
City of Louisville

Housing Needs Assessment

August 2023

Prepared for: City of Louisville

Draft Report

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Executive Summary

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

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

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

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

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

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

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

Summary of Housing Needs

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

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

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

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

not only help the city meet its current and future housing needs, it will also help the city achieve established goals related to EDI and sustainability by creating more opportunity for a wider range of residents to live and work in the same place.

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

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

- The results of the housing needs assessment show a gap at around 2,483 new housing units needed to address current housing underproduction and accommodate future population growth assumed to reach approximately 24,614 persons by 2047. On an annual basis this means an average of 96 housing units added per year through 2047.¹ This estimate helps to provide a general target for the number of housing units needed to meet existing and future demand for the next two decades. It is important to note that this HNA is not intended to establish desired growth targets, but rather it is to study the issue objectively based on recent and projected population trends.
- 1,171 of those housing units are needed for households earning below 100% of the Area Median Income (AMI).
- 409 units are needed to address current housing underproduction. ECONorthwest accounts for housing underproduction in the analysis of housing needs, which uses a ratio of 1.1 housing units per one household since healthy housing markets allow for a reasonable level of housing vacancy and absorption and second/vacation homes.
- For Louisville's comprehensive planning horizon, the city will need to plan for an additional 1,100 units over the next 10 years to track towards housing needs.²

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

¹ Beginning in 2021.

² Including 2021 and 2022.

Data Analysis Key Findings

Community Demographics

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

- The city grew by 13% between 2011-2021, just ahead of Boulder and Superior which are the two slowest growing cities in Boulder County. However, population estimates from the State Department of Local Affairs showed that Louisville's population plateaued and began to decrease between 2018 and 2019 as housing growth slowed. This decrease has been exacerbated with the loss of 550 homes in the Marshall Fire at the end of 2021.
- Assuming Louisville maintains the current percentage of Boulder County's population (6.3%) as it grows, Louisville is expected to grow by 20% from 2023 to 2047, or by 4,115 residents.

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

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

Louisville is increasingly losing younger residents and families with children.

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

Homeownership rates have fallen across Boulder County.

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

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

- The share of both renter and homeowners aged 15 to 34 living alone decreased, as did the share of homeowners aged 35 to 64. The decline in young individuals living alone and the rise in two-person households within the City may suggest that younger people are struggling to afford living on their own. This could mean many are opting to live together or moving back in with their parents.
- Household size has increased in Louisville, particularly for renter households. This relative increase in renter household size is likely a reflection of the increased cost of renting as a single person household, alongside increasing barriers to homeownership.
- The city experienced an increase in the number of family households that rent, which could indicate a lack of opportunity for homeownership for young families.

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

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

Employment and Commuting

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

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

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

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

- Approximately 64% of Louisville workers live outside of the city but commute into Louisville for work, while 32% of workers live in Louisville but commute to another location for work. Only 4% of workers both live and work in Louisville.
- The number of workers commuting *into* Louisville has increased by 58% over the past decade, which could indicate challenges for employees who work in Louisville to also live in Louisville.
- Of comparison geographies, workers commuting to Louisville for work the second longest commute (Boulder had the longest commute), with just over 15 miles. In general, long commutes can contribute to increased traffic congestion, leading to heightened fuel consumption and elevated greenhouse gas emissions. Additionally, longer commutes can also put additional financial pressure on households, as transportation is often the second highest household cost, behind housing.

Housing Stock and Market Trends

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

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

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

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

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

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

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

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

Housing Affordability

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

- A household would need to earn around 145% of the MFI, or around \$209,000 to afford the average home sales price in Louisville.
- Only 26% of Louisville households earn more than \$200,000 annually, suggesting at least 74% of Louisville households would not be able to afford the current average home sales price, with a much greater affordability gap for Louisville renters.

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

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

1. Introduction

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

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

Data Collection & Methodology

In this assessment we drew from a variety of data sources to compile a comprehensive understanding of Louisville's housing needs. One of the key sources for housing and household data is the US Census Bureau, specifically the 2021 American Community Survey 5-year

estimates. This assessment also leverages other publicly available data sources from federal, state, and local government resources as well as private sources such as Redfin and CoStar.

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

Organization of this Report

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

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

2. Community Profile

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

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

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

Population Growth and Forecast

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

Population Growth

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

Exhibit 1: Population, Louisville and Comparison Geographies, 2021

Source: Colorado Department of Local Affairs

13,053 Superior	20,855 Louisville	31,035 Lafayette	31,303 Erie	99,414 Longmont	106,978 Boulder	329,793 Boulder County
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Exhibit 2 shows the change in population from 2011 to 2021. Over the time period, Louisville grew by just under 2,500 residents, or 13%. Of comparison cities, Erie grew at the fastest rate (70%), and Superior grew by the slowest (4%).

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

Source: Colorado Department of Local Affairs

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

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

Population Forecast

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

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

ECONorthwest’s population projection for Louisville is show below in Exhibit 3, along with DOLA’s population forecast for Boulder County.

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

Source: Colorado Department of Local Affairs, ECONorthwest

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

Demographic Information

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

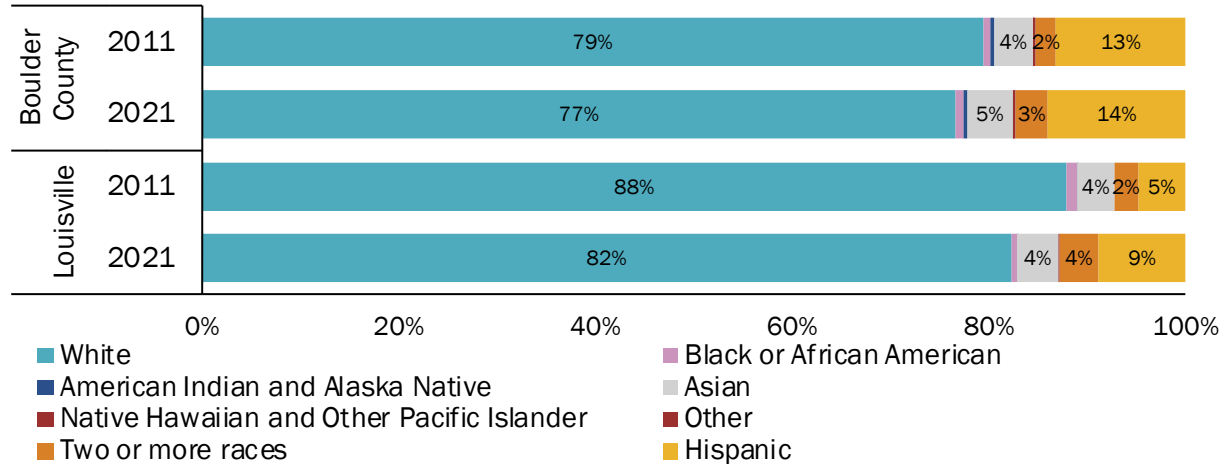
- Louisville has the highest median age when looking across comparison geographies and is aging faster than the County overall.
- Fewer younger individuals are moving into or staying in Louisville and rising housing costs are likely a major contributing factor.
- Residents 65 and older is the only age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

Race and Ethnicity

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

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

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



Age

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

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

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



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

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

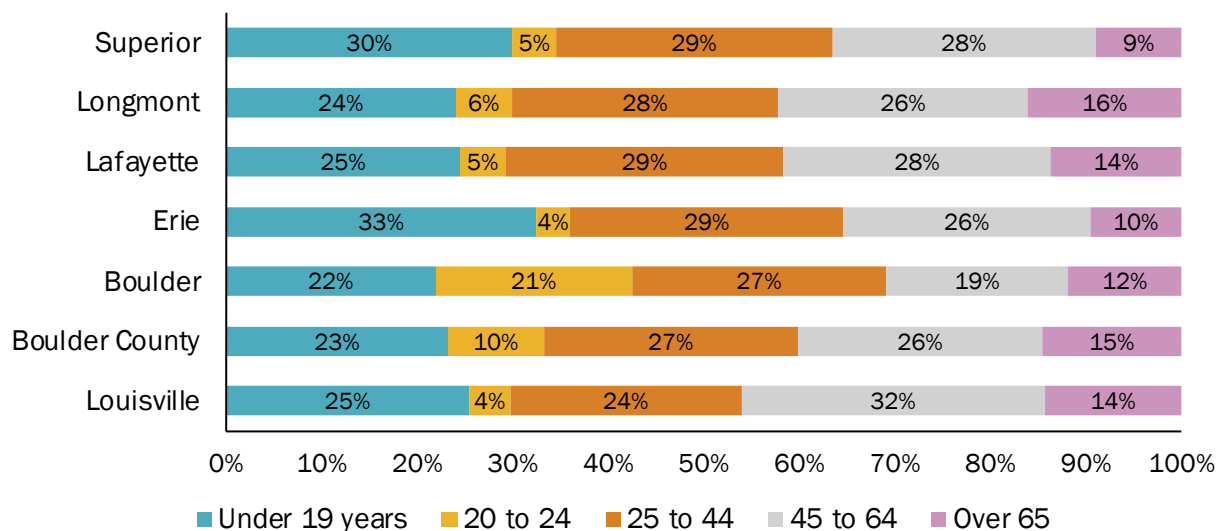
Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

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

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

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

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

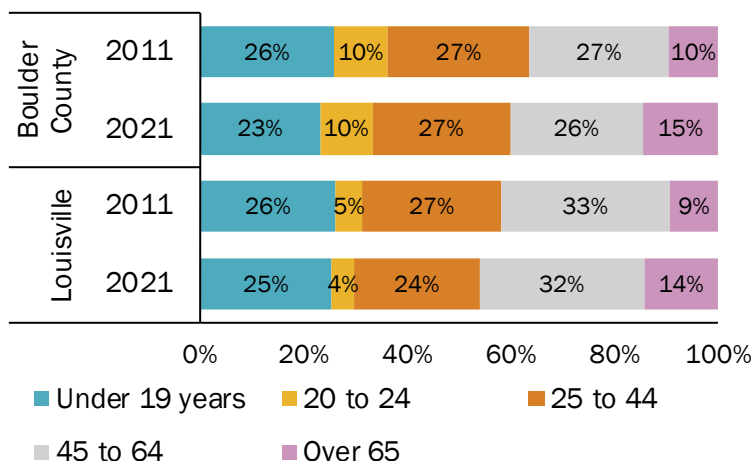


From 2011 to 2021, the share of all age groups under 65 years decreased in Louisville. Of these age groups, the share of residents aged 25 to 44 dropped the most, from 27% to 24% over the time period. Alternatively, the share of residents over the age of 65 increased by 5%.

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

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

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



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

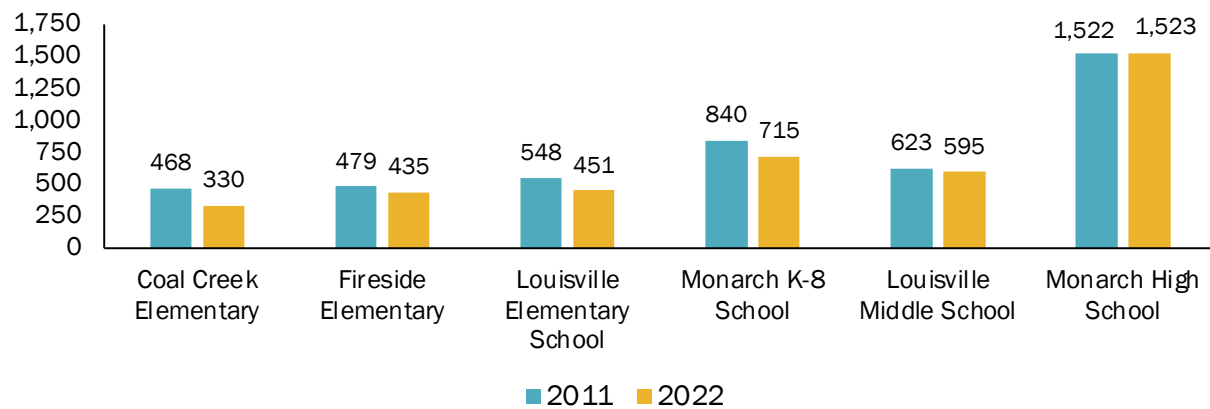
communities that have seen rapid regional population growth but have seen underproduction of housing at needed income levels.

School Enrollment

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

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

Source: Colorado Department of Education



Household Characteristics

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

- Homeownership rates have fallen across Boulder County, indicating limited new homeownership opportunities, particularly for young families.
- Household size has increased in Louisville, particularly for renter households. This relative increase in renter household size is likely a reflection of the increased cost of renting as a single person household, alongside increasing barriers to homeownership.

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

- The number of family homeowner households decreased alongside an increase in family rental households. This could indicate that households who might have previously been able to purchase a home upon forming a larger household (e.g., getting married or having children) or getting older are no longer able to.

Tenure

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

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

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

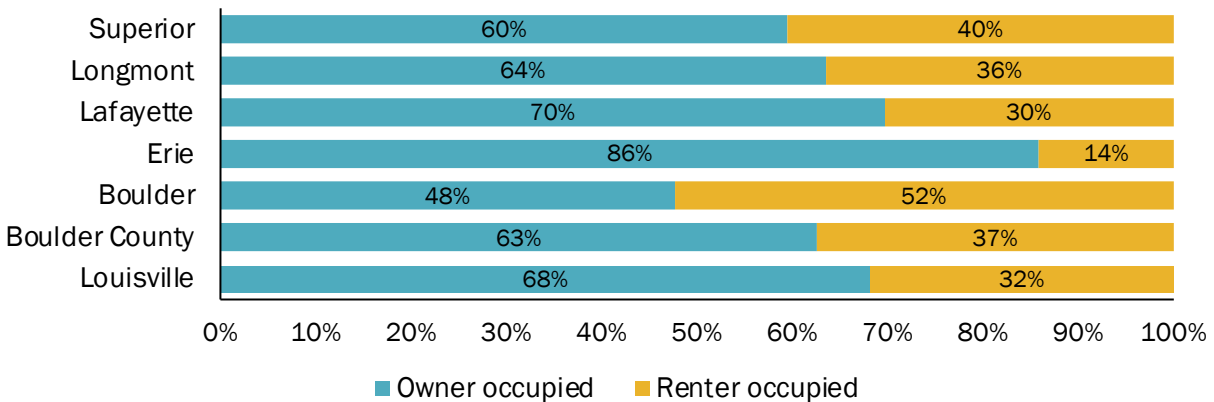


Exhibit 11 shows the change in household tenure from 2011 to 2021. Across all comparison geographies, homeownership rates only increased in Longmont. In Louisville, the homeownership rate dropped by 5% over the time period, the second highest decrease behind Superior (10%). In the County overall, the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

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

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

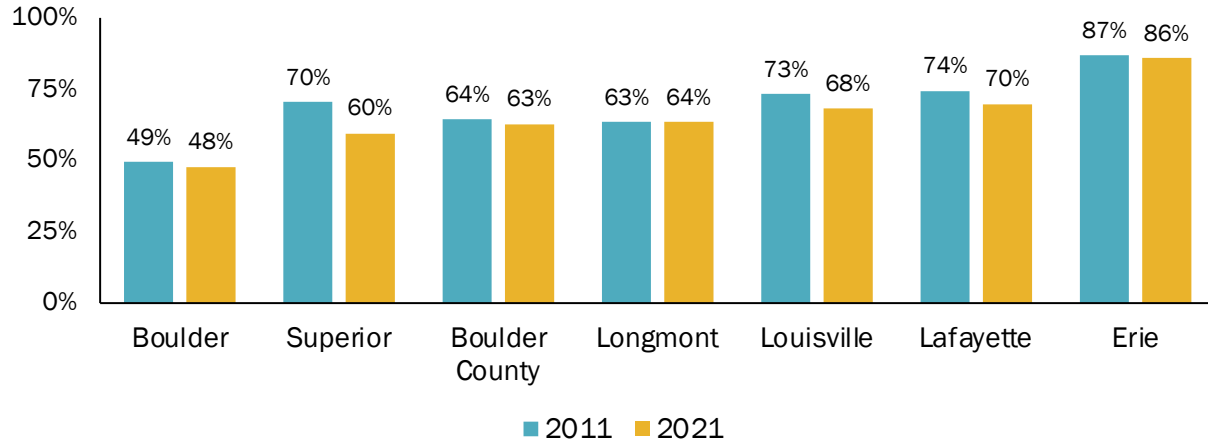
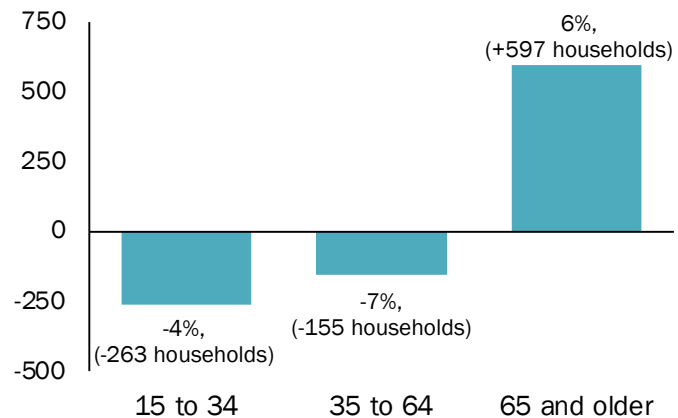


Exhibit 12 shows the change in homeownership rates by age group in Louisville. From 2011 to 2021, the share of households aged 15 to 34 that own a home decreased by 4%, the share of homeowners aged 35 to 64 decreased 7%, and the share of homeowners aged 65 and older increased 6%. This could indicate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

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

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



Average Household Size

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

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

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

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

2.21 Boulder	2.41 Lafayette	2.41 Boulder County	2.50 Louisville	2.50 Longmont	2.85 Superior	2.97 Erie
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Exhibit 14 shows the change in average household size from 2011 to 2021. Over the time period, the average household size remained relatively stable in both Louisville and the County overall, but the average household size in Louisville did increase by 2.9%. Of comparison cities, Boulder City, Erie, and Superior experienced an increase in average household size, while Lafayette and Longmont experienced a decrease.

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

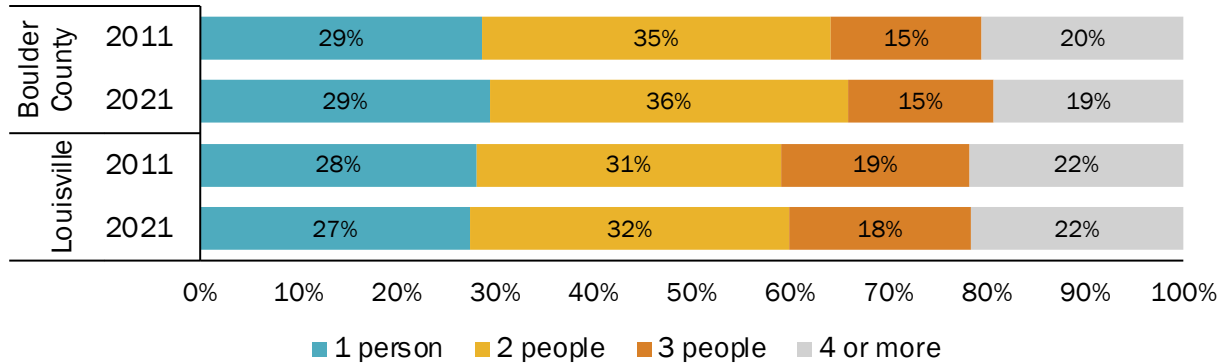
Source: ACS 5-Year Data Tables, 2007-2011, 2017-2021

	2011	2021	% Change
Superior	2.71	2.85	5.2%
Louisville	2.43	2.50	2.9%
Boulder	2.17	2.21	1.8%
Boulder County	2.39	2.41	0.8%
Erie	2.95	2.97	0.7%
Longmont	2.59	2.50	-3.5%
Lafayette	2.50	2.41	-3.6%

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

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

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



Household Size by Tenure

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

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

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

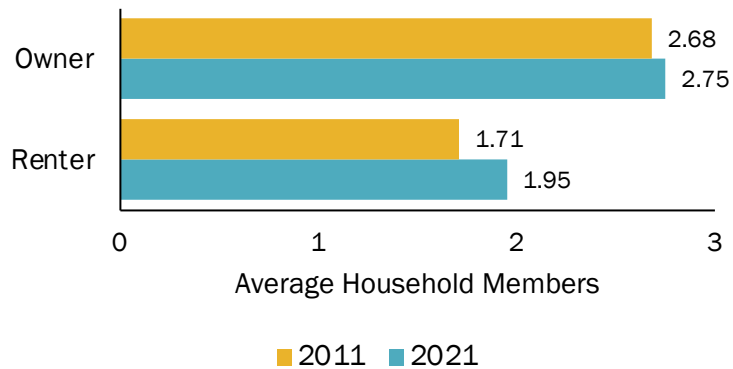
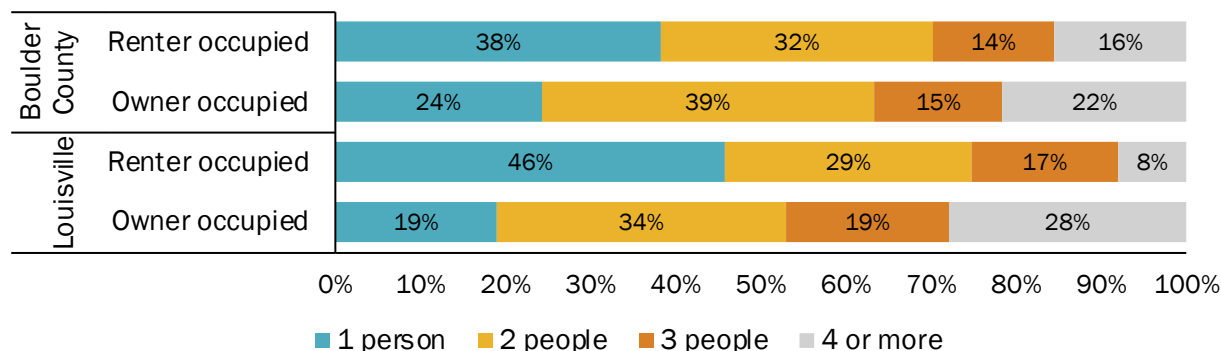


Exhibit 17 shows the distribution of household sizes by household tenure. Among renter households in Louisville, 46% of tenants live alone, and 29% are households with two members. Owner occupied housing is more evenly distributed, and 48% of households have at least three members.

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

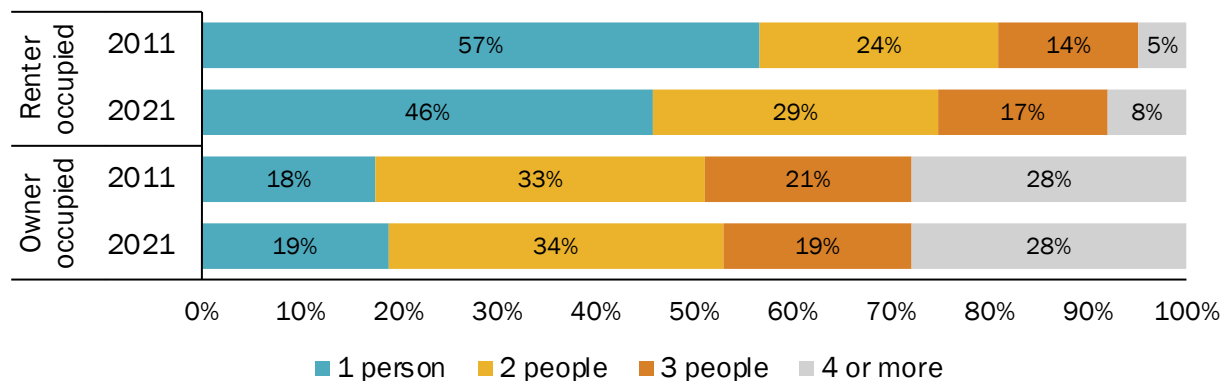
Source: ACS 5-Year Data Tables, 2017-2021



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

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

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



Living Arrangement

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

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

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

Source:

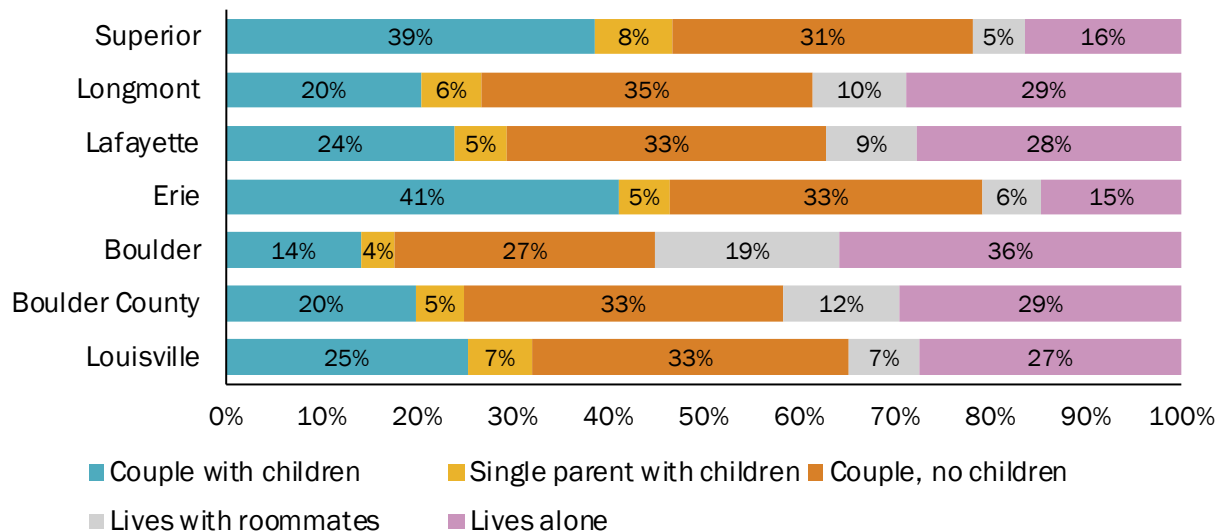
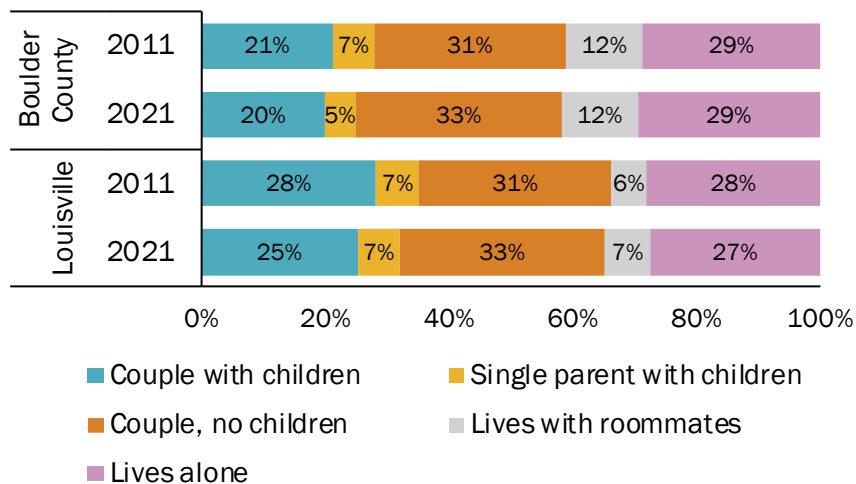


Exhibit 20 shows the change in the distribution of living arrangements from 2011 to 2021. In Louisville, the number of couple households with children decreased by 3%, while the number of couple households without children increased by 2%. Boulder County experienced a similar change over the time period.

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

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



Living Arrangement by Tenure and Age

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

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

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

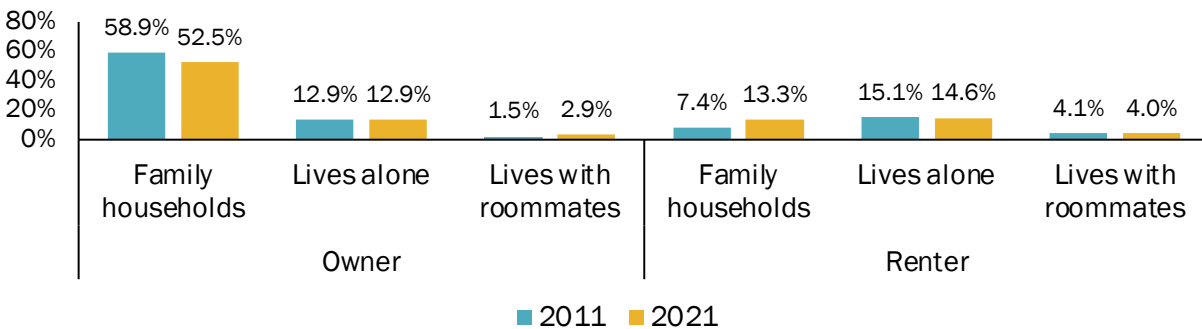
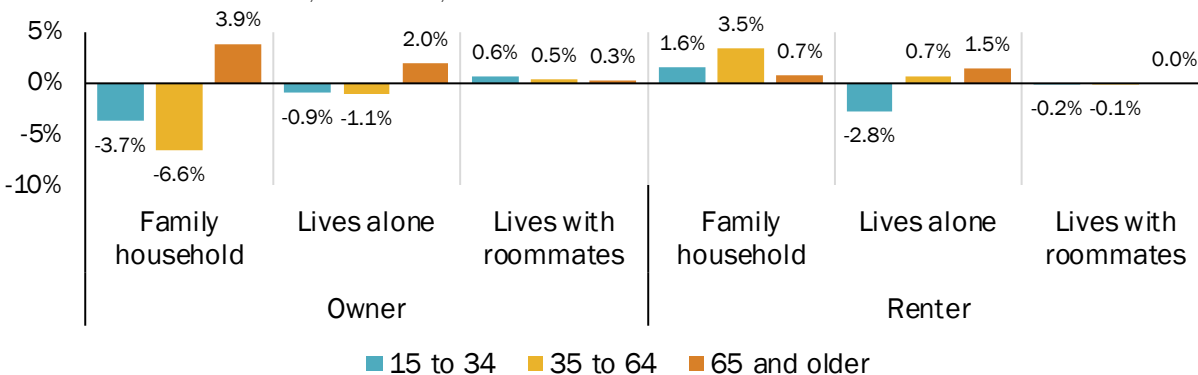


Exhibit 22 shows the change in the *share* of each group from 2011 to 2021 for the entire Louisville population. For example, the share of family households with a householder aged 15 to 34 years decreased from 6.5% of the population in 2011 to 2.8% of the population in 2021, a decrease of 3.7%. While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

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

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

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



Income Distribution

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

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

Median Household Income

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

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

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

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

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

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

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

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

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

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

Household Income Distribution

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

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

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

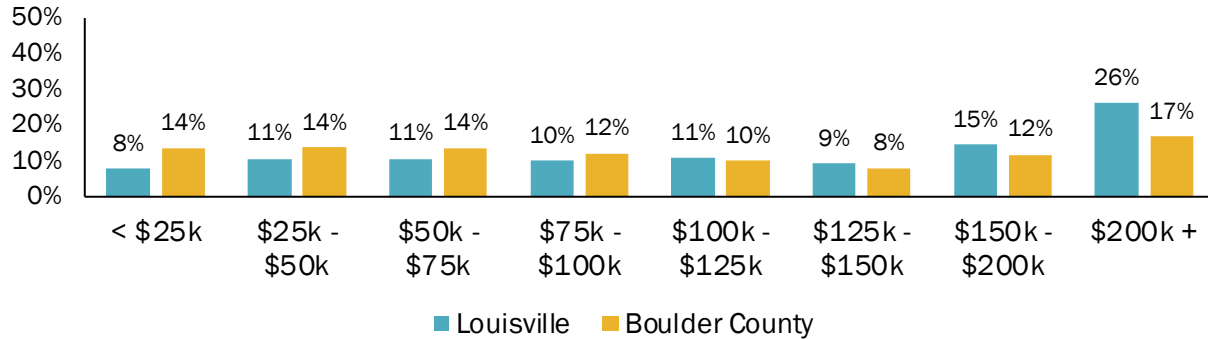
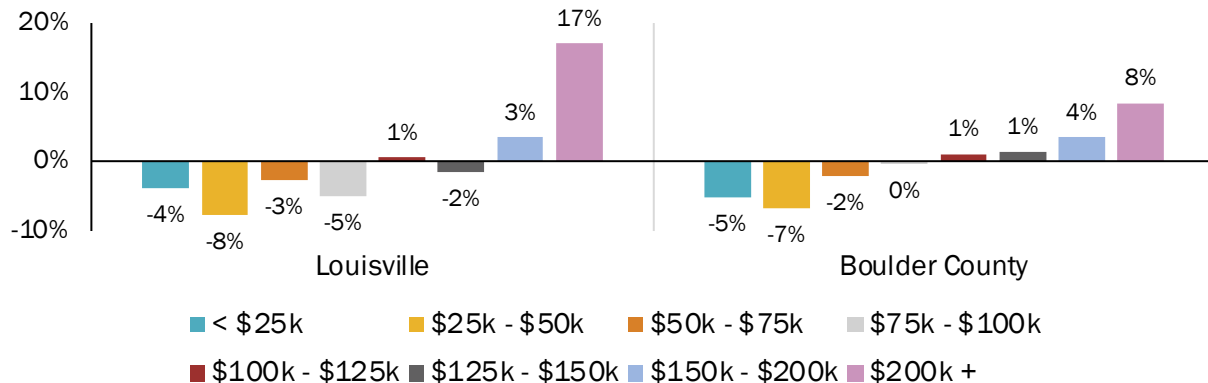


Exhibit 26 shows the change in the *share* of households in each income bracket from 2011 to 2021. For example, the share of Louisville households earning less than \$25,000 annually decreased by 4% between 2011 and 2021. Notably, Louisville experienced a substantial increase in the share of households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

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

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

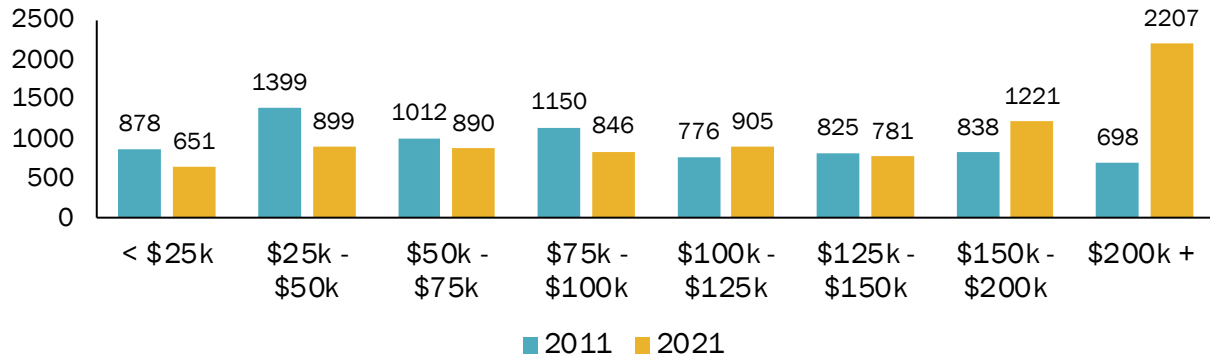


The influx of high earning households is most likely due to the in-migration of wealthier households. Exhibit 27 shows the nominal change in the number of households in each income category in Louisville from 2011 to 2021. As is also reflected in Exhibit 26 above, the number of households in all income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

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

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

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

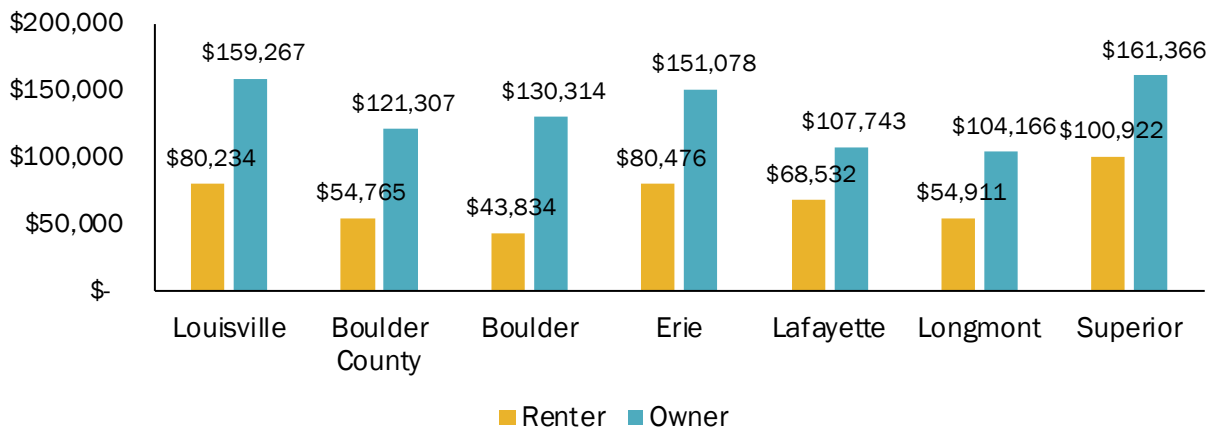


Household Income by Tenure

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

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

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



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

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

Household Wages

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

Exhibit 29: Sources of Household Income

Source: ACS 5-year, 2011, 2021



Employment and Commuting

Understanding employment trends and commuting patterns can provide insights on the housing needs of workers today and into the future. Employment plays an important role in where people live, and it can influence where people move. If the data shows that many people are commuting into the city for work, it could indicate that the city does not have enough

housing to accommodate its workforce or enough housing that meets their needs and affordability levels. Key findings include:

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

Employment Projections

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

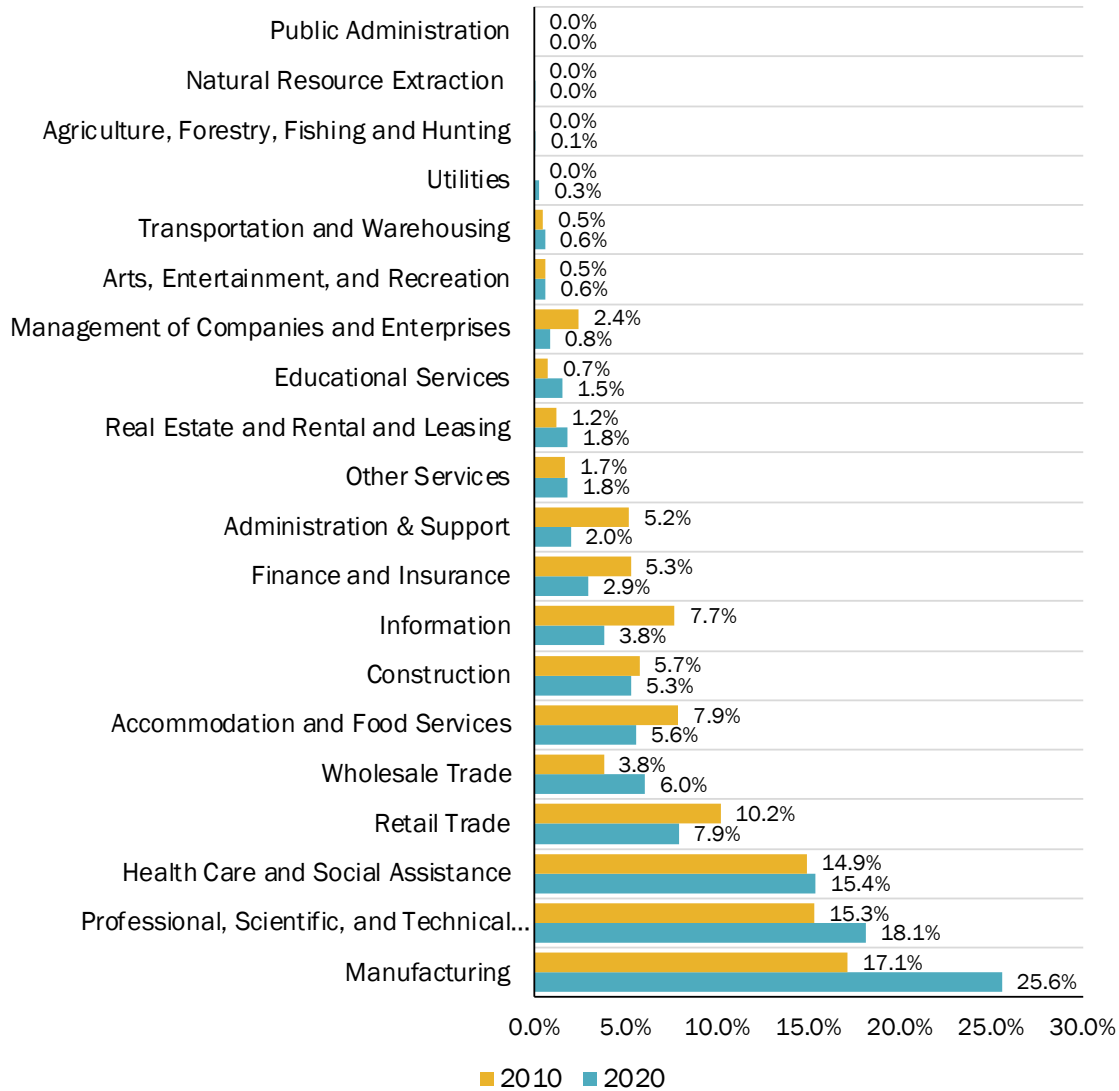
As of 2022, there were a total of 191,840 in the Boulder MSA. Louisville's share of employment within the Boulder MSA is about 9.9% or about 18,992 jobs. The labor department's most recent employment projection is through 2031, which assumes about 231,866 total jobs within the Boulder MSA, which represents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

Employment by Industry

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

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

Source: NAICS 2-digit employment; LODES; ECONorthwest

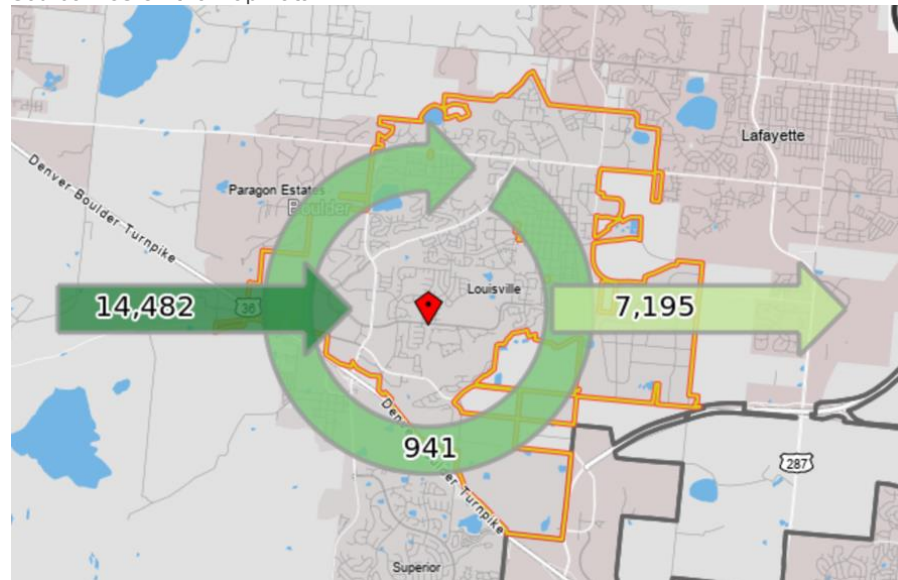


Commuting Patterns

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

Exhibit 31: Commuting Flows, Louisville, 2020

Source: ACS On the Map Data

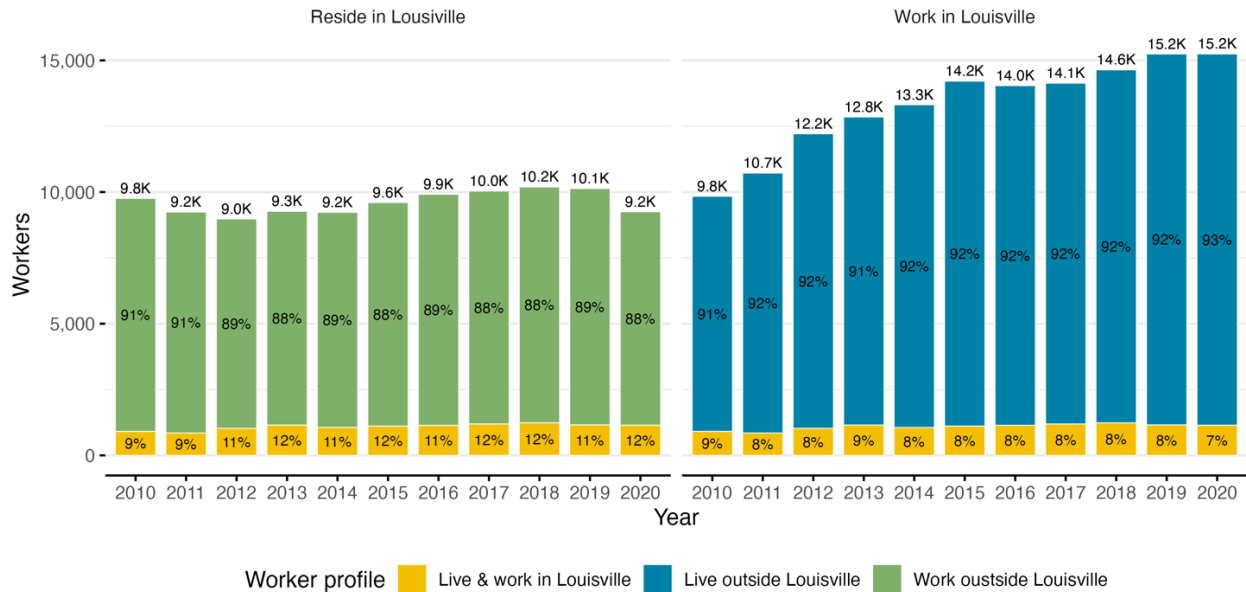


ECONorthwest also conducted additional research into commute flows over time for Louisville. According to ECONorthwest data, in 2020 approximately 8,100 workers live in Louisville but commute out, approximately 14,100 workers commute into Louisville, and roughly 1,100 workers both live and work in Louisville.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

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

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

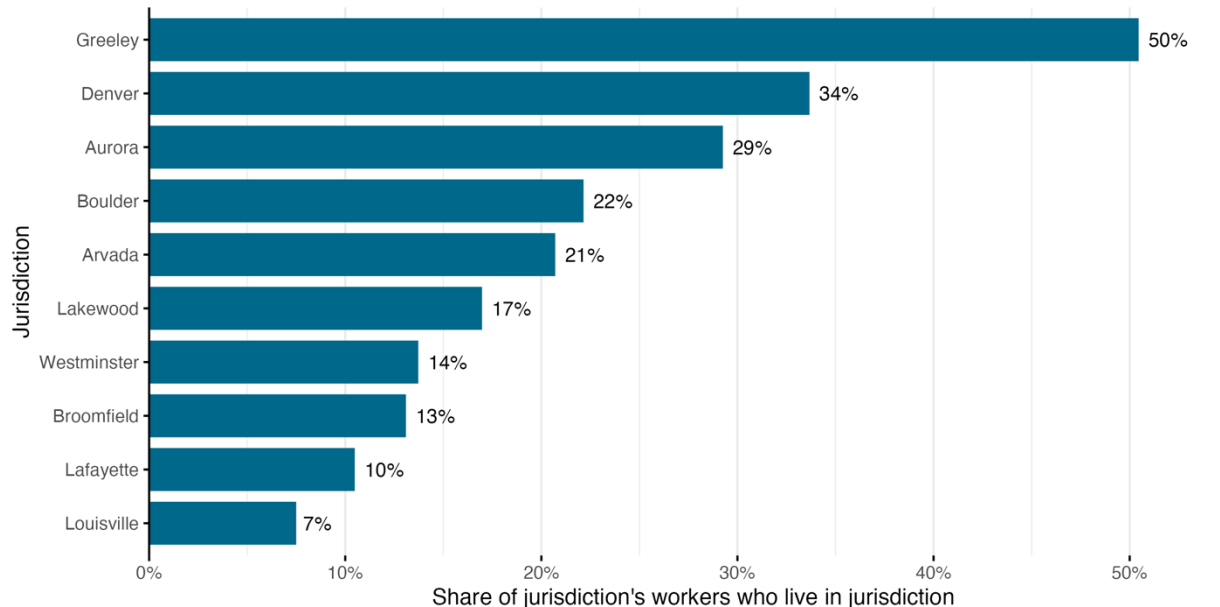
Source: LODES, 2010-2020



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

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

Source: LODES, 2010-2020

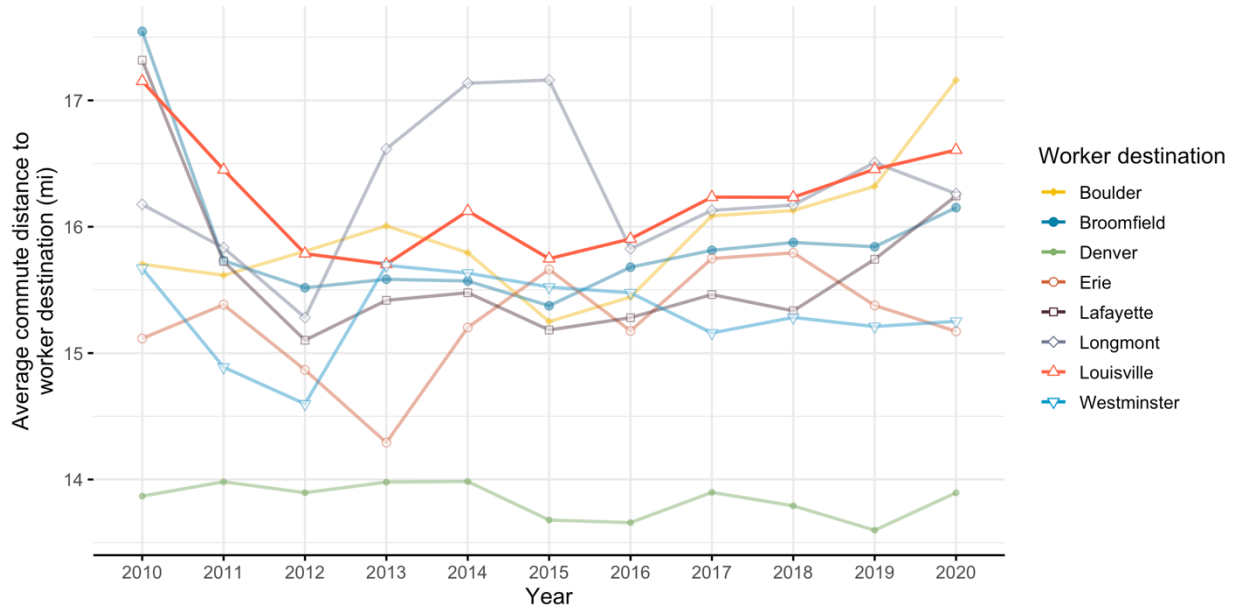


ECONorthwest also analyzed where workers are commuting to and from to get a sense of commute distances. For workers commuting into Louisville, the average commute distance was

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

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

Source: LODES, 2010-2020



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

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

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

3. Housing Characteristics

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

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

Existing Housing Stock

Key findings include:

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

Total Housing Units

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

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

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

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

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

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

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

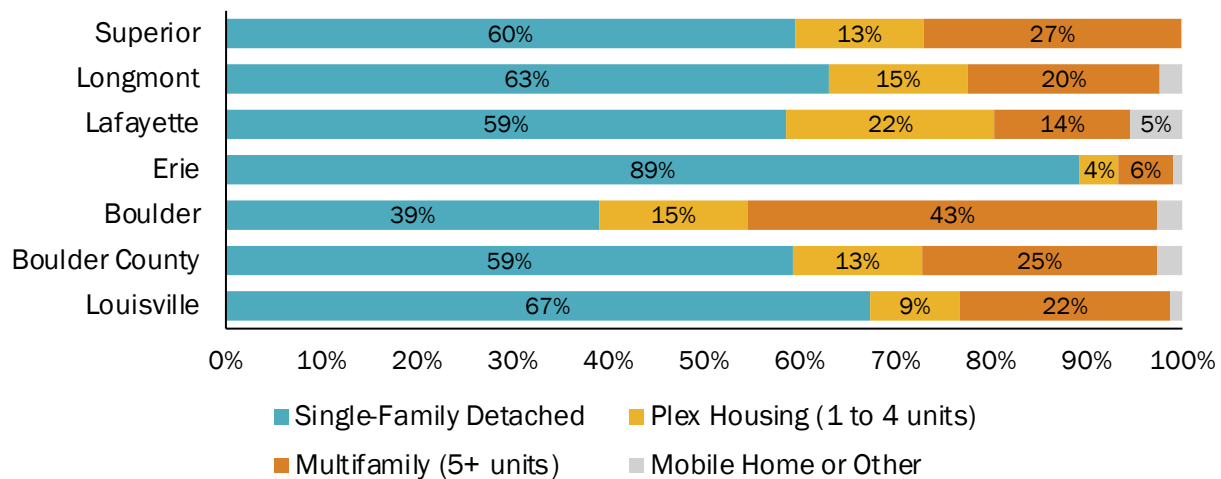


Exhibit 37 shows the change in housing mix distribution for the housing stock in Louisville and Boulder County. Between 2011 and 2021, both jurisdictions saw increases in the share of multifamily housing (from 18% to 22% in Louisville, and 22% to 25% in Boulder County), corresponding with a similar decrease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

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

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

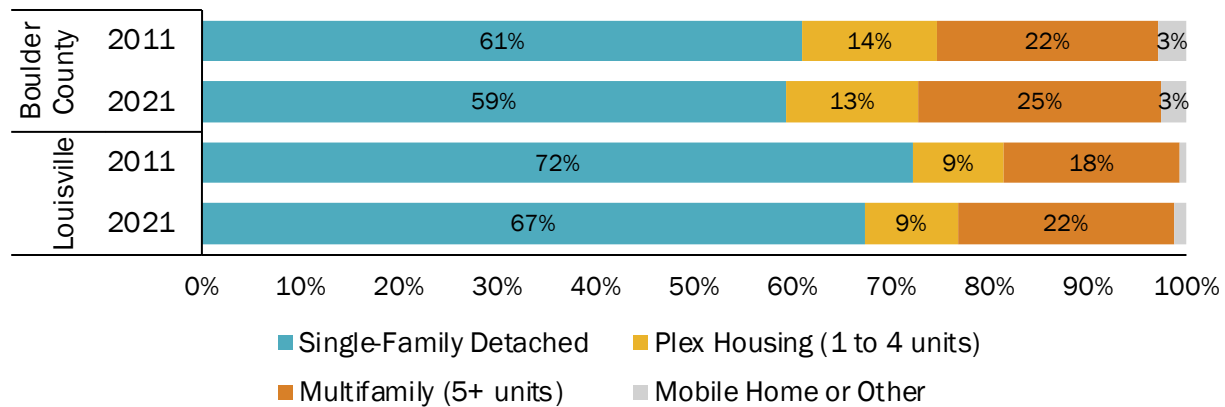


Exhibit 38 shows the nominal change in the number of each type of housing unit in Louisville over the time period. Multifamily housing added the greatest number of units, adding an additional 509 units, an increase of 37%.

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

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

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

Housing Tenure by Unit Type

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

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

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

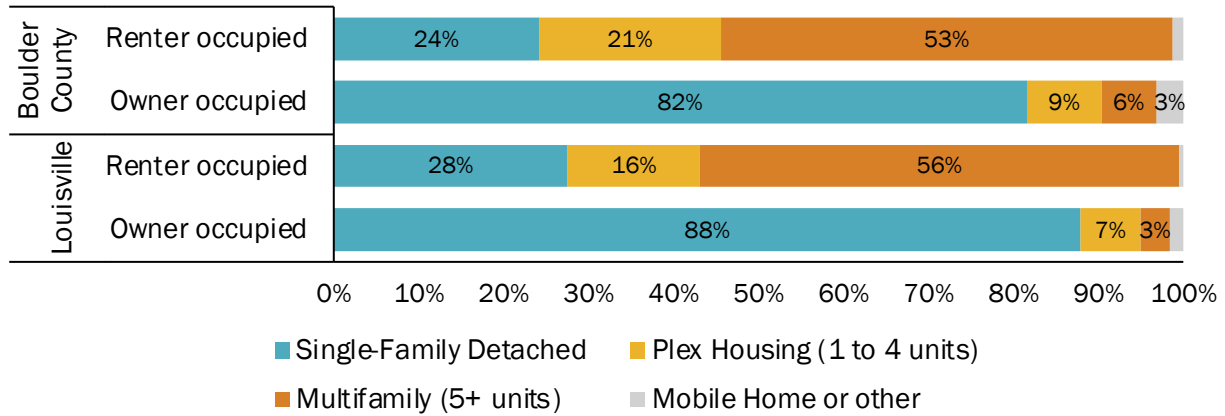
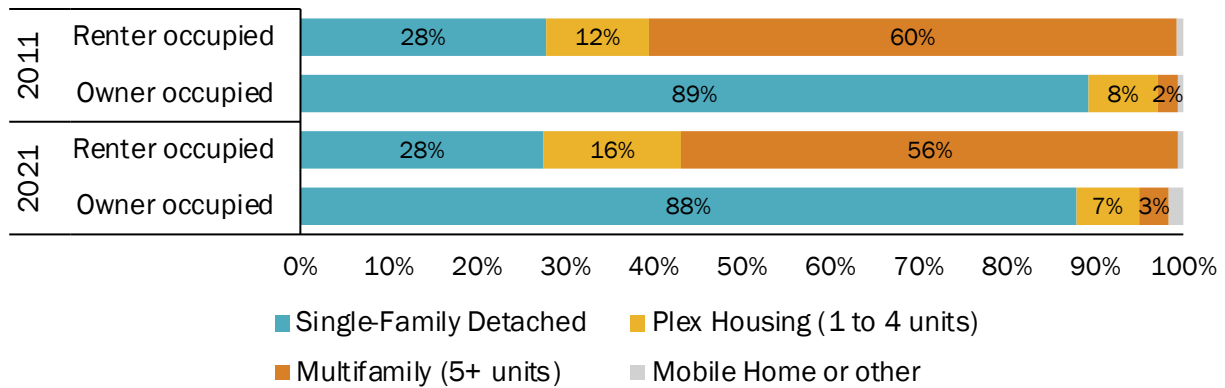


Exhibit 40 shows the change in household tenure by unit type for Louisville from 2011 to 2021. Tenure remained relatively consistent, with a slight increase (4%) in renters living in plex housing, matched by a similar decrease in renters living in multifamily housing.

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

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

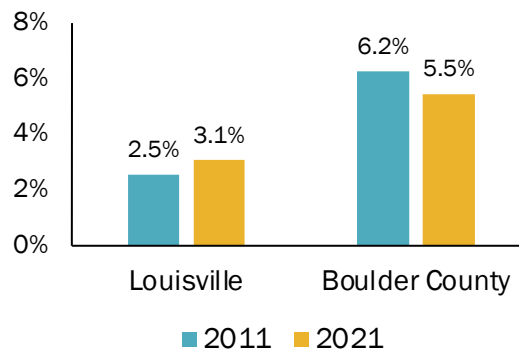


Vacancy Rates

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

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

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



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

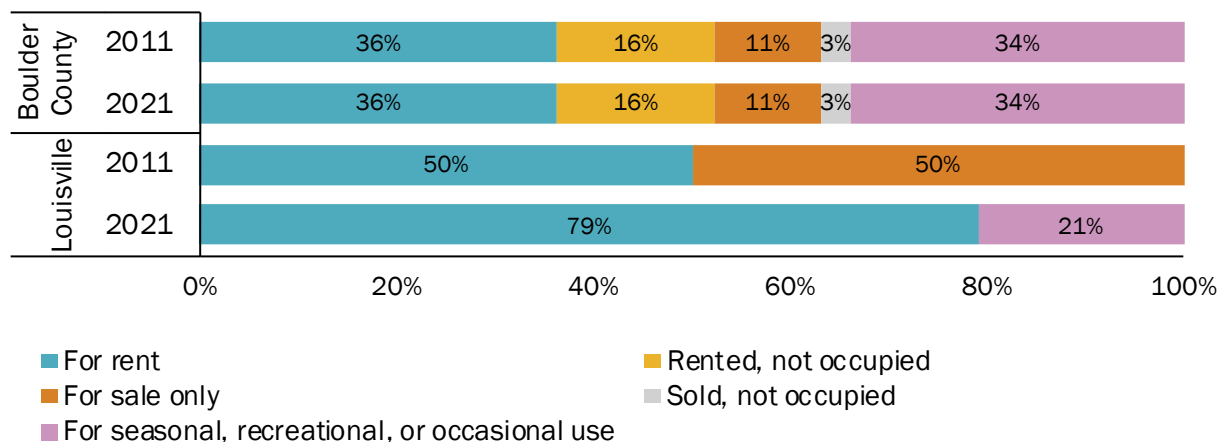
In 2021, of the vacant units reported, 19% of them were due to seasonal, recreational, or occasional use. While this data point is not comprehensive for understanding the intensity of short-term rentals or second and vacation homes, it can be used as an indicator for their presence in Louisville. Please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

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

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

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

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



Income Restricted Housing Stock

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

Exhibit 43: Affordable Housing Units, Louisville, 2023

Source: City of Louisville

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

Residential Development Trends

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

Key findings include:

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

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

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

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

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

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

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

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

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

Source: City of Louisville

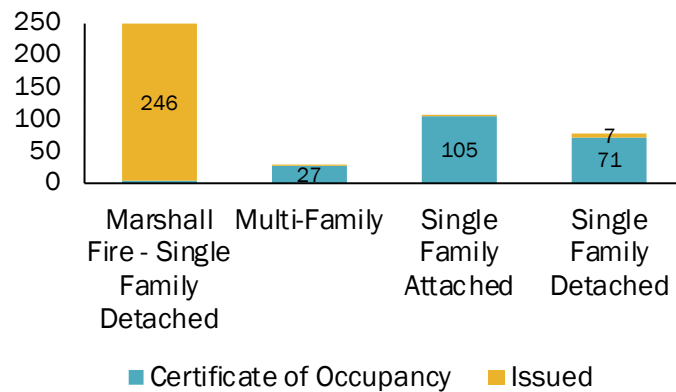


Exhibit 46: Louisville Annual Residential Permit Data by, Louisville, 2016 - May 2023

Source: City of Louisville

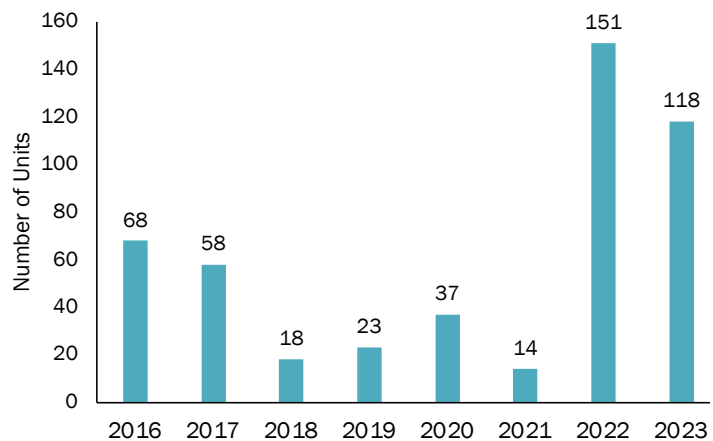


Exhibit 47 shows the total amount of residential units permitted each year between 2016 and May 2023.

Residential development in Louisville began to decline substantially between 2018-2021. The sharp increase in units between 2022-2023 is almost entirely due to the permitted of replacement units from the Marshall Fire. 96% of units permitted between 2022-2023 were Marshall Fire - Single Family Detached units.

Housing Market Trends

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

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

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

Ownership Housing

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

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

Source: Redfin

\$550K	\$580K	\$681K	685K	\$754K	\$831K	\$912K
Longmont	Lafayette	Boulder County	Erie	Superior	Louisville	Boulder

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

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

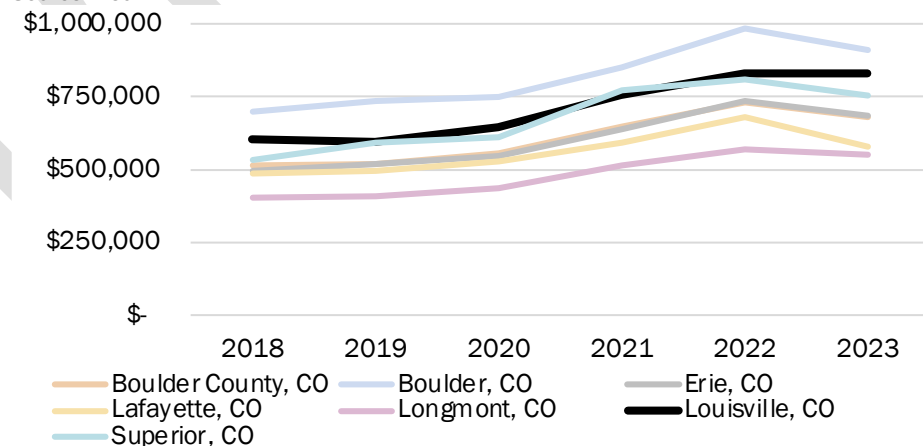
Source: Redfin

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

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

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

Source: Redfin



¹² Redfin began collecting housing data in 2012.

Rental Housing

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

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

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

\$1,538 Longmont	\$1,694 Boulder County	\$1,711 Boulder	\$1,733 Lafayette	\$1,831 Louisville	\$2,162 Superior	\$2,564 Erie
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Because rents can often increase faster than ACS data is reported, we typically prefer to include an analysis of local rents from multiple data sources. According to CoStar data, the average *multifamily* unit rent in Louisville was \$1,715, slightly lower than reported by ACS data.¹³ As of 2023, CoStar reported the average rents in Louisville as \$1,961, just slightly higher than the County as a whole. Unlike home sales price trends (in which Boulder was the most expensive city), rent trends for comparison geographies more closely reflect median income trends for the respective geographies.

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

Source: CoStar

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

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

Source: CoStar

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

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

Housing Attainability

Housing attainability examines the cost of housing relative to household incomes in the area.

Key findings include:

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

Affordable Housing Income Limits

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

Exhibit 53: AMI by Household Type

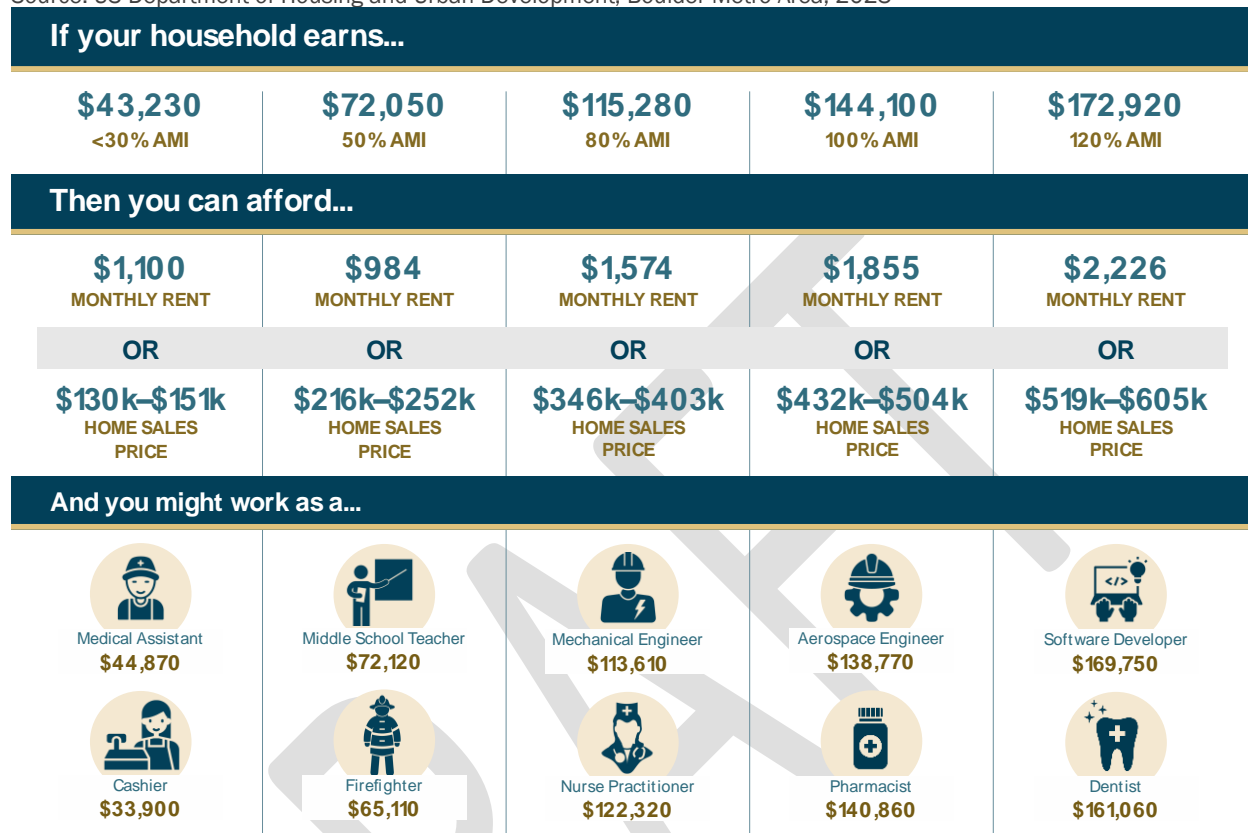
Source: ECONorthwest, Department of Housing and Urban Development

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

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

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

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



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

Cost Burdened Households

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

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

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

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

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

Exhibit 55: Cost Burden, Louisville, 2021

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

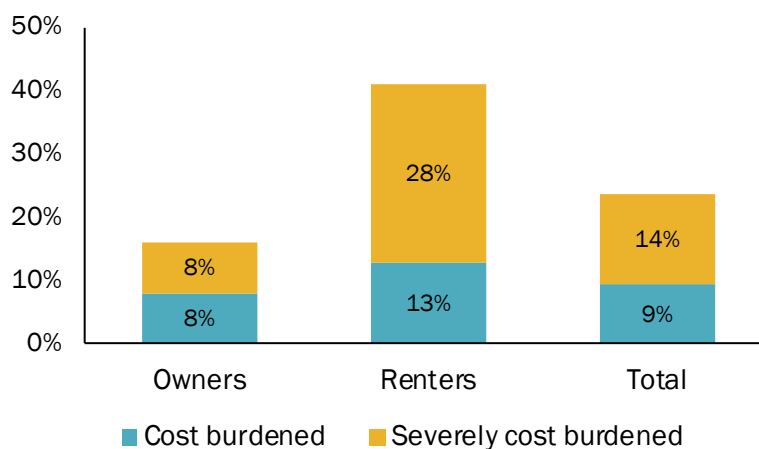


Exhibit 56 shows rates of cost burden for both Louisville and Boulder County. Louisville has slightly lower rates of cost burden compared to the County overall; in Boulder County, 57% of renters are cost burdened (versus 41% in Louisville), and 22% of homeowners are cost burdened (versus 16% of homeowners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

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

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

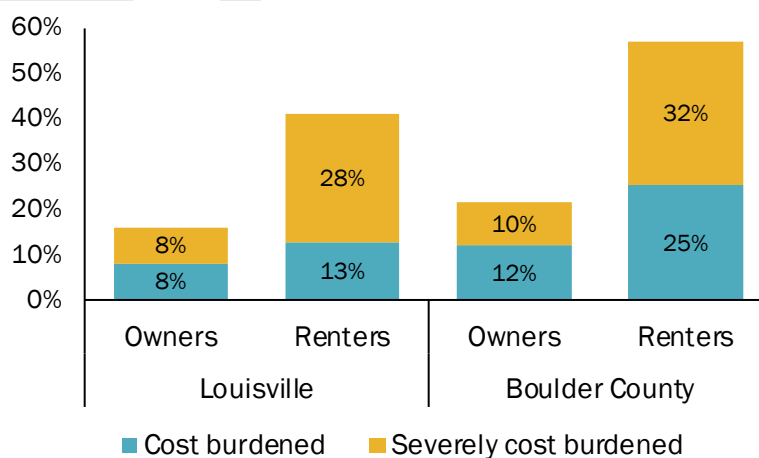
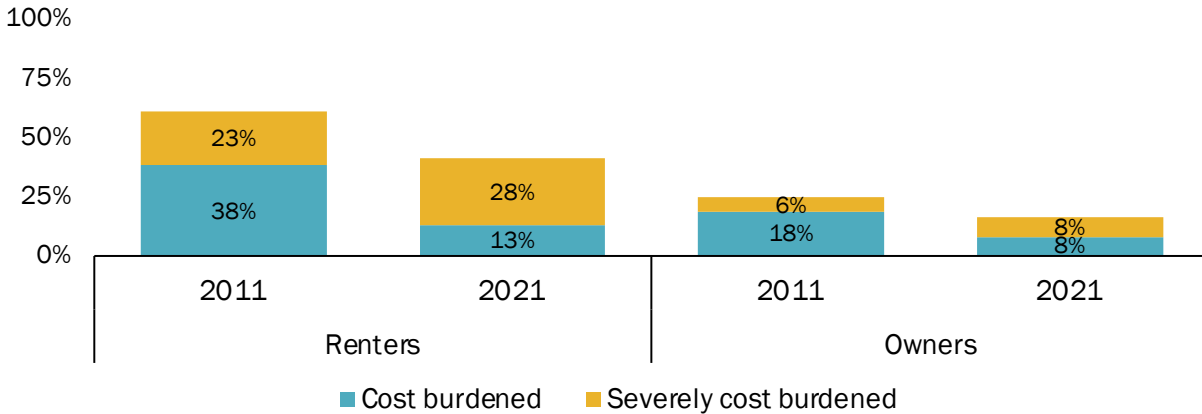


Exhibit 57 shows the change in cost burden rates in Louisville from 2011 to 2021. Rates of severe cost burden decreased significantly over the time period, with a 25% decrease for renters and a 10% decrease for homeowners. Rates of cost burden (spending greater than 30% but less than 50% of household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

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

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

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



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

Homelessness in Boulder County

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

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

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

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

Exhibit 58: Homelessness by City, Boulder County, 2022

Source: Boulder County Coordinated Entry

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

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

4. Marshall Fire Recovery

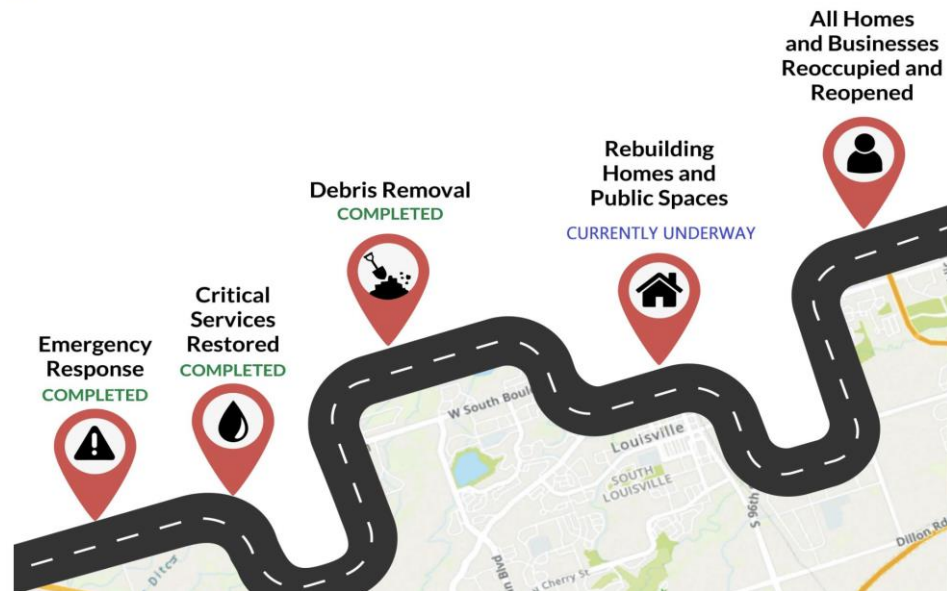
In late December 2021, the Marshall Fire destroyed 550 homes in Louisville, or roughly 6.3% of the City’s housing stock at the time. In addition to the many negative environmental, economic, and physical and mental health impacts, the loss of housing exacerbated an already constrained and expensive housing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

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

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

Exhibit 59: Louisville Recovery Roadmap

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



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

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

- **Affordable homeownership options:** The Panel found that new construction in Louisville and Superior is priced above what many households in the area could afford and was exacerbated by the loss of housing in the fire. Particularly for “workforce” households, first time home buyers, and seniors, many new homeownership products (especially single-family detached homes) are unattainable. The Panel found that there are opportunities to develop out more “missing middle housing” to offer more attainable homeownership opportunities, including developing deed restricted housing, subdividing existing lots, and supporting the development of accessory dwelling units. In addition, the Panel recommended cities consider implementing developer incentives for missing middle housing, purchase sites for infill housing, and offer first time homeowner financial assistance.
- **Limited rental opportunities:** The Panel found that the loss of housing further constrained an already limited rental stock in the area, leading to rental price gouging. Particularly for lower income residents, there is inadequate attainable rental stock in the areas. To address renter housing needs, the Panel recommended cities implement developer incentives for building rental housing, as well as disaster-related rental housing voucher program for displaced renters.

- **Data availability:** The Panel found there is a lack of data on the socioeconomic characteristics of the displaced neighborhoods following the fire. The Panel recommended cities consult findings from the Marshall Fire Unified Survey Team to better understand the affected residents' needs and tailor rebuilding strategies accordingly.¹⁶

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

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

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

5. Housing Demand and Future Needs

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

Population Forecast Assumption

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

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

Future Housing Needs

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

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

Total Housing Needed by 2047

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

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

Future Housing Need

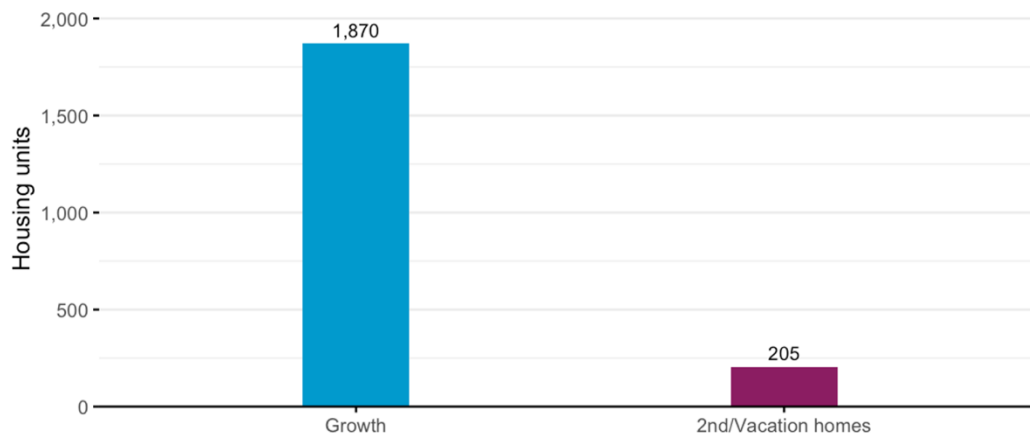
First, ECO identified the baseline number of future housing units needed by 2047. This estimate relies on the population forecast provided by ECO and discussed above. The estimate assumes a 2047 population forecast of 24,614, adding approximately 4,115 new people to Louisville by 2047. The quantity of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

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

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

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

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



Housing Underproduction

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

Total Housing Need

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

Exhibit 61. Illustration of Housing Needs Calculation

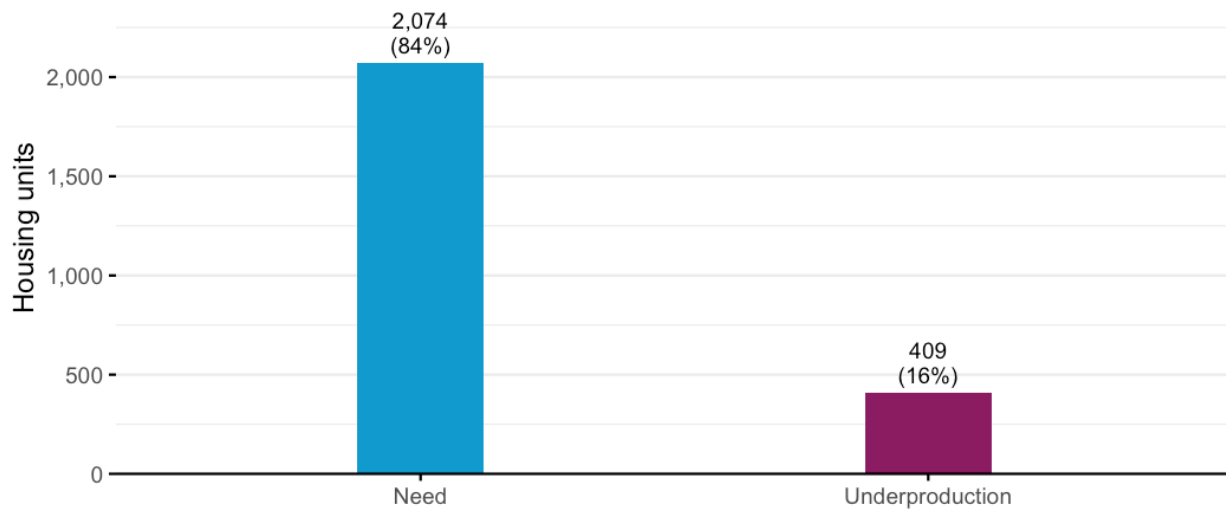
Sources: ECONorthwest.

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



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

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



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

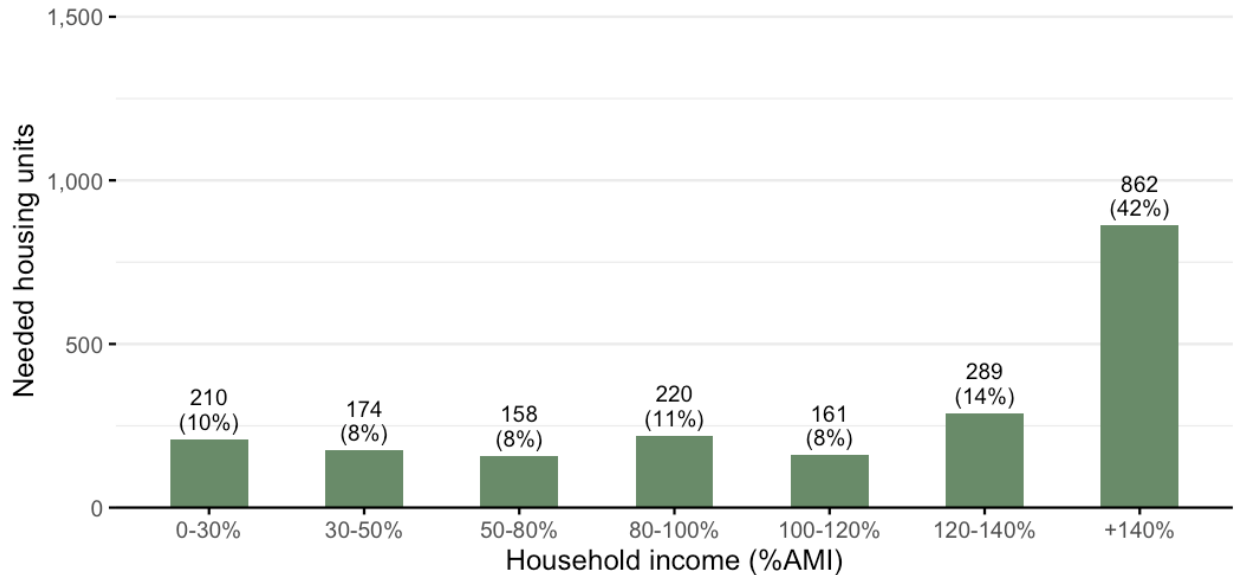
Housing Need by Income

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

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

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

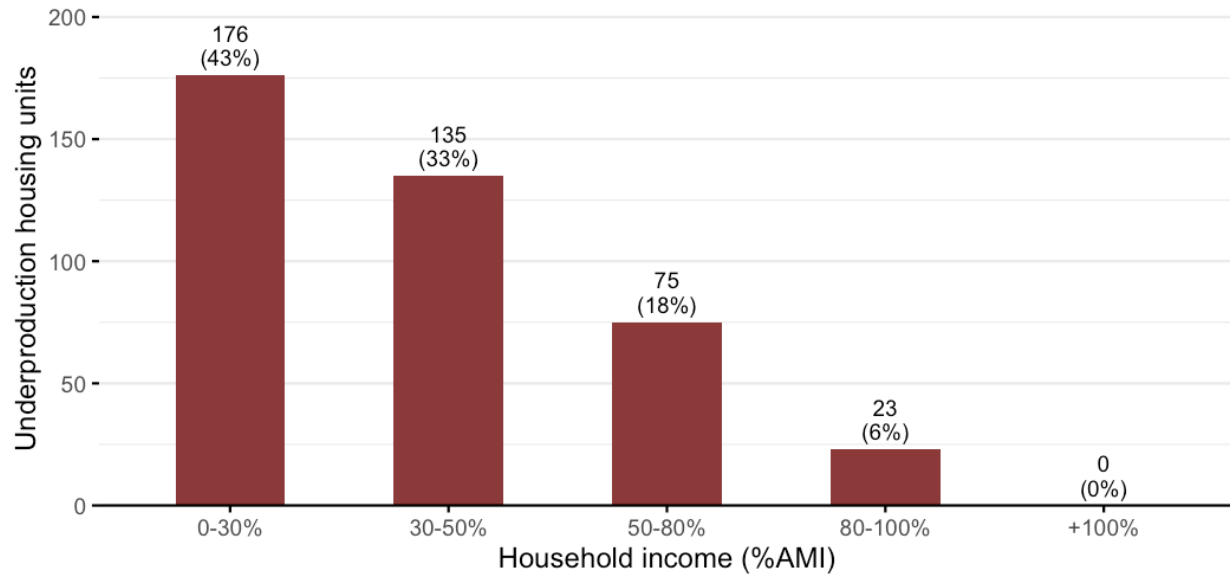
Source: DOLA 2047 Boulder County Population, ACS 5-year 2017-2021, CHAS 2015-2019, ECONorthwest



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

Exhibit 64: Louisville Estimated Underproduction Distributed by Income by 2047

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

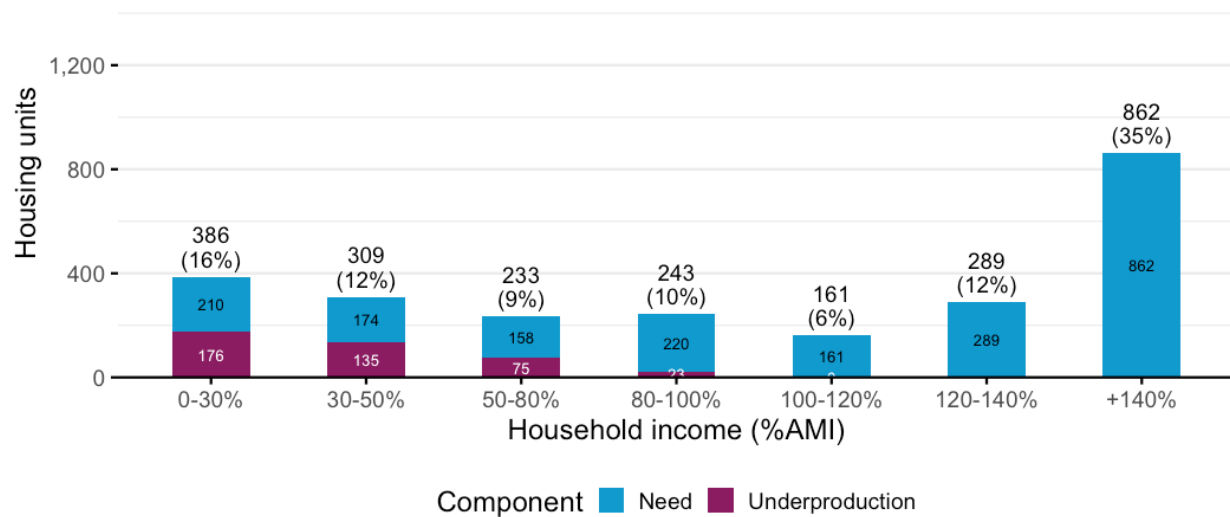


Source: ACS 5-year 2016-2020, CHAS 2015-2019

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

Exhibit 65: Total Units Needed by 2047, Louisville

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



6. Summary of Existing Housing Policies

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

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

2013 Comprehensive Plan

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

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

Comprehensive Plan Policies Related to Housing

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

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

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

2019 Transportation Master Plan

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

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

Housing Related Highlights in the TMP

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

2015 Preservation Master Plan

Louisville's Preservation Master Plan provides a framework for the City's voluntary Historic Preservation Program and serves as a guide for proactive decision-making over the next 20 years. The Plan recommends actions for integrating preservation practices into the City's policies and regulations. The geographic scope of the document is city-wide, providing

recommendations for areas beyond Downtown and Old Town. Recommended housing-related Louisville Municipal Code modifications for zoning options to support preservation goals include:

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

1999 Downtown Framework Plan

The Downtown Framework Plan (DFP) provides a description of the key organizational systems influencing downtown. The DFP includes strategies for implementing the overall goals for downtown. The Plan also discusses policies for circulation, land use, public and private parking, public facilities and public and private sector design. Highlights from the plan related to housing include the following:

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

2021 Louisville EDI Task Force Report

Louisville's Equity, Diversity and Inclusion (EDI) Task Force was asked to identify areas of concern about EDI issues, prioritize the most crucial ones the City can affect through its policy

choices and offerings and establish goals, objectives and suggestions for addressing the identified issues. The plan's recommendations relate to five key topic areas:

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

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

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

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

2017 Boulder County Regional Housing Strategy

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

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

2020 Sustainability Action Plan

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

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

2019 Resolution Setting Clean Energy and Carbon Emission Reduction Goals

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

- Meet all of Louisville's municipal electric needs with 100% carbon-free sources by 2025
- Reduce core municipal GHG emissions annually below the 2016 baseline through 2025
- Generate 75% of Louisville's residential and commercial/ industrial electric needs from carbon-free sources by 2030
- Reduce core community GHG emissions annually below the 2016 baseline through 2030

Denser housing, particularly near existing for future transit opportunities can help the city meet its GHG reduction goals adopted in the resolution.

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