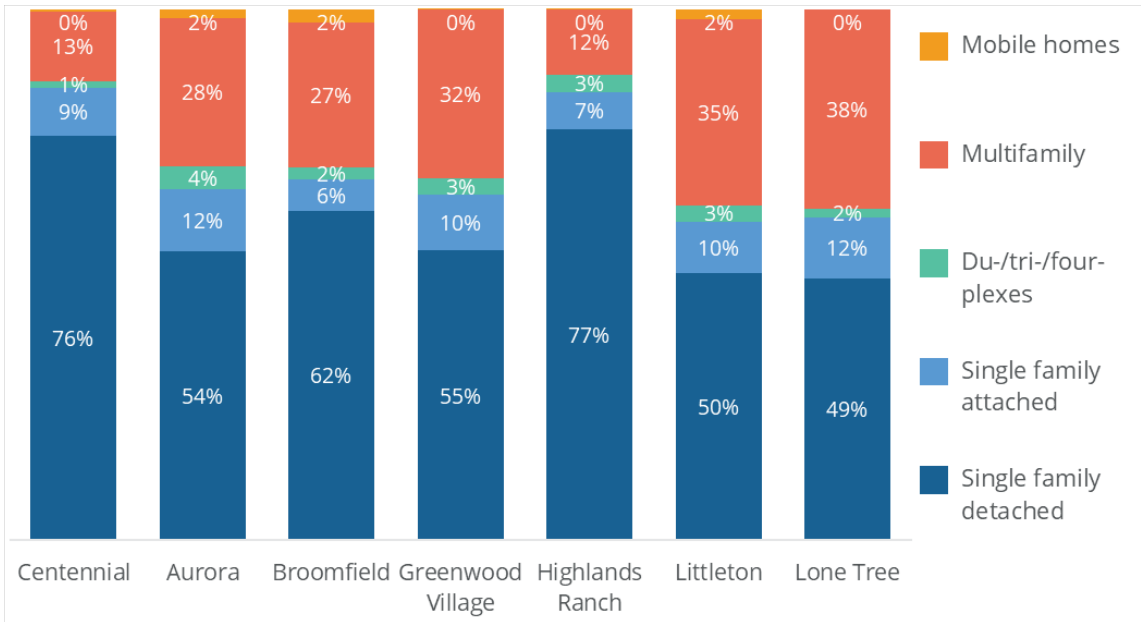
Figure II-2.
Housing Type by Tenure, Centennial, 2010-2020



Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Compared to other peer communities, Highlands Ranch (77% of units) and Centennial (76%) have the highest proportion of single family detached units, as shown in Figure II-3. Lone Tree (49%) and Littleton (50%) have the lowest share of single family detached and the highest shares of multifamily housing units.

Figure II-3.
Housing Type, Centennial and Peer Communities, 2020

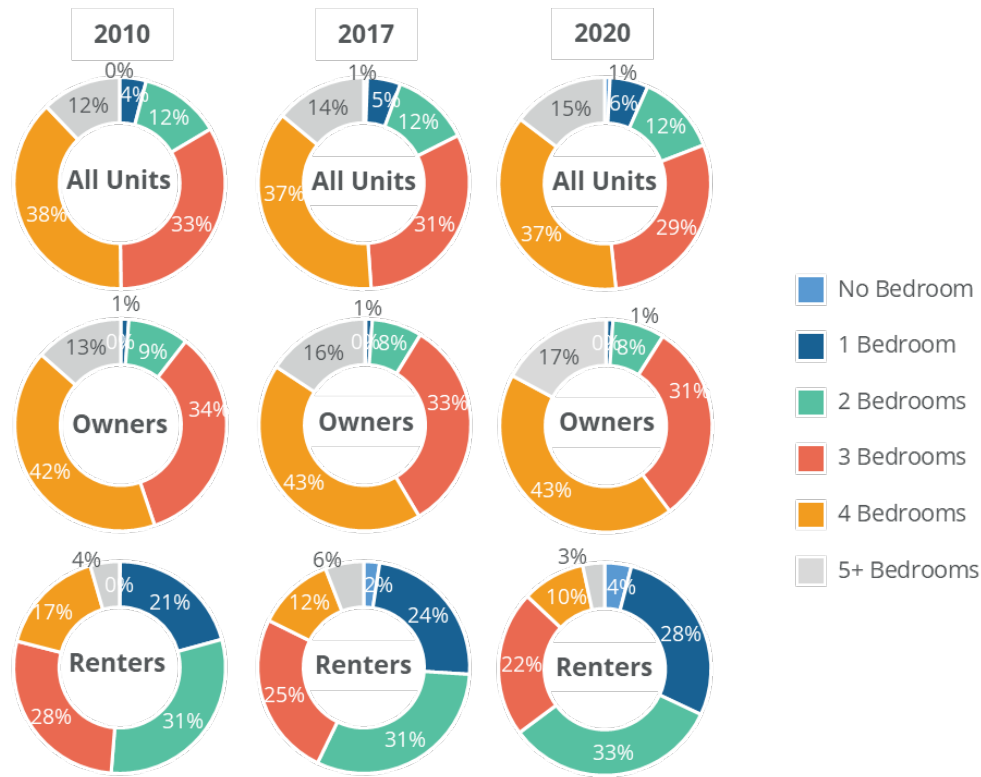


Source: 2020 5-year ACS and Root Policy Research.

Figure II-4 shows the share of housing units by number of bedrooms and tenure in 2010, 2017, and 2020. Most of the housing in Centennial is three- or four-bedroom units (66% of all units); this is higher for owner occupied housing (74% of owner units). Conversely, renter occupied housing is predominantly one- or two-bedroom units (61% of rental units).

New development of studio and one-bedroom apartments has resulted in a decline in the overall share of the proportion of three- or four-bedroom rental units in Centennial. The share of three-bedroom units decreased from 28% to 12%, and the share of four-bedroom units decreased from 17% to 10% between 2010 and 2020.

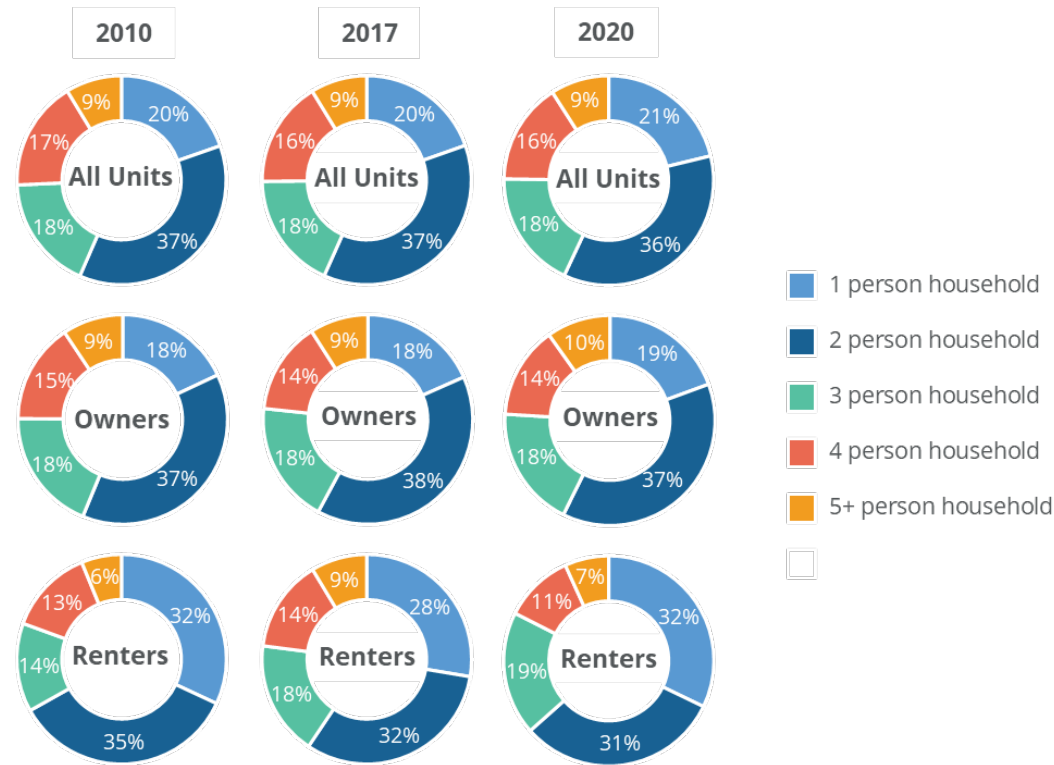
Figure II-4.
Housing Units by Number of Bedrooms and Tenure, Centennial, 2010-2020



Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Figure II-5 shows the proportion of households in the city by number of people and tenure in 2010, 2017, and 2020. Generally, the distribution of households by number of people has been relatively stable since 2010. The only notable shift occurred in the proportion of three-person renter households, which increased from 14% in 2010 to 19% in 2020. Overall, renter households are more likely to be a householder living alone compared to owner households.

Figure II-5.
Households by Number of People and Tenure, Centennial, 2010-2020



Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Current and future development. This section provides a snapshot of residential development activity in the City of Centennial based on projects that have gone through a site plan review process. Therefore, the following figures do not include infill or single unit developments. As a result, the following is an undercount of the total number of residential units developed in the city during this period.

From 2010 to 2021, an average of 241 new units were approved annually in residential developments in the City of Centennial, as shown in Figure II-6. Most new units—not including infill—were multifamily developments followed by group living (e.g., assisted living).

Figure II-6.
Residential Units Approved by Type, Centennial, 2010-2021

Year	Detached	Attached	Live/Work	Mixed Residential	Multifamily or Mixed Use	Group	Total
2010		76					76
2011						120	120
2012					304	84	388
2013	108				17		125
2014	19					85	104
2015	147						147
2016	72	180					252
2017					100		100
2018					423	209	632
2019				14			14
2020					304		304
2021			66		569		635
Total	346	256	66	14	1,717	498	2,897

Note: Infill and single unit developments are not included in this data. The year is when units were approved, not when units were constructed.

Source: City of Centennial and Root Policy Research.

There are 3,367 units in the pipeline in the City of Centennial, as shown in Figure II-7. Roughly half (1,764 units) of units have received their zoning approval only, 758 units are currently in review, and 717 have been approved. Based on development trends from 2010 to 2021 in Figure II-6, the units in the pipeline represent about 10 years of development activity in the city.

Figure II-7.
Residential Units in the Pipeline, Centennial

	Approved	In Review	Moratorium	Waiting for Submittal	Zoning Only	Total
Attached				38		38
Group	160	58				218
Live/work	60					60
Mixed residential	190	700				890
Multifamily or Mixed Use	307		90		1,764	2,161
Total	717	758	90	38	1,764	3,367

Source: City of Centennial and Root Policy Research.

Regional share. One way of evaluating a community's affordable housing role or responsibility, in a regional sense, is through a proportionate share analysis. This analysis compares a city's share of households and housing units affordable at various income ranges to their overall share of households and housing units.

Figures II-8 to II-10 show this exercise. Communities with a higher share of low income households than total households are oversupplying affordable units relative to their regional proportionate share. Conversely, communities with a lower share of low income households than total households are undersupplying affordable units relative to their regional proportionate share.

As shown in Figure II-8, Denver has a disproportionate share of low income households earning less than \$35,000 (27% of households in the region) compared to their share of total households (21%). This is also true for Adams, Boulder, and Weld Counties, although the proportionate differences are smaller.

Centennial is home to 3% of all households in the region compared to 2% of low income households (indicating an undersupply of affordable housing); 3% of middle income households (a proportionate supply); and 4% of high income households (an oversupply).

Figure II-8.

Share of Total Households and Households by Income in the Region

	% of Households	% Earning Less than \$35,000	% Earning \$35,000-\$50,000	% Earning \$50,000-\$75,000	% Earning \$75,000-\$100,000	% Earning \$100,000+
Arapahoe	18%	17%	20%	19%	19%	17%
Centennial	3%	2%	2%	3%	3%	4%
Adams	12%	14%	14%	14%	14%	10%
Boulder	9%	11%	9%	8%	8%	10%
Broomfield	2%	1%	2%	2%	2%	2%
Clear Creek	0%	0%	0%	0%	0%	0%
Denver	21%	27%	23%	22%	19%	19%
Douglas	9%	5%	5%	6%	9%	13%
Gilpin	0%	0%	0%	0%	0%	0%
Jefferson	17%	15%	17%	16%	17%	18%
Weld	8%	9%	8%	8%	8%	6%

Source: 2020 5-year ACS and Root Policy Research.

Figure II-9 shows the share of total rental units in each county compared to the share of rental units by gross rent in each county. Again, Denver is oversupplying affordable rental housing with 41% of housing in the region priced under \$800 per month, but only 31% of all rental units in the region.

According to this exercise, the City of Centennial is undersupplying affordable rental housing (0%) compared to their share of all rental units in the region (2%).

Figure II-9.

Share of Renter Occupied Units and Rentals by Gross Rent in the Region

	% of Rental Units	% Less than \$800	% \$800-\$1,000	% \$1,000-\$1,500	% \$1,500-\$2,000	% \$2,000+
Arapahoe	19%	12%	17%	20%	20%	17%
Centennial	2%	0%	1%	2%	2%	2%
Adams	12%	11%	15%	13%	11%	9%
Boulder	10%	8%	6%	10%	10%	15%
Broomfield	2%	1%	1%	3%	3%	3%
Clear Creek	0%	1%	1%	0%	0%	0%
Denver	31%	42%	31%	28%	28%	30%
Douglas	5%	1%	2%	6%	7%	10%
Gilpin	0%	0%	0%	0%	0%	0%
Jefferson	14%	12%	15%	14%	15%	13%
Weld	6%	12%	11%	4%	4%	3%

Source: 2020 5-year ACS and Root Policy Research.

Figure II-10 shows the share of all owner occupied units in each county compared to the share of owner units by value in each county. This exercise shows that Adams County is providing more than their proportionate share of housing priced under \$200,000, with 21% of for sale units in that price range in the region in Adams County but only 13% of all owner units. Again, Centennial is undersupplying their share of affordable ownership opportunities (1%) compared to their share of regional owner occupied units (4%).

Figure II-10.
Share of Owner Occupied Units and Units by Home Value in the Region

	% of Owner Units	% Less than \$200,000	% \$200,000-\$300,000	% \$300,000-\$400,000	% \$400,000-\$500,000	% \$500,000+
Arapahoe	18%	19%	21%	20%	18%	14%
Centennial	4%	1%	2%	3%	6%	4%
Adams	13%	21%	20%	17%	10%	5%
Boulder	9%	7%	5%	6%	7%	15%
Broomfield	2%	1%	1%	2%	2%	2%
Clear Creek	0%	1%	0%	0%	0%	0%
Denver	16%	17%	17%	14%	14%	19%
Douglas	11%	3%	4%	8%	14%	16%
Gilpin	0%	0%	0%	0%	0%	0%
Jefferson	18%	12%	15%	19%	23%	19%
Weld	9%	17%	14%	10%	6%	4%

Source: 2020 5-year ACS and Root Policy Research.

Rental Housing Needs

This section provides an analysis of rental housing needs in the City of Centennial including rental market trends, vacancy, cost burden, and rental housing gaps.

Rental market trends. Figure II-11 shows the median gross rent in the City of Centennial and peer communities in 2017 and 2020. The median gross rent in Centennial increased from \$1,554 in 2017 to \$1,728 in 2020—an 11% increase. This was a lower increase than in most peer communities. Aurora experienced the greatest percent increase with an 20% change followed by Littleton (18%), Broomfield (15%), and Highlands Ranch (14%).

Overall, Highlands Ranch, Greenwood Village, and Lone Tree have the highest rents in 2020 with median gross rents of \$1,976, \$1,792, and \$1,735 respectively. Conversely, Littleton has the lowest rent out of all the peer communities at \$1,359 in 2020.

Figure II-11.
Median Gross Rent, Centennial and Peer Communities, 2017-2020

Source:
2017 and 2020 5-year ACS, and Root Policy Research.

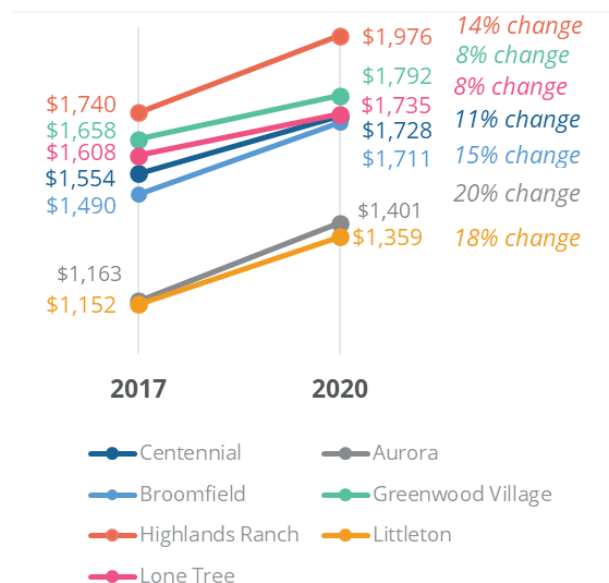


Figure II-12 shows the household income required to afford the median gross rent in 2020. To afford the median priced rental unit in Centennial, a household would need to make \$69,120 in gross household income. Despite the city's very high increase in median gross rent between 2017 and 2020 (see above), Aurora remains the most affordable by this standard. Highlands Ranch, Greenwood Village, and Lone Tree require the highest incomes to afford the median gross rent in their communities.

Figure II-12.
Median Gross Rent and Income
Required, Centennial and Peer
Communities, 2020

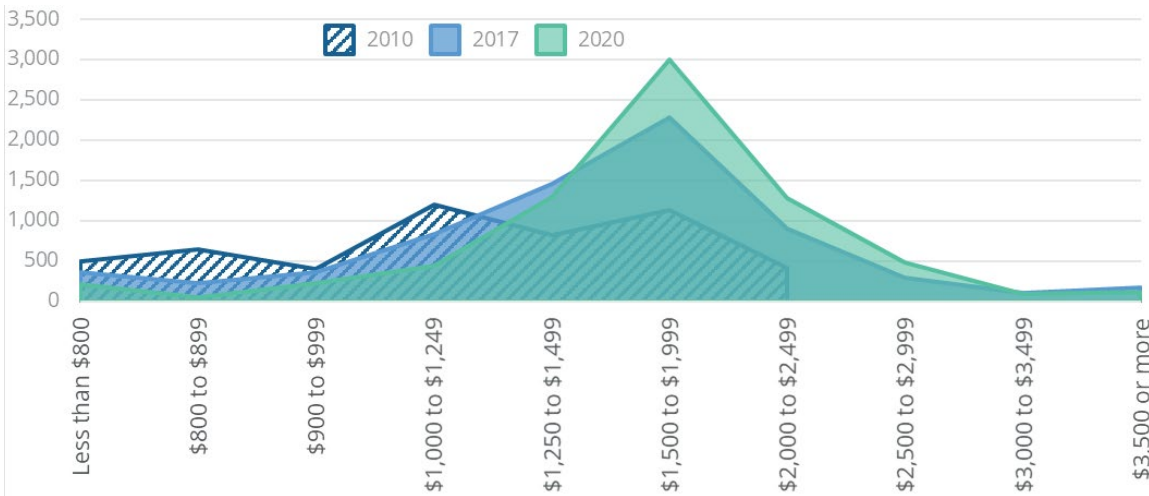
Source:
 2020 5-year ACS and Root Policy Research.

	Median Gross Rent	Income Required
Centennial	\$1,728	\$69,120
Aurora	\$1,401	\$56,040
Broomfield	\$1,711	\$68,440
Greenwood Village	\$1,792	\$71,680
Highlands Ranch	\$1,976	\$79,040
Littleton	\$1,359	\$54,360
Lone Tree	\$1,735	\$69,400

Figure II-13 shows the rental unit distribution by gross rent in Centennial from 2010 to 2020. The figure reveals the narrowing of rental pricing and the shift towards high rents.

In 2010, rental units were more evenly distributed from rents less than \$800 up to \$2,499. Half of units in 2010 were priced below \$1,250 compared to only 13% of units in 2020. In 2020, 60% of units are priced between \$1,500 and \$2,500.

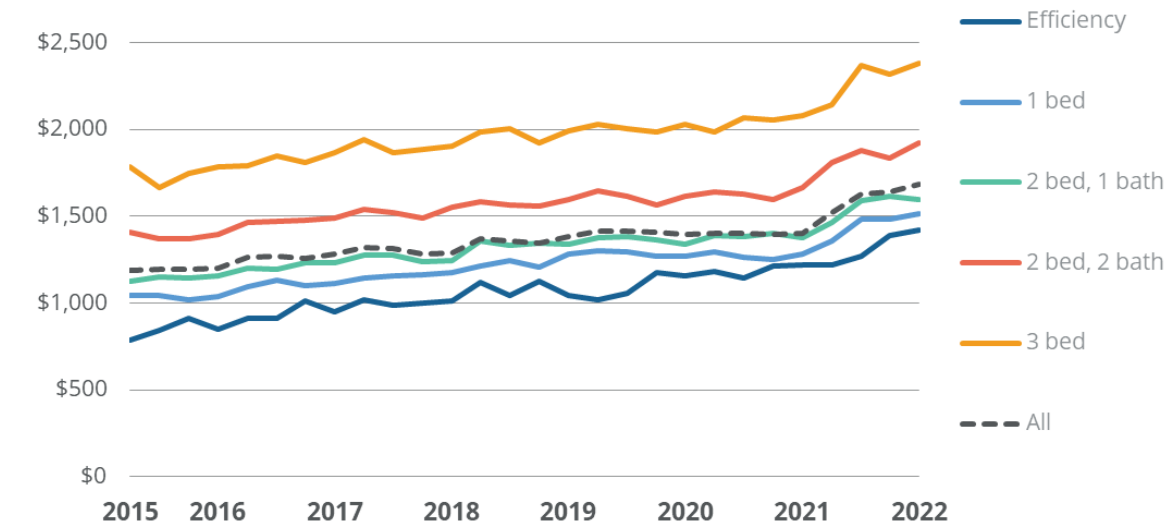
Figure II-13.
Unit Distribution by Gross Rent, Centennial, 2010-2020



Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Figure II-14 shows rental price trends in Arapahoe County. Rents increased steadily from 2015 to 2021, after which they rose more steeply. Starting in 2018, the median rent for all unit sizes exceeded \$1,000 and by 2021, the median for all unit sizes exceeded \$1,250.

Figure II-14.
Median Rent by Type, Arapahoe County, 2015-2022



Note: This data source is based on a survey of rental properties. Single family detached rentals are likely underrepresented.

Source: Denver Metro Vacancy and Rent Survey Q1 2022 and Root Policy Research.

Figure II-15 provides more detail on changes in rents between 2021 and 2022, as well as rents by submarket area and bedroom size. Median rents in western areas of Centennial exceeded growth in the east over the past year. Median rents increased 7% in the western areas of the city and 2% in eastern areas from the second quarter of 2021 to the first quarter of 2022.

Overall, rents increased the most for two-bedroom/two-bath (\$426 per month increase) and three-bedroom units (\$443) in the west.

Figure II-15.
Median Rent by Type, Arapahoe County South and Southeast, 2021-2022

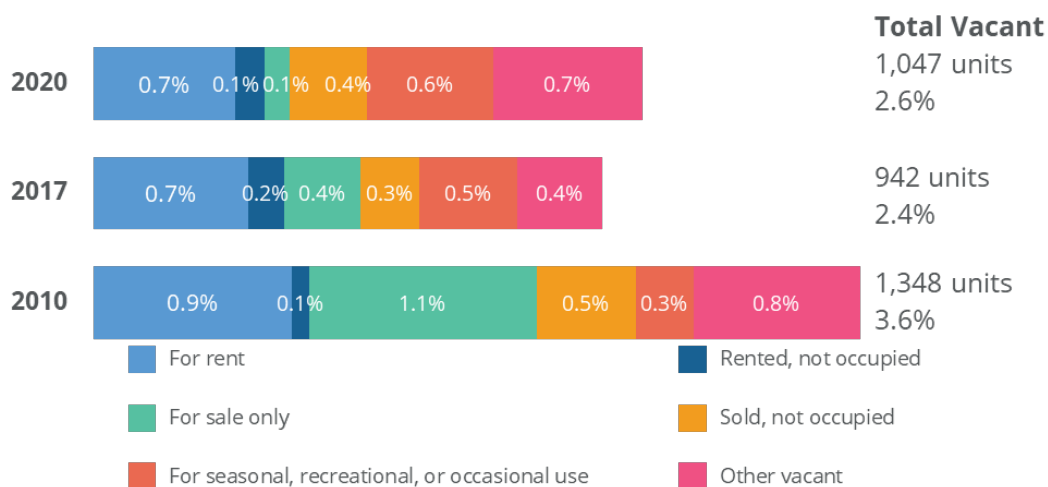
					2021 Q2 - 2022 Q1 Change	
	2021 Q2	2021 Q3	2021 Q4	2022 Q1	Number	Percent
Arapahoe County South (West Centennial)						
Efficiency	\$1,495	\$1,621	\$1,434	\$1,635	\$140	9%
1 Bed	\$1,541	\$1,778	\$1,759	\$1,625	\$83	5%
2 Bed, 1 Bath	\$1,732	\$1,697	\$1,890	\$1,918	\$186	11%
2 Bed, 2 Bath	\$1,883	\$2,180	\$2,024	\$2,308	\$426	23%
3 Bed	\$2,167	\$2,642	n/a	\$2,610	\$443	20%
All	\$1,817	\$1,916	\$1,866	\$1,942	\$126	7%
Arapahoe County Southeast (East Centennial)						
Efficiency	\$1,213	\$1,388	\$1,388	\$1,428	\$215	18%
1 Bed	\$1,537	\$1,641	\$1,602	\$1,622	\$85	6%
2 Bed, 1 Bath	\$1,805	\$1,898	\$1,853	\$1,816	\$10	1%
2 Bed, 2 Bath	\$1,945	\$2,078	\$2,031	\$1,983	\$37	2%
3 Bed	\$2,191	\$2,445	\$2,389	\$2,408	\$218	10%
All	\$1,783	\$1,933	\$1,781	\$1,815	\$32	2%

Source: Denver Metro Vacancy and Rent Survey Q1 2022 and Root Policy Research.

Vacancy. Residential unit vacancy decreased in Centennial from 3.6% in 2010 to 2.6% in 2020, as shown in Figure II-16. This increasingly low vacancy rate explains rising rents. Generally, a 5% vacancy rate represents a health housing market where there is adequate supply for unit turnover. Additionally, the share of vacant for sale units decreased from 1% in 2010 to less than 1% in 2020. This is indicative of a lack of for sale units sitting vacant on the market for prospective homebuyers.

Lower vacancy rates and increasing housing costs is indicative of a tight market that would benefit from an increase in housing supply to alleviate vacancies and upward price bidding.

Figure II-16.
Housing Vacancy Rate by Reason, Centennial, 2010-2020



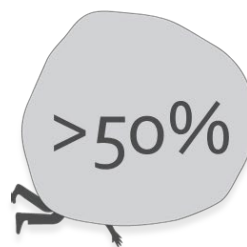
Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Rental affordability—cost burden. Cost burden exists when households pay more than 30 percent of their gross household income for housing costs. Housing costs include the rent or mortgage payment, homeowners’ association (HOA) fees, utilities, mortgage insurance, renter or homeowner insurance, and property taxes.

Severe cost burden—paying more than 50 percent of monthly gross income on a household rent or mortgage—is an indicator of critical housing needs. Severe cost burden is also linked to a high risk of eviction or foreclosure, and homelessness.



Households paying
>30% for housing
are **“cost burdened”**



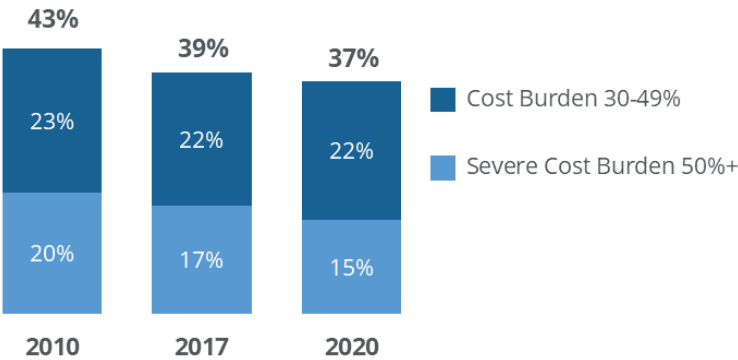
Households paying
>50% for housing
are **“severely cost
burdened”**

Cost burden does not take into account transportation costs. When transportation costs are included, housing affordability is further beyond many Centennial households' reach.

Figure II-17 shows the share of renter households experiencing cost burden in the City of Centennial in 2010, 2017, and 2020. Overall, renter cost burden decreased from 43% of renter households with burden in 2010 to 37% in 2020. Severe cost burden decreased from 20% in 2010 to 15% in 2020. The reduction in cost burden among renters is likely due to increases in renter income and potential displacement of renters who could not afford to remain in Centennial. From 2010 to 2020, the number of renter households with incomes less than \$50,000 decreased by 27%, whereas renter households with incomes above \$50,000 increased by 87%.

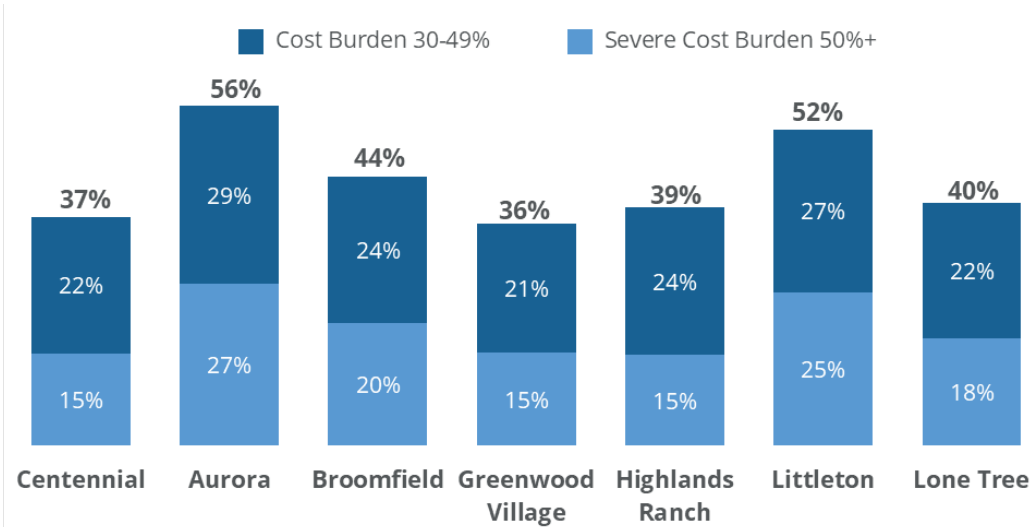
Figure II-17.
Renter Cost Burden,
Centennial, 2010-2020

Source:
2010, 2017, and 2020 5-year ACS and Root
Policy Research.



Centennial has the second lowest rate of cost burden compared to peer communities with 37% of renter households experiencing cost burden; Greenwood Village has the lowest at 36%. Cost burden is highest for renter households in Aurora (56%), Littleton (52%), Broomfield (44%), and Lone Tree (40%), as shown in Figure II-18.

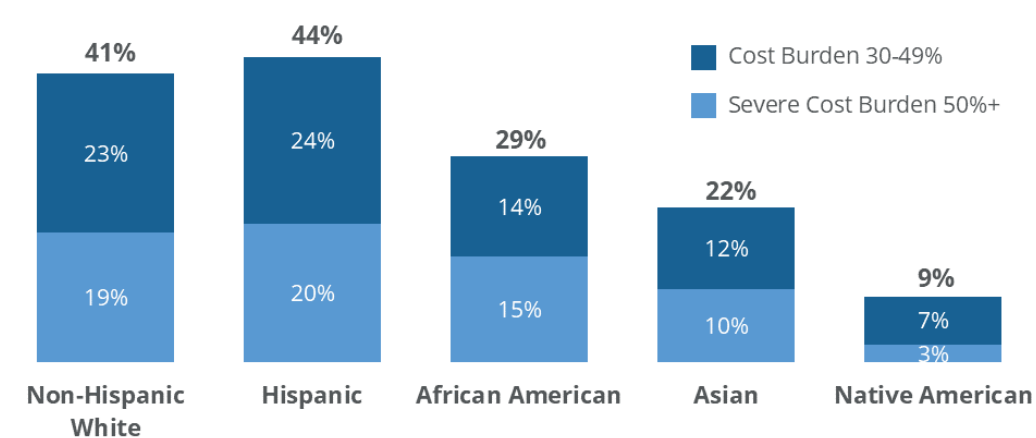
Figure II-18.
Renter Cost Burden and Severe Cost Burden, Centennial and Peer Communities, 2020



Source: 2020 5-year ACS and Root Policy Research.

Figure II-19 shows renter cost burden in Centennial by race and ethnicity. Cost burden is highest for Hispanic households at 44% followed by non-Hispanic White households (41%) and African American households (29%).

Figure II-19.
Renter Cost Burden and Severe Cost Burden by Race and Ethnicity, Centennial, 2018



Source: 2018 CHAS and Root Policy Research.

Figure II-20 shows renter cost burden by household income in 2010, 2017, and 2020. Overall, cost burdened decreased for low income renters (earning less than \$20,000). This is likely due to an increase in units or subsidies for renters with incomes less than \$5,000 and a decrease in units for households with incomes between \$5,000 and \$35,000, as shown in Figure II-22.

However, cost burden among moderate and high income households increased significantly: 28% of households with incomes between \$50,000 and \$74,999 experienced cost burden in 2010 compared to 51% in 2020.

Figure II-20.
Renter Cost Burden by
Income, Centennial,
2010-2020

Source:
2010, 2017, and 2020 5-year ACS and Root
Policy Research.

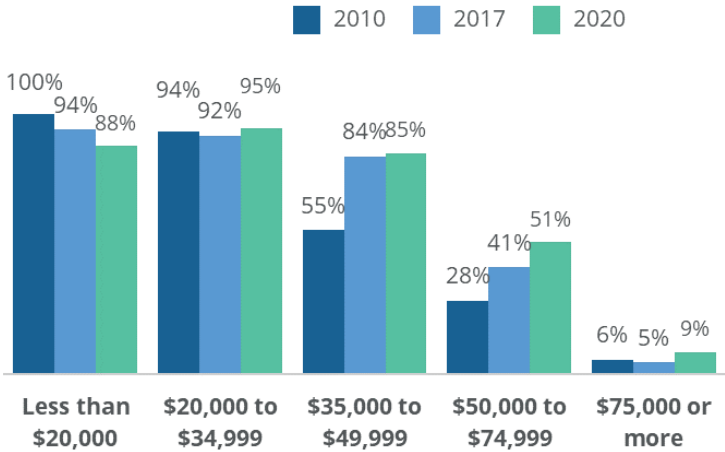


Figure II-21 further shows cost burden among renters in Centennial by housing type and household income. Not surprisingly, cost burden is higher for low income households; burden begins to drop significantly once renter incomes reach \$50,000.

Lower income households face high rates of burden regardless of the type of housing they occupy. This differs for higher income households: Those that make at least \$50,000 per year are less likely to be cost burdened if they live in multifamily housing.

Figure II-21.
Renter Cost Burden by Income and Housing Type, 2019

	Total Households	% Cost Burdened (CB)	% CB Earning Less than \$25,000	% CB Earning \$25,000-\$34,999	% CB Earning \$35,000-\$49,999	% CB Earning \$50,000-\$74,999	% CB Earning \$75,000-\$100,000	% CB Earning More than \$100,000
Detached	4,851	37%	82%	89%	91%	66%	29%	4%
Attached (2-4 units)	2,858	47%	91%	100%	80%	61%	28%	0%
Multifamily (5-19 units)	6,552	48%	99%	100%	84%	42%	0%	3%
Multifamily (20-49 units)	3,239	55%	100%	94%	93%	60%	19%	3%
Multifamily (50+ units)	3,417	44%	100%	92%	80%	27%	11%	4%

Note: 2020 IPUMS data was not available at the time of this report.

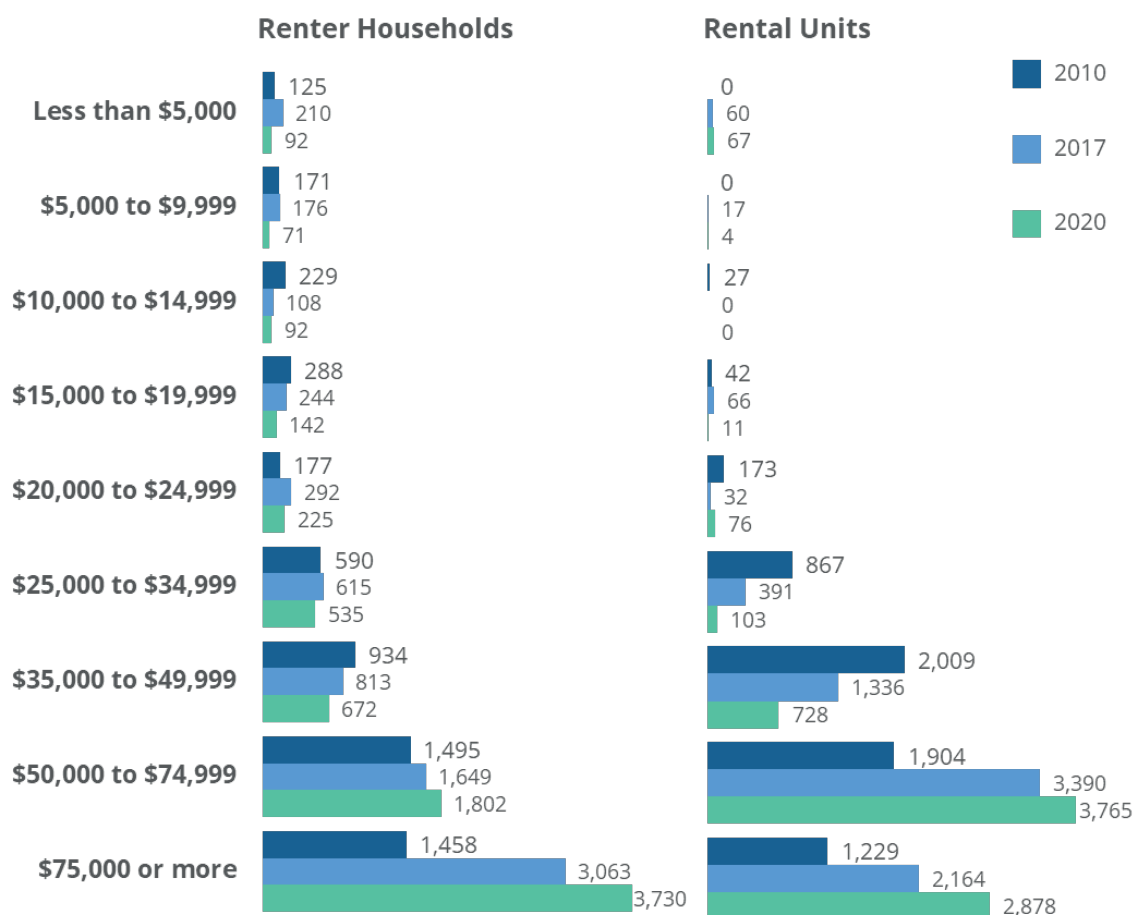
Source: 2019 IPUMS and Root Policy Research

Rental affordability—rental gaps. A gaps exercise compares the supply and demand for rental housing at specific price points to highlight where housing costs are misaligned with household incomes. Gaps analyses indicate where housing subsidies and development should be focused.

Figure II-22 shows the distribution of renter households and units they can afford by household income in 2010, 2017, and 2020. This figure illuminates the gaps in the rental market between what households can afford and the market prices of rental units.

For example, for the estimated 92 households with incomes of less than \$5,000 there are only 67 units available—a shortage of 25 deeply affordable units or renter subsidies. Similarly, for high income renter households there is a shortage of luxury units. This suggests that these households are renting down and occupying lower-cost housing than they could otherwise afford.

Figure II-22.
Renter Households and Units they can Afford by Household Income, Centennial, 2010-2020



Source: 2010, 2017, and 2020 5-year ACS and Root Policy Research.

Figure II-23 presents the data for 2020 only in tabular format. Overall, the city has a gap of 896 units for renter households earning less than \$35,000. Most units (49%) are affordable to households earning \$50,000 to \$74,999, but only 24% of households fall within this income bracket.

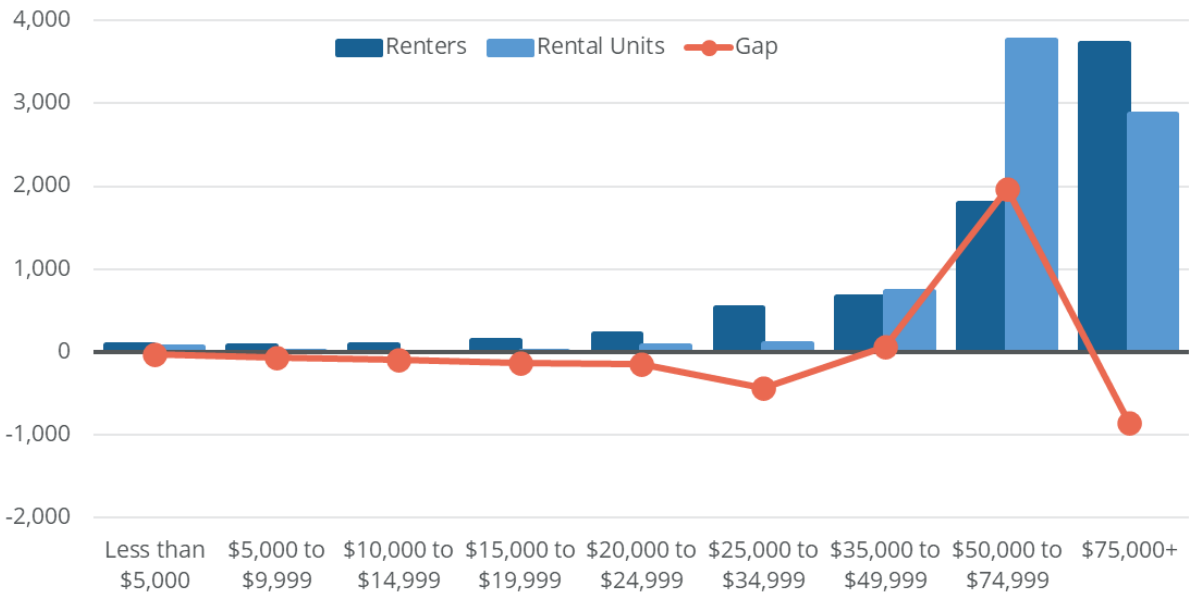
Figure II-23.
Rental Gaps, Centennial, 2020

Income Range	Maximum Affordable Gross Rent	Rental Demand (Current Renters)		Rental Supply (Current Units)		Gap
		Number	Percent	Number	Percent	
Less than \$5,000	\$125	92	1%	67	1%	(25)
\$5,000 to \$9,999	\$250	71	1%	4	0%	(67)
\$10,000 to \$14,999	\$375	92	1%	0	0%	(92)
\$15,000 to \$19,999	\$500	142	2%	11	0%	(131)
\$20,000 to \$24,999	\$625	225	3%	76	1%	(149)
\$25,000 to \$34,999	\$875	535	7%	103	1%	(432)
\$35,000 to \$49,999	\$1,250	672	9%	728	10%	56
\$50,000 to \$74,999	\$1,875	1,802	24%	3,765	49%	1,963
\$75,000+	\$1,875+	3,730	51%	2,878	38%	(852)
Total/Low Income Gap (<\$35,000)		7,361	100%	7,632	100%	(896)

Source: 2020 5-year ACS and Root Policy Research.

Figure II-24 shows the rental gaps graphically. The red line indicates the under- (below zero) or oversupply (above zero) of rental units relative to renter incomes.

Figure II-24.
Rental Gaps, Centennial, 2020



Source: 2020 5-year ACS and Root Policy Research.

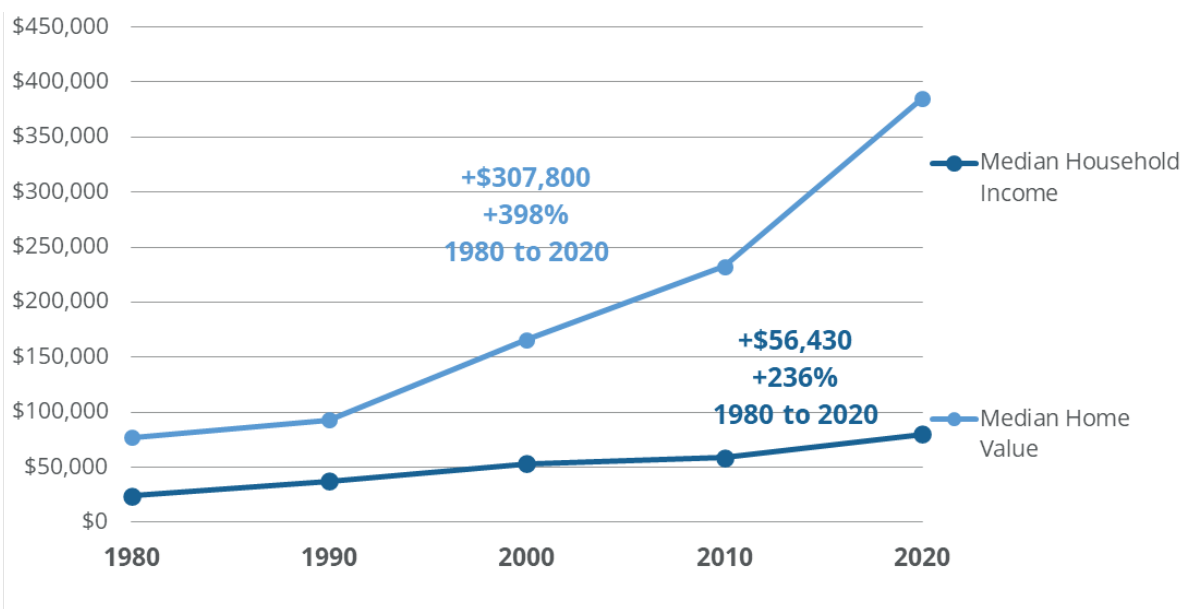
For Sale Housing Needs

This section provides an analysis of for sale housing needs in the City of Centennial including a historical ownership affordability analysis, for sale market trends, cost burden, ownership housing gaps, regional affordability analysis, and mortgage applications.

Historical ownership affordability. To understand the current for sale housing market in Centennial in a historical context, this section provides an analysis of home prices and incomes from 1980 to 2020 for Arapahoe County.¹

Figure II-25 shows the median household income and home value in Arapahoe from 1980 to 2020. Overall, the median home value in the county increased by 398% while the median household income increased by 236%. Household incomes have not kept up with housing costs in the county.

Figure II-25.
Median Household Income and Home Value, Arapahoe County, 1980-2020



Source: 1980, 1990, 2000 Census, 2010 and 2020 5-year ACS, and Root Policy Research.

¹ Arapahoe County is used for the historical analysis because the City of Centennial was founded in 2001.

Figure II-26 shows the affordable purchase price and downpayment based on the median household income using historical interest rates from 1980 to 2020. When incomes and purchasing prices go up, so does the monetary value of a 10% downpayment.²

In 1980, a 10% downpayment required 19% of the median household's annual income. In 2020, a 10% downpayment required 51% of the median household's annual income. While prospective buyers may be able to afford the monthly mortgage payments due to historically low interest rates, the much higher downpayment requirement creates a significant obstacle for renters who wish to buy.

Figure II-26.

Affordable Purchase Price and Downpayment, Arapahoe County, 1980-2020

Year	Median Household Income	Affordable Housing Costs		Downpayment	
		Monthly Payment	Sale Price	Dollars	Percent of Income
1980	\$23,861	\$597	\$45,086	\$4,509	19%
1990	\$37,234	\$931	\$92,330	\$9,233	25%
2000	\$53,570	\$1,339	\$159,856	\$15,986	30%
2010	\$58,719	\$1,468	\$249,368	\$24,937	42%
2020	\$80,291	\$2,007	\$413,136	\$41,314	51%

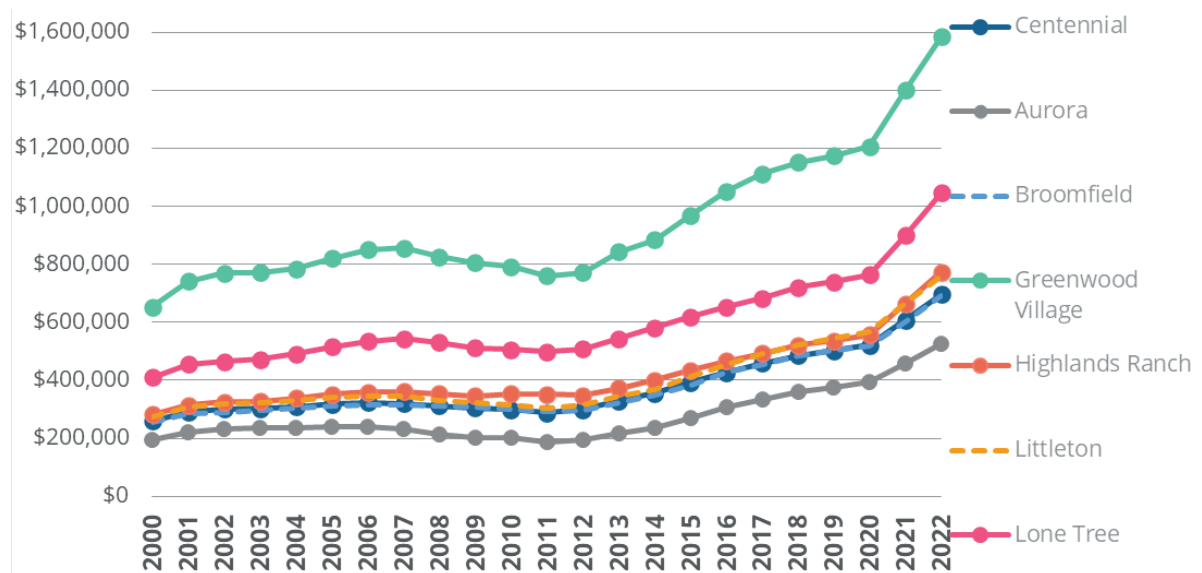
Source: Freddie Mac, 1980, 1990, 2000 Census, 2010 and 2020 5-year ACS, and Root Policy Research.

² For the purposes of this report, a 10% downpayment is used to calculate affordable home purchase prices. A 10% downpayment is between the 20% down that is typical of a conventional mortgage and 3.5% required of an FHA mortgage. The National Association of Realtors estimated the average downpayment in 2021 nationwide was 12%.

For sale market trends. Figure II-27 shows the home value index³ in Centennial and peer communities from 2000 to 2022, based on Zillow data. During this time, home values in the city increased by 168%, from \$259,487 in 2000 to \$696,592 in 2022. This increase was on par with increases in Broomfield and Highlands Ranch.

For sale home prices are highest in Greenwood Village (\$1.6 million in 2022), Lone Tree (\$1 million), and Highlands Ranch (\$772,780) and lowest in Aurora (\$524,521).

Figure II-27.
Home Value Index, Centennial and Peer Communities, 2000-2022

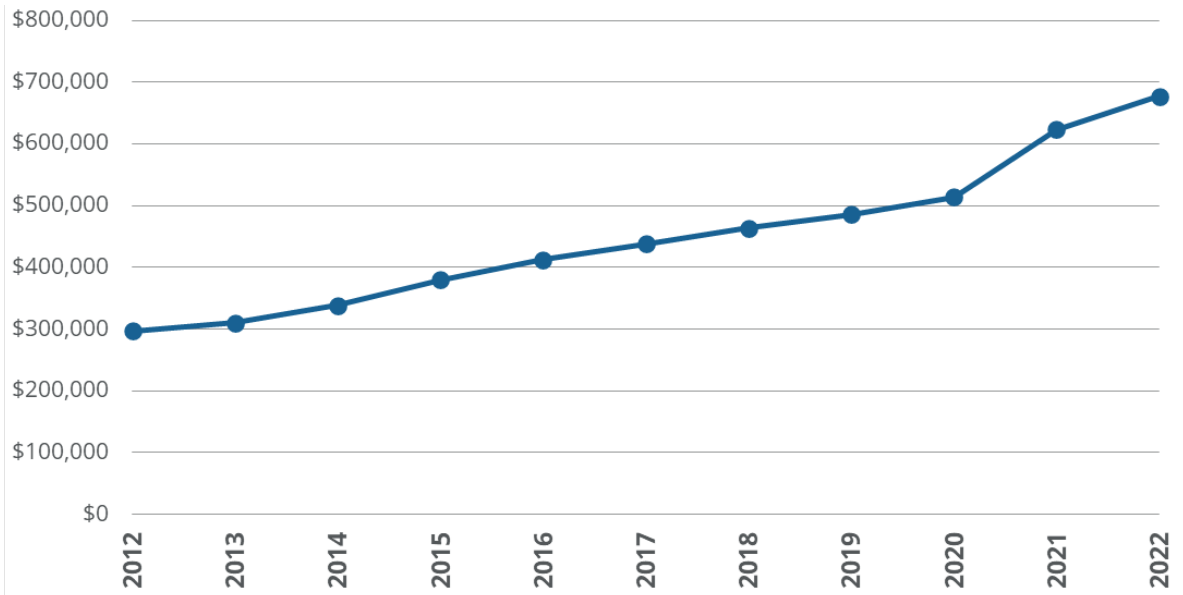


Source: Zillow and Root Policy Research.

³ Defined by Zillow as, "A smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type. It reflects the typical value for homes in the 35th to 65th percentile range. The raw version of that mid-tier ZHVI time series is also available."

The average sale price in Centennial increased from \$296,863 in 2012—just after the Great Recession—to \$677,395 in 2022—as shown in Figure II-28. This figure is based on an analysis of local Multiple Listing Service (MLS) data of homes listed for sale and sold in Centennial.

Figure II-28.
Average Sale Price, Centennial, 2012-2022



Source: MLS and Root Policy Research.

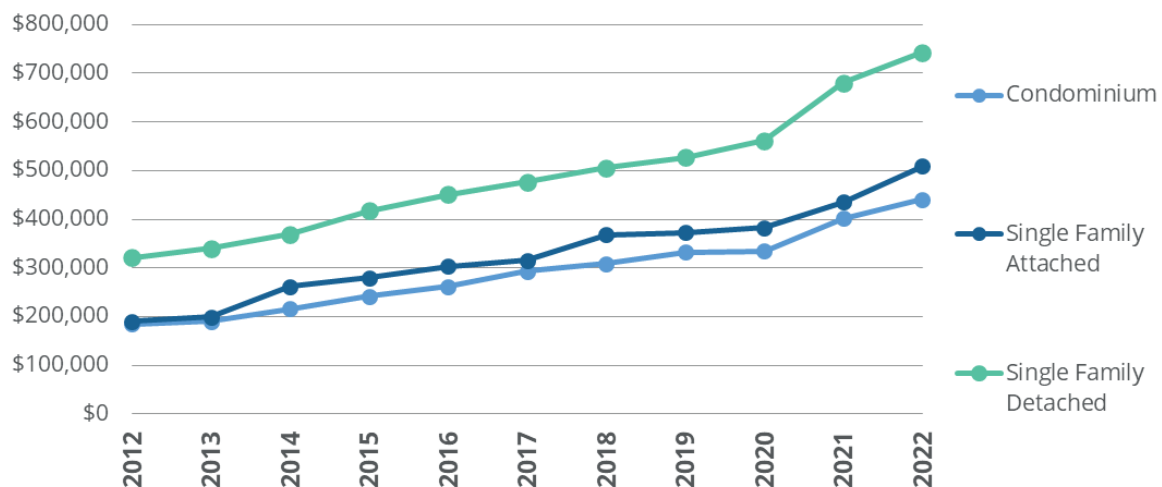
Single family detached housing has the highest average sale price at \$742,740 in 2022 followed by single family attached at \$508,750 and condos at \$440,974, as shown in Figure II-29.

Since 2012, the gap between the average sale price of condos and the average sale price of a single family detached home increased by \$165,020. In 2012 the difference between the average priced condo and the average priced single family detached home was \$136,746; by 2022, the gap had grown to \$301,766.

Similar to the gap between the average sale price for condos and single family detached, the gap between single family attached and detached has increased by \$103,411 since 2012. In 2012 the difference between the average priced single family attached and detached was \$130,579; by 2022, the gap had grown to \$233,990.

In 2022, a 10% downpayment on the average single family detached house would be \$74,274, compared to \$50,875 for the average single family detached housing and \$44,097 for the average condo.

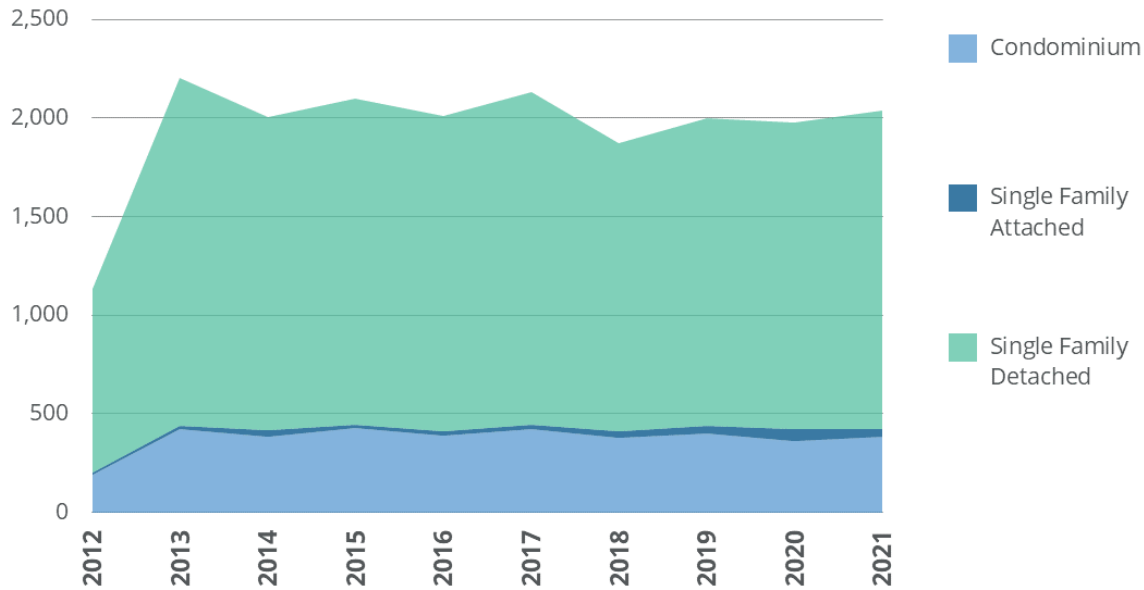
Figure II-29.
Average Sale Price by Housing Type, Centennial, 2012-2022



Source: MLS and Root Policy Research.

Figure II-30 shows the number of homes sold by type from 2012 to 2022 in Centennial. Since 2012, there has been an average of 1,947 sales per year including single family detached, single family attached, and condos or apartments. During this time, 79% of all sales were single family detached, 19% were apartments or condos, and 1.5% were single family attached.

Figure II-30.
Homes Sold by Type, Centennial, 2012-2022



Source: MLS and Root Policy Research.

Cost burden. Figure II-31 shows the share of owner households in Centennial that were cost burdened in 2010, 2017, and 2020.⁴ Overall, cost burden decreased among owners from 25% in 2010 to 20% in 2020.

Figure II-31.
Owner Cost Burden,
Centennial, 2010-2020

Source:
2010, 2017, and 2020 5-year ACS and Root
Policy Research.

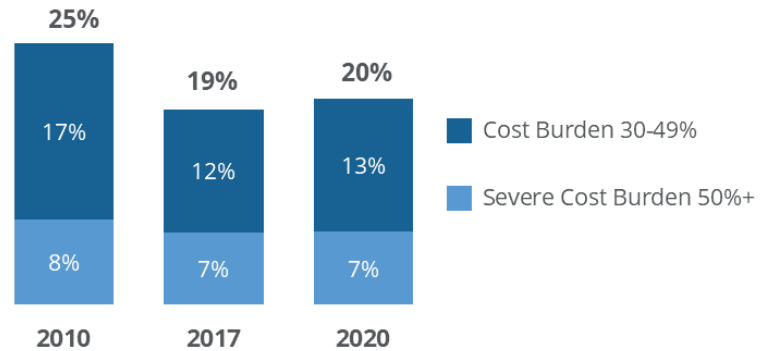
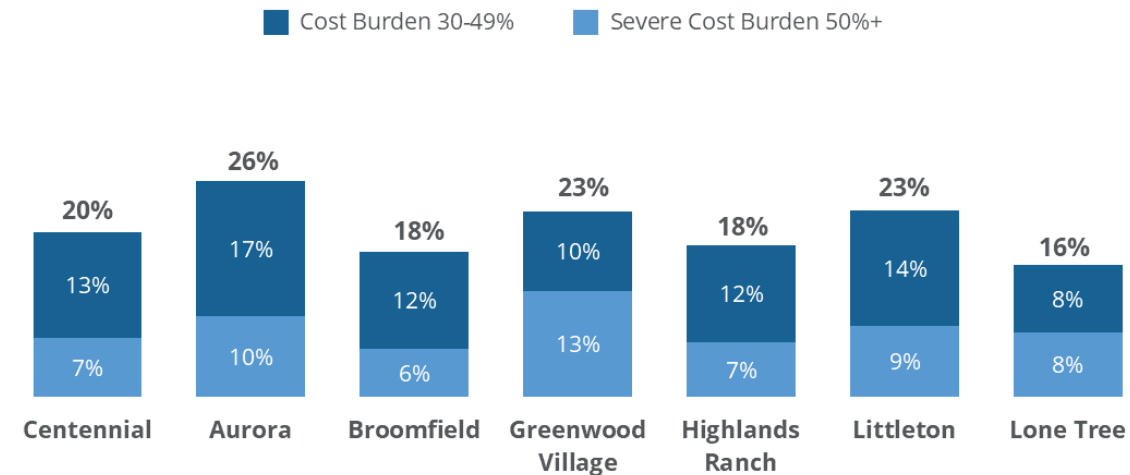


Figure II-32 shows the share of owner households that are cost burdened in peer communities in 2020. One in four (26%) of owner households in Aurora experience housing cost burden followed by 23% in Greenwood Village and 23% in Littleton.

Figure II-32.
Owner Cost Burden and Severe Cost Burden, Centennial and Peer
Communities, 2020

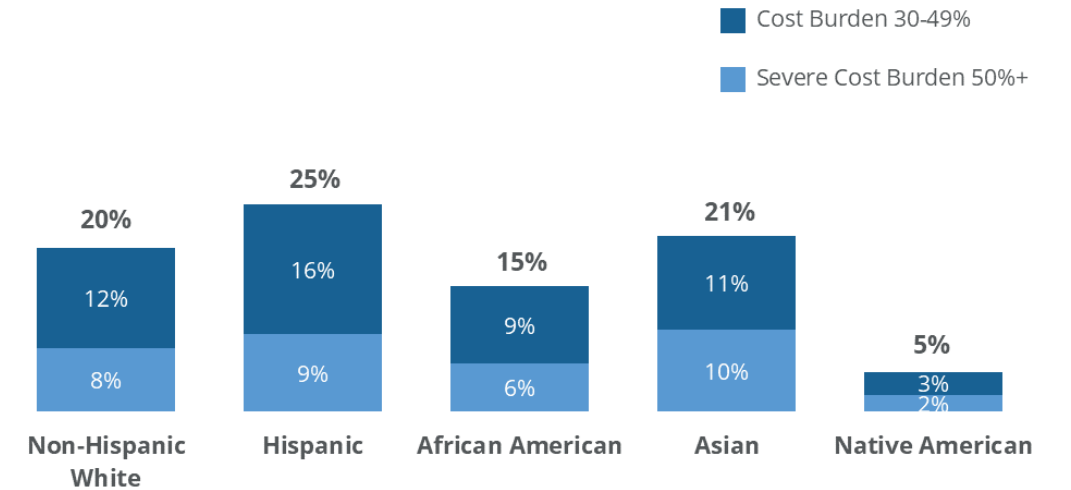


Source: 2020 5-year ACS and Root Policy Research.

⁴ As discussed earlier, households are considered cost burdened if they are spending more than 30% of their gross income on housing costs.

Figure II-33 shows the share of owner households who are cost burdened by race and ethnicity. Hispanic owners are most likely to experience cost burden at 25%, followed by 21% for Asian households, 20% for non-Hispanic White households, and 15% for African American households. Native Americans experience the lowest rate of owner cost burden.

Figure II-33.
Owner Cost Burden and Severe Cost Burden by Race and Ethnicity, Centennial, 2018



Source: 2018 CHAS and Root Policy Research.

Like rental burden, cost burden among owner households is highest for households with lower incomes, as shown in Figure II-34. From 2010 to 2020, the rate of cost burden for low income homeowners with incomes of less than \$20,000 and homeowners with incomes above \$50,000 increased. Increases in cost burden among very low income owner households is typically related to increases in property taxes and home insurance costs.

Figure II-34.
Owner Cost Burden by Income, Centennial, 2010-2020

Source:
2010, 2017, and 2020 5-year ACS and Root Policy Research.

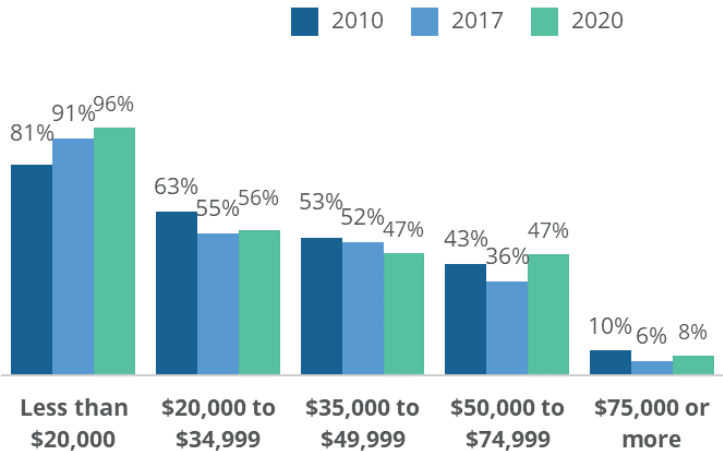


Figure II-35 further describes cost burden among owners in Centennial by housing type and household income. Trends in burden by type and for owners is less clear than for renters. Owners living in moderately-sized multifamily developments face some of the highest levels of burden. Burden is lowest for owners occupying small multifamily units and attached units.

Figure II-35.
Owner Cost Burden by Income and Housing Type, 2019

	Total Households	% Cost Burdened (CB)	% CB Earning Less than \$25,000	% CB Earning \$25,000-\$34,999	% CB Earning \$35,000-\$49,999	% CB Earning \$50,000-\$74,999	% CB Earning \$75,000-\$100,000	% CB Earning More than \$100,000
Detached	56,448	19%	86%	66%	59%	43%	25%	4%
Attached (2-4 units)	6,842	28%	87%	59%	49%	37%	10%	0%
Multifamily (5-19 units)	1,530	24%	75%	47%	22%	14%	0%	8%
Multifamily (20-49 units)	374	40%	100%	100%	71%	58%	0%	0%
Multifamily (50+ units)	328	34%	77%	n/a	n/a	25%	0%	16%

Note: 2020 IPUMS data was not available at the time of this report.

Source: 2019 IPUMS and Root Policy Research

Ownership gaps. This section describes a gaps exercise that was used to calculate gaps in the homeownership market for renters who wish to buy and affordable homes listed and sold from 2020 to 2022. This exercise also shows the impact of increasing interest rates on ownership affordability. The “gap” in this case is a difference in proportions between renters and affordable homes to buy.

Figures II-36 and II-37 show the rental purchase gap in Centennial with a 30-year mortgage, 10% downpayment, 20% of monthly payment set aside for insurance, HOA fees, and taxes, and a 3.35% interest rate. Figures II-38 and II-39 show the renter purchase gap when affordable home prices are calculated using a 5.25% interest rate.

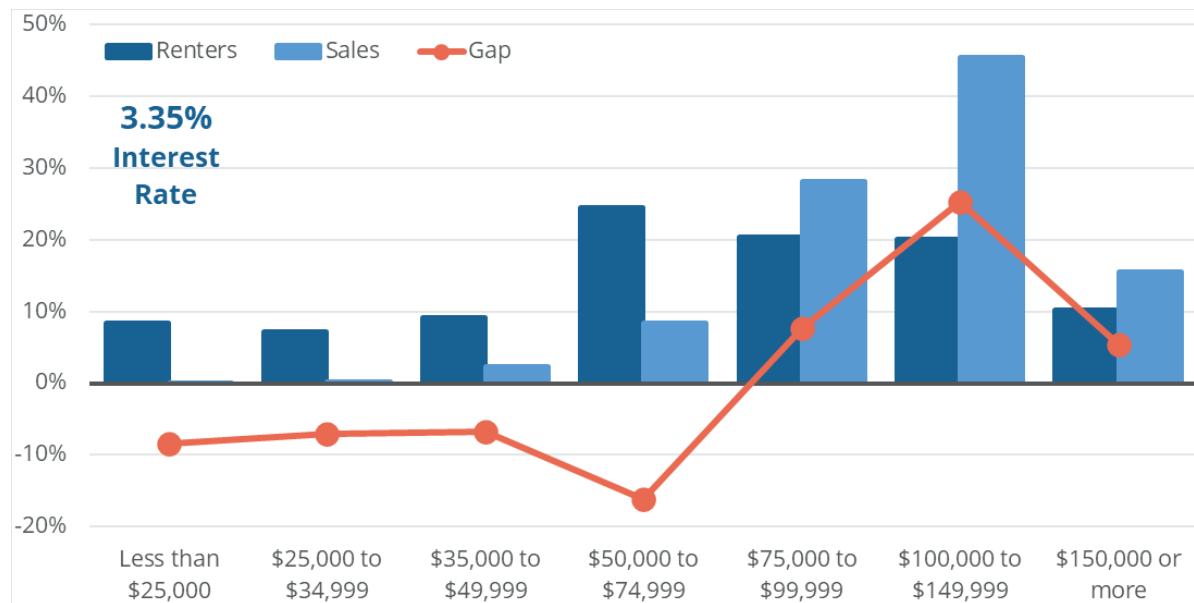
With an interest rate of 3.35%, households need to earn \$75,000 or more to be competitive in the Centennial for sale market. Nearly half (49%) of renter households earn less than \$75,000 whereas only 10% of homes for sale from 2020 to 2022 were affordable to those households.

Figure II-36.
Renter Purchase Gap, 3.35% Interest Rate, Centennial, 2020

Income Range	Max Affordable Home Price	Potential Demand among 1st Time Buyers (Current Renters)		For-Sale Supply (Homes Sold 2020-2022)		Renter Purchase Gap	Cumulative Gap
		Number	Percent	Number	Percent		
Less than \$25,000	\$124,793	622	8%	1	0%	-8%	-8%
\$25,000 to \$34,999	\$174,712	535	7%	13	0%	-7%	-15%
\$35,000 to \$49,999	\$249,590	672	9%	102	2%	-7%	-22%
\$50,000 to \$74,999	\$374,388	1,802	24%	368	8%	-16%	-38%
\$75,000 to \$99,999	\$499,185	1,498	20%	1,236	28%	8%	-31%
\$100,000 to \$149,999	\$748,781	1,480	20%	2,001	45%	25%	-5%
\$150,000 or more		752	10%	684	16%	5%	0%

Source: 2020 5-year ACS, MLS, and Root Policy Research.

Figure II-37.
Renter Purchase Gaps, 3.35% Interest Rate, Centennial, 2020



Source: 2020 5-year ACS, MLS, and Root Policy Research.

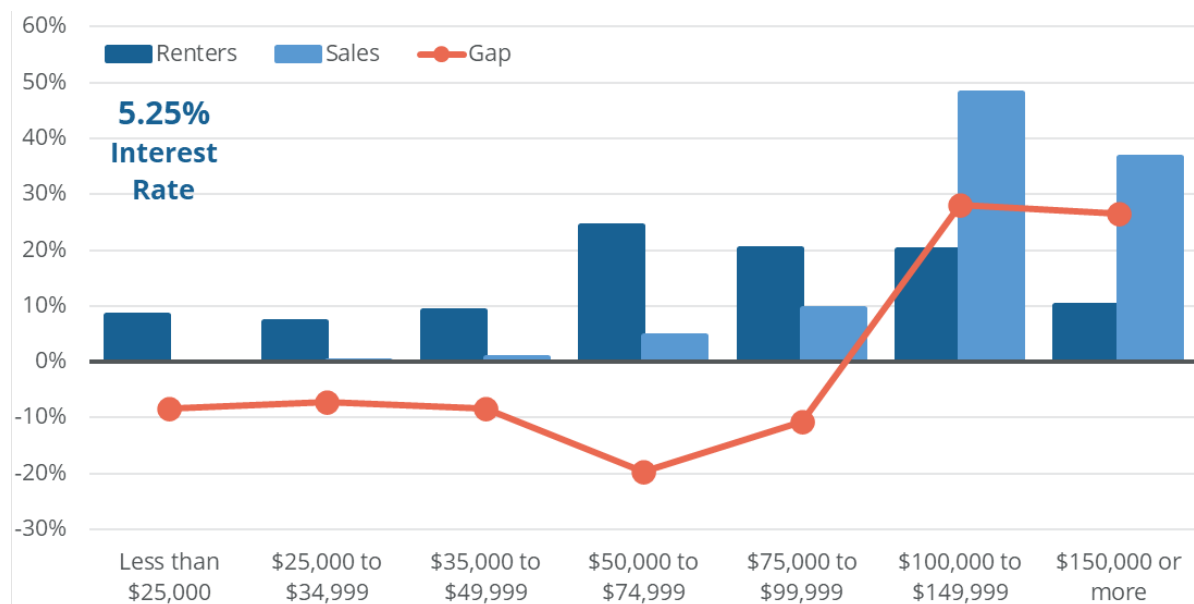
Figures II-38 and II-39 show the rental purchase gap for potential buyers using a 5.25% interest rate. With a 5.25% interest rate, households need to earn \$100,000 or more to be competitive in the market. Seventy percent of renter households have incomes below \$100,000 compared to 15% of affordable sales. The increased interest rate decreases the purchasing power for households.

Figure II-38.
Renter Purchase Gap, 5.25% Interest Rate, Centennial, 2020

Income Range	Max Affordable Home Price	Potential Demand among 1st Time Buyers (Current Renters)		For-Sale Supply (Homes Sold 2020-2022)		Renter Purchase Gap	Cumulative Gap
		Number	Percent	Number	Percent		
Less than \$25,000	\$99,597	622	8%	0	0%	-8%	-8%
\$25,000 to \$34,999	\$139,437	535	7%	1	0%	-7%	-16%
\$35,000 to \$49,999	\$199,198	672	9%	35	1%	-8%	-24%
\$50,000 to \$74,999	\$298,799	1,802	24%	208	5%	-20%	-44%
\$75,000 to \$99,999	\$398,400	1,498	20%	424	10%	-11%	-55%
\$100,000 to \$149,999	\$597,602	1,480	20%	2,122	48%	28%	-26%
\$150,000 or more		752	10%	1,615	37%	26%	0%

Source: 2020 5-year ACS, MLS, and Root Policy Research.

Figure II-39.
Renter Purchase Gaps, 5.25% Interest Rate, Centennial, 2020



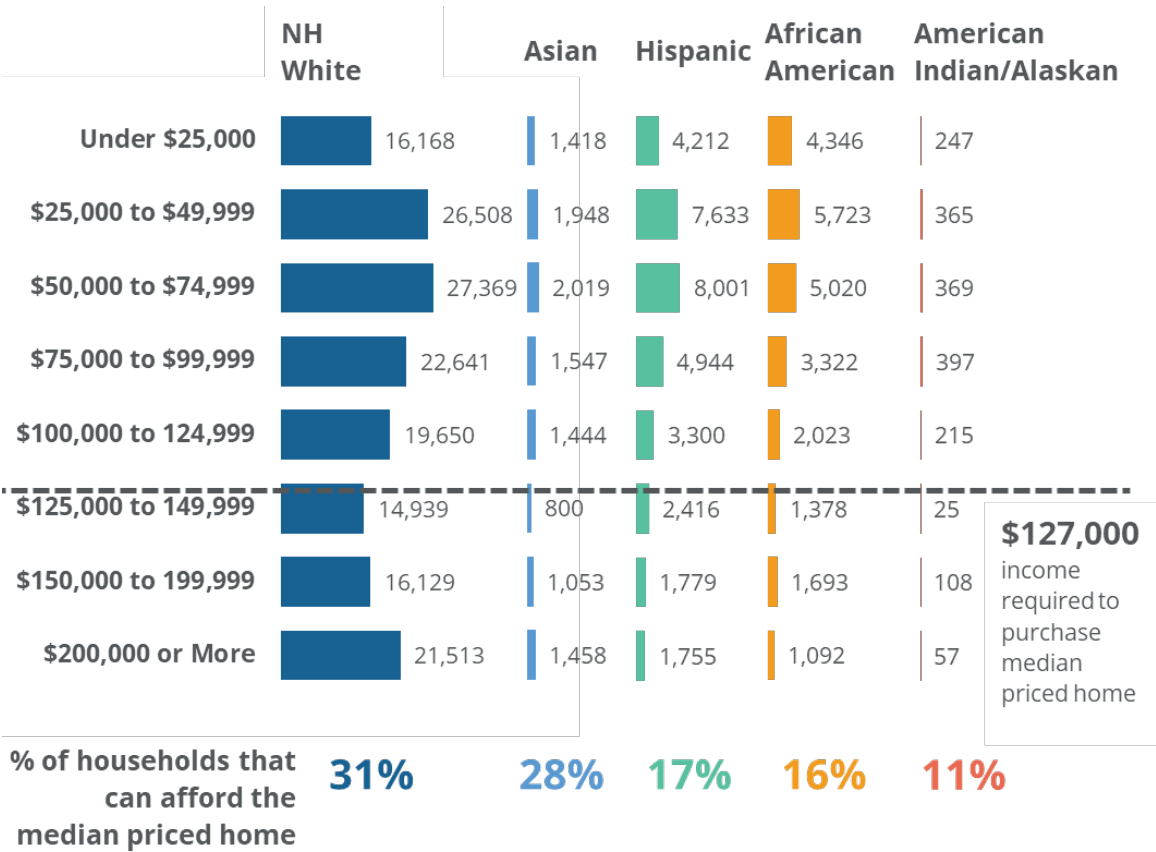
Source: 2020 5-year ACS, MLS, and Root Policy Research.

Regional affordability analysis. In addition to the affordability of for sale housing for renters living in Centennial, this section examines whether households living in Arapahoe County can afford to purchase a home in Centennial. Arapahoe County was chosen as the regional market area for ownership housing in Centennial based on its proximity and commute patterns between the city and county.

Figure II-40 shows the share of Arapahoe County households that can afford to purchase the median priced home in Centennial at \$540,000 (based on 2020-2022 sales) by race and ethnicity. The income required to purchase the median priced home is \$127,000.

Thirty-one percent of non-Hispanic White households living in Arapahoe County could afford to buy the median priced home in Centennial and 28% of Asian households can afford the median price. For other racial groups, affordability is much lower: 17% of Hispanic households, 16% of African American Households, and 11% of American Indian or Alaskan Native households living in Arapahoe County can afford to buy in Centennial. Overall, non-Hispanic White households are two times as likely to be able to afford the median priced home in Centennial compared to racial and ethnic minorities.

Figure II-40.
Share of Arapahoe County Households that can Afford the Median Priced Home in Centennial by Race and Ethnicity



Source: MLS, 2020 5-year ACS, and Root Policy Research.

Figures II-41 and II-42 examine the ability of households by size living in Arapahoe County to purchase a home in Centennial. Figure II-41 shows the affordable purchase price for Arapahoe County households based on the median income of households by number of people and the average sales price (based on 2020 to 2022 sales) in Centennial.

The last column in the table indicates if the median household by size in Centennial and Arapahoe can afford to purchase a suitably sized⁵ home in Centennial. Generally, two person households in Arapahoe can afford the average price of a two bedroom home in Centennial. However, there are few opportunities to purchase a two bedroom home in Centennial based on sales in recent years, as shown in Figure II-42.

**Figure II-41.
Affordable Purchase
Price by Number of
People in Household
vs. Average Sale
Price by Number of
Bedrooms**

Note:
5.25% interest rate
Source:
MLS, 2020 5-year ACS, and Root
Policy Research.

Number of Bedrooms or People in Household	Median Income	Max Affordable Purchase Price	Avg. Sale Price (2020- 2022)	Affordable?
Centennial Median Incomes				
1 or less	\$54,892	\$218,692	\$262,565	No
2	\$109,405	\$435,874	\$354,218	Yes
3	\$130,695	\$520,694	\$510,561	Yes
4	\$162,538	\$647,557	\$620,610	Yes
5 or more	\$155,536	\$619,661	\$748,325	No
Arapahoe County Median Incomes				
1 or less	\$43,153	\$171,923	\$262,565	No
2	\$89,022	\$354,667	\$354,218	Yes
3	\$100,198	\$399,193	\$510,561	No
4	\$115,322	\$459,447	\$620,610	No
5 or more	\$112,112	\$446,658	\$748,325	No

⁵ For the purposes of this analysis, a suitably sized home is one where the number of bedrooms matches the number of people in the household. There are differences in preferences for multigenerational housing and household size that are not captured in this analysis.

Figure II-42 shows the share of households by size and the share of sales by number of bedrooms from 2020 to 2022. Overall, the majority of sales are for three to four bedroom homes whereas the majority of households are one to two person households.

Figure II-42.

Households by Number of People in Household vs. Sales by Number of Bedrooms

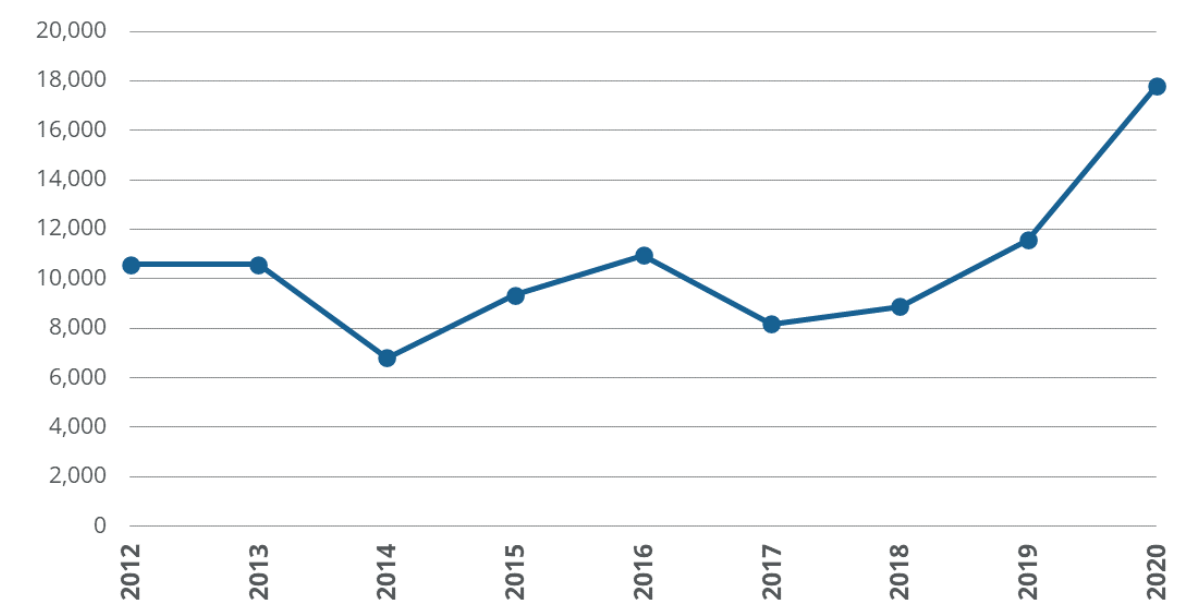
Number of Bedrooms or People in Household	Households		Sales in Centennial (2020-2022)	
	# of Households	% of Households	# of Sales	% of Sales
Centennial				
1 or less	8,637	<div><div></div></div> 21%	97	<div><div></div></div> 2%
2	14,560	<div><div></div></div> 36%	480	<div><div></div></div> 11%
3	7,428	<div><div></div></div> 18%	1,311	<div><div></div></div> 29%
4	6,388	<div><div></div></div> 16%	1,724	<div><div></div></div> 38%
5 or more	3,684	<div><div></div></div> 9%	935	<div><div></div></div> 21%
Arapahoe County				
1 or less	65,733	<div><div></div></div> 27%	97	<div><div></div></div> 2%
2	80,184	<div><div></div></div> 33%	480	<div><div></div></div> 11%
3	38,084	<div><div></div></div> 16%	1,311	<div><div></div></div> 29%
4	33,826	<div><div></div></div> 14%	1,724	<div><div></div></div> 38%
5 or more	24,062	<div><div></div></div> 10%	935	<div><div></div></div> 21%

Source: MLS, 2020 5-year ACS, and Root Policy Research.

Mortgage applications. This section presents trends in mortgage applications in the City of Centennial based on Home Mortgage Disclosure Act (HMDA) data. The data in this section does not include cash sales.

Figure II-43 shows the number of mortgage applications in Centennial from 2012 to 2020. Applications were generally between 6,000 and 12,000 annually until 2020 when applications increased to nearly 18,000.

Figure II-43.
Number of Mortgage Applications, Centennial, 2012-2020



Source: HMDA and Root Policy Research.

Figure II-44 shows the mortgage denial rate by race and ethnicity in the City of Centennial. Overall, mortgage loan denial rates are low, but there are gaps by race and ethnicity. Black or African American households have the highest denial rate at 22% followed by American Indian or Alaskan Native households (19%), Asian households (17%), and Hispanic households (16%). Non-Hispanic White households have the lowest mortgage denial rate at 11%.

Figure II-44.
Mortgage Denial
Rate by Race and
Ethnicity,
Centennial, 2020

Source:
HMDA and Root Policy Research.

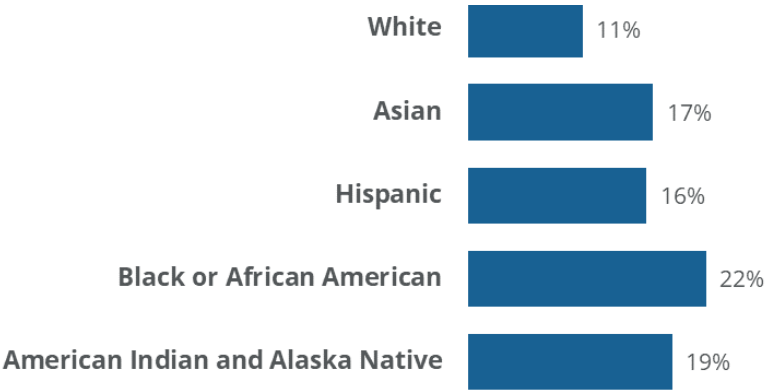
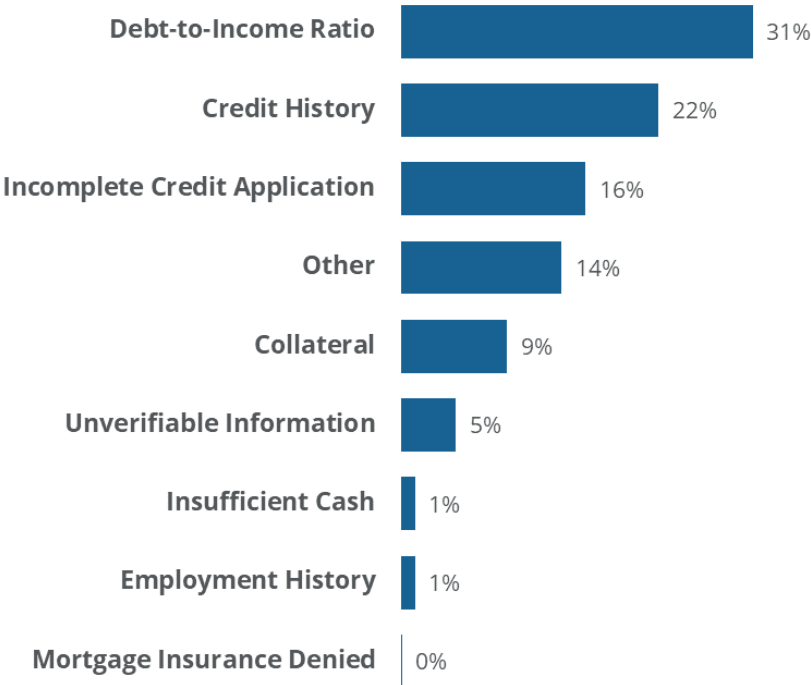


Figure II-45 shows the share of mortgage denials by reason in 2020. Debt-to-income ratio (31%), credit history (22%), and incomplete credit application (16%) were the top three reasons for denial.

Figure II-45.
Share of Mortgage
Denials by Reason,
Centennial, 2020

Source:
HMDA and Root Policy Research.



SECTION III.

FUTURE HOUSING NEEDS

SECTION III.

Future Housing Needs

This section provides estimates of future housing needs in the City of Centennial and presents a framework for defining affordability and setting goals as a community. The section is divided into the following areas:

- **Household and employment projections.** Shows three different growth projections for the City of Centennial based on estimates from the Department of Local Affairs (DOLA), Centennial NEXT, and employment based projections.
- **Future need by industry.** Describes future housing needs based on trends in wages by industry over the past 10 years. This analysis depicts the impact of employment growth on the housing market, in commuting, and homeownership.
- **Future need by household size.** Provides future affordability scenarios for households by size and the type of housing they could afford to purchase.

Primary Findings

- In order to accommodate future growth, Centennial would need to increase the opportunities for residential construction and consider incentives for housing development. Over the next fifteen years, the City of Centennial is projected to add between 561 and 706 new *households* annually. However, over the past ten years the city has approved an average of 241 new *units* per year in residential developments.
- Workers in most employment industries can afford the median rent in Centennial—except for households working in agriculture and forestry, accommodation and food services, and retail trade. Workers in fewer industries are able to purchase the median priced home in Centennial, but condominiums offer the greatest opportunity for households looking to buy. Overall, household incomes have not kept up with increases in housing prices and by 2035 fewer industries will be able to afford to purchase housing in Centennial. However, in 2035 it is estimated that rentals in Centennial are still in reach for most employment industries.
- Future workforce will struggle to afford to live in Centennial, since future workforce growth is concentrated in lower paying industries. As the workforce grows, unless there is an influx

of affordable homeownership opportunities in the city, homeownership rates will decrease because of high home prices relative to wages. The most aggressive solutions to future workforce growth—housing workforce at a wide variety of price points—will also preserve the city’s current economic diversity. Movement away from this will increase in-commuting significantly.

- For sale market prices were projected 15 years using sales data from 2012 to 2022 to estimate the future affordability of for sale housing by type—single family detached, attached, and condos. The analysis shows when two-, three-, and five-person middle income households can no longer afford the median home price by type of home. In all but the lower price increase scenario (85% of historic growth), detached housing is out of reach for all household sizes in the next five years and in the next 15 years no for sale housing types are affordable.

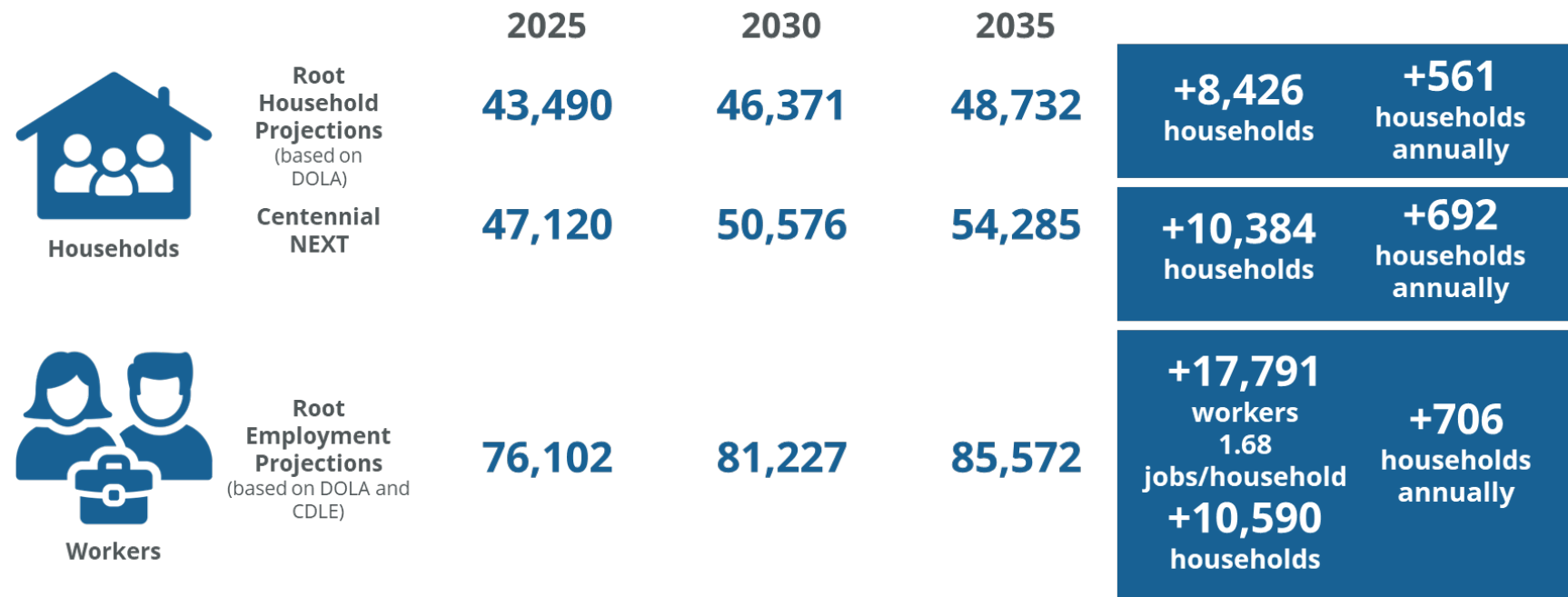
Household and Employment Projections

This section provides household and employment projections for the City of Centennial over the next five, ten, and fifteen years. The City is expected to add between 8,426 and 10,590 new households by 2035—between 561 and 706 new households annually. Over the past ten years, the city has approved an average of 241 new units per year in residential developments. In order to accommodate future growth, Centennial would need to increase the opportunities for residential construction and consider incentives for housing development.

Since 1980, home values in Arapahoe County have increased by nearly 400% with household income growth lagging behind with an increase of 236% over the same time. If the residential development in the city does not keep up with the demand for housing in the city, prices will continue to increase.

Figure III-1.

Household and Employment Projections, 2025-2035



Source: 2020 5-year ACS, Centennial Next, DOLA, CDLE, and Root Policy Research

Future Need by Industry

This section provides future housing needs for Centennial's workforce based on employment growth projections and trends in wages and home prices. On average, households in the city have 1.68 workers per household.¹ Affordable housing prices were calculated for this analysis assuming 30% of household income on housing and 1.68 workers per household in the employment industries shown in Figure III-2.

A note on wage gaps.

According to the United Way, White people in Colorado earn 18.76% more than racial and ethnic minorities. Similarly, men in Colorado earn 25% more than women.

¹ <https://unitedwaynca.org/blog/income-inequality-in-america-wage-gaps-in-different-areas/>

Figure III-2 shows the housing industry workers can afford in 2020 in Centennial. Median rent and median purchase price were used to measure if households would be able to participate in the Centennial housing market. The median rent in 2020 was \$1,728. Median for sale prices ranged from \$376,000 for a condo to \$580,000 for a single family detached house.

Most industries can afford the median rent in Centennial—except for households working in agriculture and forestry, accommodation and food services, and retail trade. Workers in fewer industries are able to purchase the median priced home in Centennial, but condominiums offer the greatest opportunity for households looking to buy.

Figure III-2.
Housing Industry Workers can Afford, 2020

Industry	Avg. Weekly Wage, 2020	Afford Median Rent?	Afford Median Detached?	Afford Median Attached?	Afford Median Condo/Apt?
Utilities	\$1,885	Yes	Yes	Yes	Yes
Agriculture, Forestry	\$728	No	No	No	No
Mining and Oil and Gas	\$3,375	Yes	Yes	Yes	Yes
Public Administration	\$1,379	Yes	No	No	Yes
Transportation and Warehousing	\$1,101	Yes	No	No	No
Educational Services	\$1,020	Yes	No	No	No
Real Estate and Rental and Leasing	\$1,380	Yes	No	No	Yes
Manufacturing	\$1,318	Yes	No	No	Yes
Arts, Entertainment, and Recreation	\$1,351	Yes	No	No	Yes
Management of Companies	\$2,690	Yes	Yes	Yes	Yes
Wholesale Trade	\$2,028	Yes	Yes	Yes	Yes
Accommodation and Food Services	\$468	No	No	No	No
Administration; Waste Management	\$1,027	Yes	No	No	No
Construction	\$1,476	Yes	No	Yes	Yes
Retail Trade	\$775	No	No	No	No
Information	\$2,448	Yes	Yes	Yes	Yes
Health Care and Social Assistance	\$1,189	Yes	No	No	No
Finance and Insurance	\$2,200	Yes	Yes	Yes	Yes
Professional Services	\$2,087	Yes	Yes	Yes	Yes
Other Services	\$947	Yes	No	No	No

Note: Affordability based on 1.68 wage earners in with the average weekly wage for each industry per household and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.

Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

Wages by industry were projected to 2035 using the same growth rates experienced from 2010 to 2020 to estimate future wages. Median rent and sale prices were also projected forward using trends from the previous 10 years. Overall, household incomes have not kept up with increases in housing prices and by 2035 fewer industries will be able to afford to purchase housing in Centennial, as shown in Figure III-3. Rentals in Centennial are still in reach for most employment industries.

Figure III-3.
Housing Industry Workers can Afford, 2035

Industry	Avg. Weekly Wage, 2025	Afford Median Rent?	Afford Median Detached?	Afford Median Attached?	Afford Median Condo/Apt?
Utilities	\$2,603	Yes	No	No	No
Agriculture, Forestry	\$718	No	No	No	No
Mining and Oil and Gas	\$6,031	Yes	Yes	Yes	Yes
Public Administration	\$1,907	Yes	No	No	No
Transportation and Warehousing	\$1,363	Yes	No	No	No
Educational Services	\$1,508	Yes	No	No	No
Real Estate and Rental and Leasing	\$2,241	Yes	No	No	No
Manufacturing	\$1,804	Yes	No	No	No
Arts, Entertainment, and Recreation	\$2,365	Yes	No	No	No
Management of Companies	\$4,196	Yes	No	Yes	Yes
Wholesale Trade	\$2,820	Yes	No	No	No
Accommodation and Food Services	\$790	No	No	No	No
Administration; Waste Management	\$1,772	Yes	No	No	No
Construction	\$2,562	Yes	No	No	No
Retail Trade	\$1,238	No	No	No	No
Information	\$4,310	Yes	No	Yes	Yes
Health Care and Social Assistance	\$1,675	Yes	No	No	No
Finance and Insurance	\$4,189	Yes	No	Yes	Yes
Professional Services	\$3,135	Yes	No	No	No
Other Services	\$1,497	Yes	No	No	No

Note: Affordability based on 1.68 wage earners in with the average weekly wage for each industry per household and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.















Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

The housing units to be developed in Centennial will have an impact on the economic diversity of the city, and the city's ability to house future workforce—or for workforce to be restricted to in-commuting. This section projects housing demand, focusing on employment growth, over

the next 15 years to identify the impact employment growth will have on commute patterns and homeownership rates in the city.

What if all new workers who can afford to live in Centennial are housed? Figure III-4 shows the outcomes of a scenario where all new worker households who can afford to rent or purchase in Centennial are housed and those who cannot afford Centennial become in-commuters.

Figure III-4.
Industry Workers can Afford, 2035

	 New Workers	 New Households	Housing Types Households Can Afford		Impact
2025	+8,321 Workers	+4,948 Households	 Detached	Households 519	In-Commuters  +1,324
			 Attached & Condos	1,453	Homeownership Rate 82% to 77%
			 Rent	2,189	
2030	+13,447 Workers	+7,996 Households	 Detached	Households 383	In-Commuters  +2,138
			 Attached & Condos	2,688	Homeownership Rate 82% to 75%
			 Rent	3,654	
2035	+17,791 Workers	+10,590 Households	 Detached	Households 17	In-Commuters  +2,826
			 Attached & Condos	1,154	Homeownership Rate 82% to 67%
			 Rent	7,728	

Note: Affordability based on 1.68 wage earners in with the average weekly wage for each industry per household and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.

Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

By 2025, an estimated 4,948 new worker households will work in the city and 519 households would be able to afford the median priced detached single family home in 2025 (\$823,688); 1,453 households could afford to purchase a condo or attached home (\$780,000); and 2,189 households could afford the median rent (\$2,063). Out of the 8,321 new workers in the city, 1,324 could not afford to live in the city and would be forced to in-commute to work. Without an increase in ownership affordability in the next five years, the homeownership rate is estimated to decrease from 82% in 2020 to 77% in 2025.

Future workforce will struggle to afford to live in Centennial, since future workforce growth is concentrated in lower paying industries. All scenarios have a negative impact on homeownership (albeit some very slight) because of high home prices in the city. The most aggressive solutions to future workforce growth—housing workforce at a wide variety of price points—will also preserve the city’s current economic diversity. Movement away from this will increase in-commuting significantly.

Future Need by Household Size

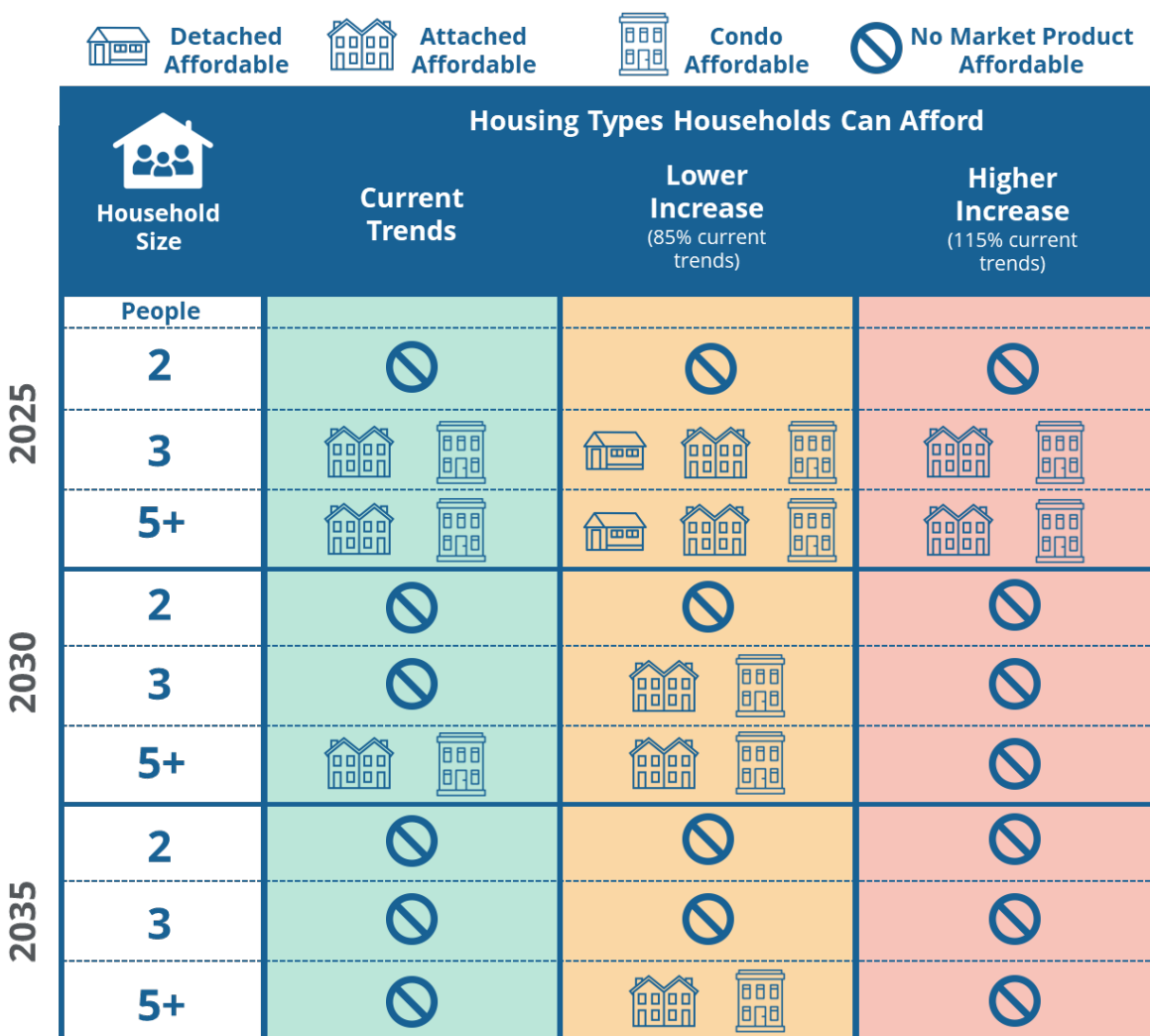
To understand how prices could increase during the next 5, 10 and 15 years, we modeled three price scenarios:

- Price increases are the same as those experienced between 2000 and 2020 (“Current Trends”),
- Demand slows and prices increase at 85 percent of the rate experienced between 2000 and 2020 (“Lower Increase”), and
- Demand accelerates and prices increase at 115 percent of the rate experienced between 2000 and 2020 (“Higher Increase”).

In all scenarios, incomes were assumed to increase at the same rate as the previous 10 years (3.18% increase per year for the median income).

The outcomes of each price scenario projections for 5, 10 and 15 years are shown in the infographic Figure III-5. Specifically, the graphic shows when two-, three-, and five-person middle income households can no longer afford the median home price by type of home. In all but the lower increase scenario, detached housing is out of reach for all household sizes in the next five years and in the next 15 years no for sale housing types are affordable.

Figure III-5.
Industry Workers can Afford, 2035



Note: Affordability based on median income by household size and 30% of monthly income on housing. Mortgage assumptions include 5.25% interest rate, 20% monthly payment to ownership costs (e.g., property taxes, utilities, and insurance), and 10% downpayment.

Source: QCEW, MLS, 2020 5-year ACS, and Root Policy Research.

SECTION IV.

STRATEGY AND POLICY CHANGES

SECTION IV.

Strategy and Policy Changes

This section provides an academic perspective on addressing housing needs to encourage and preserve economic vitality, recommended definitions to be used in strategy discussions and examples of affordable housing goals from other communities in Colorado. The primary goal of this section is to tee up strategy development and policy changes to address Centennial's housing needs.

The section is divided into the following areas:

- **Why address housing needs?** Provides academic research on the links between high housing costs and economic growth.
- **Defining affordability.** Provides a framework to speak about affordability and suggested definitions for the City of Centennial.
- **Setting goals.** Offers examples of affordable housing goals set by other communities in the State of Colorado.
- **Next steps.** Introduces the housing strategies the City of Centennial plans to consider and an overview of the process.

Primary Findings

- Housing is a fundamental function of community. When housing costs are too high, communities have trouble attracting employers and workers; residents cannot cycle through housing types that best meet their needs (i.e., downsize or upsize); and community services and amenities shift to accommodate in-commuters' needs, which dilutes local culture.
- Research has consistently shown that a constrained housing market negatively impacts economic growth. Research also suggests that loosening land use and housing regulations helps to alleviate high construction costs and allows for greater economic growth. Generally, overregulation of land makes housing markets less efficient and less affordable.

- Centennial has historically provided a relatively affordable suburban living environment to Denver Metro Area families, workers, and retirees. Recent trends in market prices, increasing mortgage interest rates, and land constraints are putting the city out of reach for middle income households. The existing housing products and price points offered no longer easily accommodate the needs of starter families, the growing workforce, or aging residents who wish to downsize, particularly as housing prices continue to increase faster than incomes. Actions that help mitigate price increases and preserve both market-rate and publicly assisted housing affordability will also help preserve the identity of Centennial itself.
- Root Policy Research recommends that as part of its housing strategy, the City of Centennial adopt affordable housing goals unique to the city's top housing needs and market realities, as part of Centennial's housing strategy. Formally adopting local affordable housing goals helps establish a target for the city to monitor progress and ensure that housing policies and programs are having the intended effect. Goals should be related to identified needs, as identified in the Housing Needs Assessment, reflect City priorities, and provide clear direction with measurable outcomes.

Why Address Housing Needs?

Life cycle needs. A balanced housing stock accommodates a full “life cycle community”—where there are housing options for each stage of life from career starters through centenarians—which in turn supports the local economy. Residents’ housing needs change over time, most often due to aging, education and skill development, employment, economic disruption, care for family members, and/or transition to a fixed income.

Local employment and workforce. Research shows unaffordable housing slows growth in local employment, and policies that relax constraints on land supply can make housing more affordable and a region more attractive to both workers and firms.¹

Health impacts. Furthermore, households make tradeoffs between housing costs and other living expenses. This can have significant impacts on other aspects of the wellbeing of

¹ Chakrabarti, R., & Zhang, J. (2010). Unaffordable housing and local employment growth (No. 10-3). Federal Reserve Bank of Boston.

residents. For example, households with high rent burdens have worse self-reported health conditions and a higher likelihood to postpone medical services.²

Role of land use regulations. Academic literature shows that land use controls can make housing more expensive by raising the price of housing far above the cost of construction.³ This in turn restricts the growth of America’s most successful metropolitan areas; limiting the growth of such successful cities means that Americans increasingly live in places that make it easy to build, not in places with higher levels of productivity. ⁴ Increased constraints to housing supply in productive cities reduce economic growth and welfare not only in these cities, but at the national level as well.⁵

Although land use regulations serve a critical role in creating functional cities, overregulation tends to reduce well-being by making housing production less efficient and housing consumption less affordable while not significantly increasing quality-of-life benefits.⁶

Defining Affordability

Common definitions. Lower-case-“a,” affordable housing is generally linked to the idea that households should not be cost burdened by housing. However, the term “Affordable housing” (upper case “A”) is often used to specifically describe housing that has some type of income restriction or public support or subsidy, such as public housing, HUD housing, Low Income Housing Tax Credits (LIHTC), etc. “Attainable” or “Workforce” housing are also common terms used to describe affordable options for moderate income households.

Having clear definitions of “Affordable” and “attainable” housing is critical for effective implementation of goals. Considerations for definitions include alignment with local housing needs; as well as consistency with existing housing program and funding definitions.

The LIHTC program (the largest contributor to affordable rental housing in the Denver MSA) targets 60% AMI households or less (though individual units can go up to 80% AMI when the development average is 60%). State funding sources, including Private Activity Bonds

² Meltzer, R., & Schwartz, A. (2016). Housing affordability and health: evidence from New York City. *Housing Policy Debate*, 26(1), 80-104.

³ Glaeser, E., & Gyourko, J. (2018). The economic implications of housing supply. *Journal of Economic Perspectives*, 32(1), 3-30.

⁴ <https://www.brookings.edu/research/reforming-land-use-regulations/>

⁵ Hsieh, C. T., & Moretti, E. (2015). Why do cities matter? Local growth and aggregate growth.

⁶ Albouy, D., & Ehrlich, G. (2018). Housing productivity and the social cost of land-use restrictions. *Journal of Urban Economics*, 107, 101-120.

(PAB), target 60% AMI or less for rental and 115% AMI or less for owners. Habitat for Humanity's ownership units target households earning 30% to 65% of AMI.

The term of affordability—the length of time the deed-restriction or income-restriction applies—varies by program but typically ranges from 15 years to 99 years.

Recommended definitions for Centennial. Based on the city's housing needs, Root Policy Research recommends the city consider the following definitions of affordable, attainable, and workforce housing.

- **Affordable housing.** Housing units with a contractual requirement (deed-restriction or income restriction) that keeps the cost of rent or mortgages affordable to households making 80% or less of the AMI.
- **Attainable housing.** Housing units affordable to households making between 80% and 120% of AMI. This can include naturally occurring or deed-restricted properties.
- **Workforce housing.** Housing affordable to workers in the community such as teachers, fire fighters, librarians, etc. This can include naturally occurring or deed-restricted properties.

Setting Goals

Formally adopting local affordable housing goals helps establish a target for the city to monitor progress. Goal structure varies by community; for example goals can be:

- Output oriented (e.g., 10% of all housing units will be affordable to households earning less than 80% AMI by 2040, or the city will support production of 20 mixed income developments and 500 units);
- Input oriented (e.g., the City will allocate 20% of housing trust fund resources to services for people experiencing homelessness); or
- Value oriented (e.g., increase supply of attainable ownership housing available to those making less than 100% AMI).

Goals should be related to identified needs, reflect City priorities and provide clear direction with measurable outcomes.

Benefits. Signals to the development community the City's desire for affordable development; provides a benchmark for the City in navigating negotiations with developers and/or establishing incentives.

Challenges. Political challenges in defining the goal; if goal specifies income category, may reduce flexibility in future; outcome-oriented goals are not always in the city's control.

Expected outcomes and keys to success. Outcomes vary depending on the goal as well as other tools already in place to help the city achieve its goal. This works best when paired with other tools and strategies designed to support the goal.

Some example housing goals in other communities across Colorado include:

- **Fort Collins.** Has adopted a goal of 10% of all units affordable at 80% AMI by 2040.
- **Colorado Springs.** Increasing affordable housing⁷ inventory by 1,000 units each year.
- **Longmont.** Has a goal 12% of its housing stock to be permanently affordable by 2035. The city's definition of affordable housing is defined as homes sold at a price that is affordable to households at or below 80% of the Area Median Income, or AMI, and units rented to households at or below 50% of the AMI.
- **Lyons.** Recently endorsed the Boulder County Regional Housing Partnership Regional Housing Strategy to work toward 12% permanently affordable housing by 2035. The Boulder County Regional Housing Partnership established a regional goal of 15,000 to 22,000 homes affordable to a diverse mix of low- and middle-income households be available by 2035 based on the population and land use projections from each communities' planning departments and comprehensive plans. This range represents 10% to 15% of the anticipated housing inventory at that time. Current local funding sources produce about \$15 million per year to support the creation of affordable housing.
- **Loveland.** The 2020-2024 Consolidated Plan sets the following goals and outcomes to prioritize subrecipient funding over the next five years.
 - Increase the supply of affordable owner-occupied housing by 25 units.
 - Increase the supply of affordable rental units by 225.

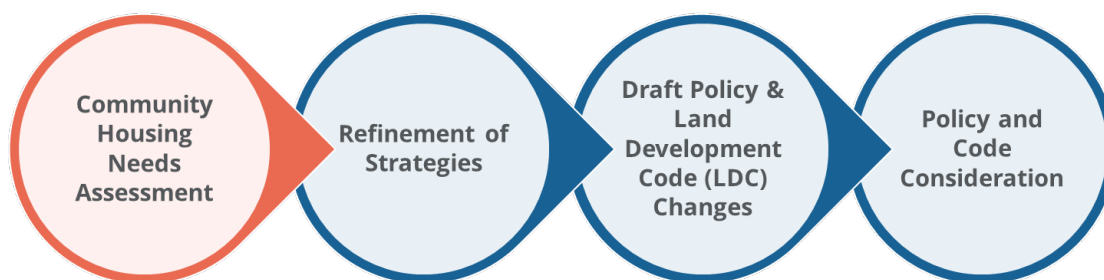
⁷ Subject to affordability restrictions in the form of long-term rent limits or, in the case of for-sale housing, re-sale to a subsequent low- to moderate-income household (80% AMI).

- Increase housing for the homeless by 50 units.
 - Rehabilitate 700 units of owner-occupied housing.
 - Rehabilitate 200 units of rental housing.
- **Denver.** Housing an Inclusive Denver includes quantifiable goals to complete the following by year 2023:
 - Create 2,000 new affordable units, of these new units, approximately 90% are expected to serve renters and 10% are expected to serve homeowners.
 - Preserve 1,000 existing affordable units, of these new units, approximately 90% are expected to serve renters and 10% are expected to serve homeowners.
 - Serve 20,000 households with program resources such as homebuyer counseling, down payment assistance, and supportive services;
 - Serve 10,000 households through programs such as tenant-landlord counseling, eviction assistance, and emergency home repair.
 - Housing an Inclusive Denver is funded in part by federal grants such as the Community Development Block Grant (CDBG), Housing Opportunities for Persons with Aids (HOPWA), and Emergency Solutions Grants (ESG). Other funding will come from local sources such as a new, one-time housing linkage fee on commercial and residential developments, existing property taxes, and interest on loans to local businesses from the Denver Office of Economic Development.
 - **City of Boulder.** Has a goal of 15% of all housing units to be affordable for low-, moderate-, and middle-income households. Of the 15%, 1,000 units are intended for middle-income households. The 15% goal is adjusted annually to take into account market rate developments. Market rate housing generally grows at a rate of 1% per year, which is a factor of the city's slow growth policies.

Next Steps

This Community Housing Needs Assessment (HNA) is the first phase of a four-phase process which includes 1) Completion of the HNA to identify housing needs, 2) Refinement of strategies to address identified needs, 3) Draft policy and land development code changes, and 4) Policy and code consideration, as shown in Figure IV-1.

Figure IV-1.
Centennial Housing Study and Policy Development Phases



Throughout the process, the City of Centennial and the consultant team are committed to conducting robust community engagement efforts. Upcoming events, public drafts and information, and our newsletter can be accessed at www.centennialco.gov/housing.

The next phase of work will center around the nine strategies identified by the City of Centennial as strategies for further exploration. Each strategy will undergo a public vetting process with community members, stakeholders, the Working Group, and decision makers.

The strategies we will explore together over the coming months are:

1. Help reduce the amount of start-up time and cost for affordable housing developments by streamlining the development review process when the project meets specific City design and development standards for affordability
2. Help reduce the amount of start-up time and cost for housing redevelopment projects by streamlining the development review process for converting underutilized or vacant commercial or office buildings to housing
3. Encourage the creation of more space or units within a residential housing development by establishing a density bonus program when affordable housing meets specific City standards as part of the development. The bonus space may be included in either market-rate or affordable units

4. Increase housing options for a range of ages by authorizing Accessory Dwelling Units (ADUs) in some areas. Design and development standards as well as neighborhood suitability will be explored
5. Include affordable units and housing opportunities in a range of locations by requiring that some percentage of affordable housing (either for-sale or for-rent) be included in new housing developments of a certain size, such as 10 units or more (commonly called inclusionary zoning)
6. Help reduce the amount of start-up time and cost for affordable housing developments by adjusting common development fees (such as building permit fees) for affordable housing
7. Incentivize the use of existing rental units for a wider range of incomes by providing funding to landlords that allows them to lower prices of rental units for qualified applicants, while still maintaining their income stream
8. Reduce the overall costs of housing development by creating a funding method that allows the City to offset infrastructure costs associated with affordable housing development
9. Reduce the overall costs of housing development by creating a land donation or land banking program that can help hold land for future affordable housing development

The Community Housing Strategies report will explore all nine strategies identified by the city, weigh the pros and cons of each, rank order the ability of each strategy to help the city reach identified planning and housing goals, and recommend the most effective strategies for the city to move forward into the drafting task. Each chosen strategy will include a detailed explanation of how it furthers or aligns with the goals and strategies set forth in Centennial NEXT as well as the Community Housing Needs Assessment goals.