

Final Report

**Analysis of Impediments
to Fair Housing Choice**

Arapahoe County

Final Report

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Impediments to Fair Housing Choice**

Prepared for

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Table of Contents

I. Introduction

Lead and Participating Agencies	I-1
Analysis of Impediments Background	I-1
Geographic Coverage.....	I-3
Participants	I-4
Funding	I-4
Research Methodology.....	I-4
Report Organization.....	I-5

II. Community and Housing Profile

General Demographics.....	II-1
Household Characteristics	II-10
Housing Affordability.....	II-22
Subsidized and Special Needs Housing.....	II-31
Homeless Needs Assessment	II-39

III. Housing and Land Use Policy Review

Addressing Affordable Housing Needs.....	III-1
Mix of Housing Types	III-4
Special Needs Housing	III-5
Accessibility Regulations.....	III-8
Building, Occupancy and Health and Safety Codes	III-9
Zoning Regulations	III-9
Homeowners Associations (HOAs) and Development Covenants	III-12
Transportation.....	III-12
Permit and Development Fees.....	III-14
Regulatory Barriers to Affordable Housing	III-16
Public Housing Authorities' Policies and Procedures	III-17

IV. Fair Lending, Complaint, Legal Review and Community Input

Fair Lending Review	IV-1
Foreclosures, Subprime Lending and Predatory Lending	IV-6
Fair Housing Complaint Process	IV-11
Fair Housing Complaints	IV-14
Fair Housing Activities	IV-16
Recent Legal Cases	IV-18
Community Input	IV-21

Table of Contents

V. Identification of Impediments to Fair Housing Choice and Fair Housing Action Plan	
Summary of the AI.....	V-1
Fair Housing Activities	V-3
Summary of Impediments to Fair Housing Choice.....	V-3
Recommended Fair Housing Action Plan	V-5
 APPENDICES	
A. Affordable Housing Incentives.....	A-1

SECTION I.
Introduction

SECTION I.

Introduction

This report is the Analysis of Impediments to Fair Housing Choice (AI) for Arapahoe County in Colorado. This section introduces the study, provides information on the Fair Housing Act and the State of Colorado fair housing law, and presents the methodology used in the research.

Lead and Participating Agencies

The Arapahoe County Community Resources Department was responsible for overseeing the coordination and development of the AI. In 2008, Arapahoe County contracted with BBC Research & Consulting (BBC), a Denver-based economic consulting firm that specializes in housing studies, to conduct an Analysis of Impediments to Fair Housing Choice for the County.

Analysis of Impediments Background

The AI is a U.S. Department of Housing and Urban Development (HUD) mandated review of impediments to fair housing choice in the public and private sector. The AI is required by HUD in order for Arapahoe County to receive Federal housing and community development block grant funding (CDBG).¹

The AI involves:

- A review of a city's/county's laws, regulations, and administrative policies, procedures, and practices;
- An assessment of how those laws, policies and practices affect the location, availability, and accessibility of housing; and
- An assessment of public and private sector conditions affecting fair housing choice.

According to HUD, impediments to fair housing choice are:

- Any actions, omissions, or decisions *taken because of* race, color, religion, sex, disability, familial status, or national origin that restrict housing choices, or the availability of housing choices.
- Any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices *on the basis of* race, color, religion, sex, disability, familial status, or national origin.

Although the AI itself is not directly approved or denied by HUD, its submission is a required component of a city's, county's, or state's Consolidated Plan performance reporting.

¹ The County is also required to submit a Consolidated Plan for Housing and Community Development and an annual performance report to receive funding each year. These reports were prepared separately from the AI and are available from the County.

HUD desires that AIs:

- Serve as the substantive, logical basis for fair housing planning;
- Provide essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates; and
- Assist in building public support for fair housing efforts both within a city's/county's boundaries and beyond.

Federal Fair Housing Act. The Federal Fair Housing Act (FHA), passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, gender, familial status, and disability. The FHA covers most types of housing including rental housing, home sales, mortgage and home improvement lending, as well as land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units; single family housing sold or rented without the use of a real estate agent or broker; housing operated by organizations and private clubs that limit occupancy to members; and housing for older persons.²

HUD has the primary authority for enforcing the Federal Fair Housing Act. HUD investigates the complaints it receives and determines if there is a “reasonable cause” to believe that discrimination occurred. If reasonable cause is established, HUD brings the complaint before an Administrative Law Judge. Parties to the action can also elect to have the trial held in a Federal court (in which case the Department of Justice brings the claim on behalf of the plaintiff).³

State and local fair housing ordinances. The State of Colorado has a state law that prohibits housing discrimination (Colorado Revised Statutes, Title 24, Article 34, Part 5 – Housing Practices).⁴ The state law offers the same protections as the Fair Housing Act, in addition to providing protections based on marital status, creed, ancestry, and sexual orientation⁵. The Colorado Civil Rights Division (CCRD) has the authority to enforce the law. The CCRD:

- “Investigates complaints of discrimination, attempting early resolution, including settlement negotiations, and issues determinations as to whether there is probable cause to believe that illegal discrimination has occurred;
- Provides expert training and information on laws and issues regarding civil rights; and
- Intervenes and helps resolve intergroup, culturally based tensions.”⁶

² This is a very general description of the Fair Housing Act and the actions and properties covered by the Act. For more detailed information on the Fair Housing Act, please see the full text, which can be found on the U.S. Department of Justice's website, <http://www.usdoj.gov/crt/housing/title8.htm>.

³ “How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws”, The U.S. Department of Housing and Urban Development, Office of Policy and Research, April 2002.

⁴ See <http://www.dora.state.co.us/civil-rights/lawsandregulations.htm> for the actual text of the law.

⁵ Effective May 29, 2008, the Colorado Anti-Discrimination Act was expanded to include sexual orientation, inclusive of transgender status, to the list of protected classes for housing. Colorado now prohibits discrimination against individuals because they are straight, lesbian, gay, bisexual or transgender in housing rentals, home sales, real estate financing, homeowner associations, and other housing situations.

⁶ CCRD website, <http://www.dora.state.co.us/civil-rights/aboutthedivision.htm>

The Division maintains formal work-sharing agreements with HUD and, through this relationship, has the authority to investigate and resolve housing discrimination complaints.

CCRD has exclusive jurisdiction in situations in which Federal antidiscrimination laws do not apply—e.g., in enforcing cases involving marital status as a basis for housing discrimination and in certain cases of discrimination related to lack of public accommodations and discriminatory advertising.

CCRD also receives funding from HUD’s Fair Housing Assistance Program (FHAP). FHAP permits HUD to use the services of substantially equivalent State and local agencies in the enforcement of fair housing laws, and to reimburse these agencies for services that assist us in carrying out the spirit and letter of the federal Fair Housing Act.

Arapahoe County does not have an additional Fair Housing Ordinance, nor do any of the incorporated jurisdictions within the County. As such, state and federal fair housing laws are the primary acts that govern fair housing in the County and cities.

Geographic Coverage

In order to receive CDBG funding, Arapahoe County is required to “affirmatively further fair housing choice” by identifying barriers to fair housing in the County and working to mitigate fair housing impediments. As such, this study focuses primarily on Arapahoe County. However, because fair housing conditions in Arapahoe County are influenced by demographic and housing conditions in surrounding communities, statistics for the Denver metro area are also reported where relevant.

The communities covered in this study include the following:

- Unincorporated area of Arapahoe County
- City of Centennial
- Town of Deer Trail
- City of Englewood
- City of Glendale
- City of Greenwood Village
- City of Littleton
- City of Sheridan

The City of Aurora is an entitlement community, receiving an allocation of HUD block grants separate from Arapahoe County. As such, the city completes its own AI. Additionally, the cities Bow Mar, Columbine, Cherry Hills Village and Foxfield choose not to participate in receiving CDBG fund and therefore are not included in this AI.

In cases where Aurora is referenced in this AI, its fair housing issues were notable enough to warrant mentioning.

Participants

The Arapahoe County AI was developed with an emphasis on community input. Citizens participated in the development of the AI through consultations with various key informants in the County who are knowledgeable about housing conditions and barriers to housing choice. These key informants represented the following organizations:

Exhibit I-1. Organizations/Agencies Consulted

Source:
Key informant interviews and focus group.

Organization	Organization (cont'd)
Arapahoe County	Community Housing Services Agency
Arapahoe/Douglas Mental Health Network	Developmental Pathways
Brothers Redevelopment	Englewood Housing Authority
Catholic Charities	Family Tree, Inc. / House of Hope
City of Centennial	Habitat for Humanity of Metro Denver
City of Englewood	Interfaith Community Services
City of Greenwood Village	Littleton Housing Authority
City of Littleton	Management Service, LLC
City of Sheridan	Mercy Housing Colorado
Colorado Center for the Blind	Metro Brokers, A Step Above
Colorado Housing Assistance Corporation	Rebuilding Together
Community Housing Development Association	Rocky Mountain Housing Development Corporation

Additionally, a telephone resident survey and three community meetings were conducted in conjunction with a housing needs study to discuss housing needs and fair housing barriers in the County.

Funding

The completion of the AI was funded by the Arapahoe County Planning Division using county funding.

Research Methodology

BBC's approach to the Arapahoe County AI was based on the methodologies recommended in HUD's *Fair Housing Planning Guide, Vol. I*, and on our prior experience conducting AIs for other cities and counties.

Our workscope consisted of the following:

Task 1. Project initiation. BBC met with County staff to refine work tasks and the project schedule, establish reporting relationships, and review expectations of the project. We also collected relevant data, identified potential candidates for key informant interviews, and discussed the public participation components of the study.

Task 2. Affordable housing and demographic analysis. BBC used current data on population and household characteristics to produce a community and housing profile to provide background data for the AI, including areas of income and racial/ethnic concentrations. Multiple List Service (MLS), rental data and data on subsidized housing were also analyzed to determine housing affordability.

Task 3. Policy review and analysis. In this task, BBC examined housing policies and programs that influence fair housing choice and impediments through a review of the County and incorporated cities' zoning regulations and land use policies. We also conducted interviews with planning officials and the housing authorities with jurisdiction in the County.

Task 4. Fair lending and complaint data review. In this task, BBC obtained and analyzed Home Mortgage Disclosure Act (HMDA) data and fair housing legal cases that occurred in the County and metro area. BBC also obtained complaint data from HUD and interviewed the Colorado Civil Rights Division to understand the basis of housing discrimination complaints received and legal cases filed by the organizations.

Task 5. Key person interviews. BBC interviewed planning and code enforcement officials in the County and cities within the County. Through these interviews, we gathered information about each city's current land use and housing policies. BBC also interviewed affordable housing developers in the area and representatives from agencies serving special needs populations.

Task 6. Draft report. BBC examined our findings to determine what barriers to fair housing exist in Arapahoe County. Our findings and identified impediments are detailed in Section V of the report. BBC developed a recommended Fair Housing Action Plan for addressing the identified impediments. The recommendations appear in Section V of the report.

Task 7. Community meetings. As part of the AI and a housing needs study, Arapahoe County held three citizen forums in Englewood, Littleton and the Centennial/Parker area. BBC was available to discuss fair housing concerns with residents and provided fair housing information to attendees of the meetings.

Task 8. Final report and Action Plan. After receiving comments on the draft report and incorporating the findings from the community meetings, BBC prepared a final Analysis of Impediments and Fair Housing Action Plan.

Report Organization

The balance of this document contains four sections:

- Section II. Community and Housing Profile;
- Section III. Housing and Land Use Policy Review;
- Section IV. Fair Lending, Complaint and Legal Review;
- Section V. Identification of Impediments to Fair Housing Choice and Fair Housing Action Plan.

SECTION II.
Community and Housing Profile

SECTION II.

Community and Housing Profile

This section of the AI describes the population, socioeconomic characteristics of residents and housing patterns in Arapahoe County and its incorporated jurisdictions including: Centennial, Deer Trail, Englewood, Glendale, Greenwood Village, Littleton and Sheridan, to set the context of the fair housing analysis.

The data collected and analyzed for this section were gathered from the 1990 and 2000 U.S. Census; U.S. Census Bureau's 2006 American Community Survey; 2007 Claritas, a provider of commercial data projections; the Colorado Department of Local Affairs, the U.S. Department of Housing and Urban Development (HUD); and the Genesis Group (MLS/for sale housing data).

General Demographics

According to the State Demography Office, Arapahoe County had a population of 551,724 in 2007, up from 491,134 in 2000. From 2000 to 2007, the County's population grew at a compound annual rate of 1.7 percent. This was slightly lower than the State of Colorado and Denver PMSA¹ compound annual growth of 2.0 and 2.1 percent, respectively.

Several cities and towns experienced population decline from 2000 to 2006, as shown in Exhibit II-1.

Exhibit II-1. Population, 1990, 2000 and 2006

Note:

Centennial officially became a city on February 7, 2001.

The Denver PMSA includes Adams, Arapahoe, Broomfield, Denver, Douglas and Jefferson counties.

Source:

Colorado State Demography Office.

	1990	2000	2006	Percent Change 2000 to 2008
Colorado	3,294,394	4,262,989	4,813,536	12.9%
Denver PMSA	1,622,980	2,092,494	2,385,231	14.0%
Arapahoe County	391,511	491,134	542,316	10.4%
Centennial	N/A	100,755	100,309	-0.4%
Deer Trail	476	598	573	-4.2%
Englewood	29,396	31,727	32,191	1.5%
Glendale	2,453	4,547	4,754	4.6%
Greenwood Village	7,589	11,035	13,397	21.4%
Littleton (part)	33,603	40,168	38,706	-3.6%
Sheridan	4,976	5,600	5,411	-3.4%
Unincorp. Area	111,157	48,950	70,789	44.6%

The State Demographer forecasts the County to increase to 634,000 persons by 2015, an estimated increase of 82,000 persons over the next 8 years. This rate of increase would be slightly higher than that experienced between 2000 and 2007.

Gender and age distribution. According to the State Demographer in 2007, Arapahoe's residents were 51 percent female and 49 percent male.

¹ The Denver PMSA includes Adams, Arapahoe, Broomfield, Denver, Douglas and Jefferson counties.

In 2007, the largest age cohort for the County were those residents aged 19 years and under, comprising 28 percent of the County's population. The high number of residents aged 45 to 54 is noteworthy, because a portion (approximately 42,500 people) of this age group will age into over 55 age group over the next five years. Exhibit II-2 below shows the age distribution for Arapahoe County for 2000 and 2007.

**Exhibit II-2.
Age Distribution, Arapahoe
County, 2000 and 2007**

Source:
Colorado State Demography Office.

	2000	2007	Percent Change 2000 to 2007
19 years and under	142,906	153,679	7.5%
20 to 24 years	30,258	41,278	36.4%
25 to 34 years	75,520	70,749	-6.3%
35 to 44 years	86,399	82,317	-4.7%
45 to 54 years	75,393	87,687	16.3%
55 to 64 years	38,316	63,546	65.8%
65 years and over	42,342	51,648	22.0%
Total	491,134	550,904	12.2%
Median age	34.6	36.2	4.5%

The fastest growing age cohort from 2000 to 2007 was the 55 to 64 years cohort, which grew about 66 percent.

**Exhibit II-3.
Percent of Population
by Age, 2007**

Note:
Unincorporated Arapahoe County data was calculated by determining the best fit of Census Blocks within the physical boundaries of the unincorporated area.

Source:
Claritas, 2007 estimates.

	Percent of Population 17 years and under	Percent of Population 65 years and over
Colorado	25%	10%
Denver PMSA	26%	10%
Arapahoe County	26%	10%
Centennial	27%	10%
Deer Trail	30%	15%
Englewood	20%	14%
Glendale	16%	4%
Greenwood Village	25%	12%
Littleton	22%	15%
Sheridan	26%	13%
Unincorp. Area	29%	7%

Persons with disabilities. The American Community Survey provides direct estimates each year for states, populous counties, and other governmental units or population groups with a population of 65,000 or more. Therefore 2006 ACS estimates are not available for the remaining jurisdictions (besides Aurora) located within Arapahoe County.

The Census's definition of disability status is based on individuals' answers to several Census survey questions. According to the Census, individuals have a disability if any of the following three conditions were met: (1) they were 5 years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability; (2) they were 16 years old and over and had a response of "yes" to going-outside-the-home-disability; or (3) they were 16 to 64 years old and had a response of "yes" to employment disability.

The 2000 Census definition of disability encompasses a broad range of categories, including physical, sensory, and mental disabilities. Within these categories, persons with disabilities are those who experience difficulty with any of the following:

- Performing certain activities such as dressing, bathing or getting around inside the home (self-care disability);
- Going outside the home alone (going-outside-the-home disability); or
- Working at a job or business (employment disability).

Persons with disabilities includes individuals with both long-lasting conditions, such as blindness, and individuals who had a physical, mental or emotional condition lasting 6 months or more that made it difficult to perform certain activities. All disability data from the Census are self-reported by respondents.

Approximately 11 percent of the population age 5 years and older in Arapahoe County had one or more types of disability as of 2006. Exhibit II-4 below shows the distribution of population by disability type for Arapahoe County.

**Exhibit II-4.
Percentage of
Population with
Disabilities,
Arapahoe County
2006**

Source:
U.S. Census Bureau's 2006 American
Community Survey.

	Arapahoe County		Centennial	
	Number	Percent	Number	Percent
Without any disability	439,547	89.2%	85,983	89.7%
With one type of disability	26,631	5.4%	6,028	6.3%
With two or more types of disability	26,456	5.4%	3,839	4.0%
Total population 5 years and over	492,634	100%	95,850	100%

The following exhibit shows the number and percentage of persons with a disability by type of disability in Arapahoe County. Over 6 percent of the County's population age 5 years and older had a physical disability, which was the highest percentage among the types of disabilities listed.

**Exhibit II-5.
Population Age 5 Years and
Over With a Disability by Type,
Arapahoe County, 2006**

Note:
Persons may have more than one type of disability.

Source:
U.S. Census Bureau's 2006 American Community Survey.

	Persons with a Disability	Percent of Population 5 Years and Over
Sensory disability	16,646	3.4%
Physical disability	31,015	6.3%
Mental disability	17,584	3.6%
Self-care disability	8,246	1.7%

Exhibit II-6 distributes Arapahoe County’s disabled population by age group. As shown, it is much more common for the County’s older population to have a disability. Approximately 34 percent of Arapahoe residents aged 65 and older had some type of disability in 2006.

**Exhibit II-6.
Disability Status by Age,
Arapahoe County, 2006**

Source:
U.S. Census Bureau’s 2006 American Community Survey.

	Persons with a Disability	Percent within Age Range
5 to 15 years	4,581	6%
16 to 20 years	2,439	7%
21 to 64 years	28,831	9%
65 years and over	17,236	34%
Total population 5 years and over	53,087	11%

Exhibit II-7 on the following page distributes Arapahoe County’s disabled population by block group according to the 2000 Census. The block groups with the highest percentage of disabled residents live in the western and north central parts of the County, showing a similar distribution as lower-income households. Approximately 25 percent of each of these block groups’ populations had a disability.

Race and ethnicity. Data on race and ethnicity require a bit of an introduction about how the U.S. Census Bureau collects and analyzes the data. In its surveys, the Census asks two different questions about race and ethnicity: the first question asks respondents to identify their race; the second asks whether respondents are of Hispanic/Latino origin. The Census Bureau does not classify Hispanic/Latino as a race, but rather as an identification of origin and ethnicity. If a respondent reported Hispanic/Latino ethnicity but did not mark a specific race category, they are classified in the “Some Other Race” category. Persons of Hispanic/Latino descent most commonly report their race as White or Some Other Race.

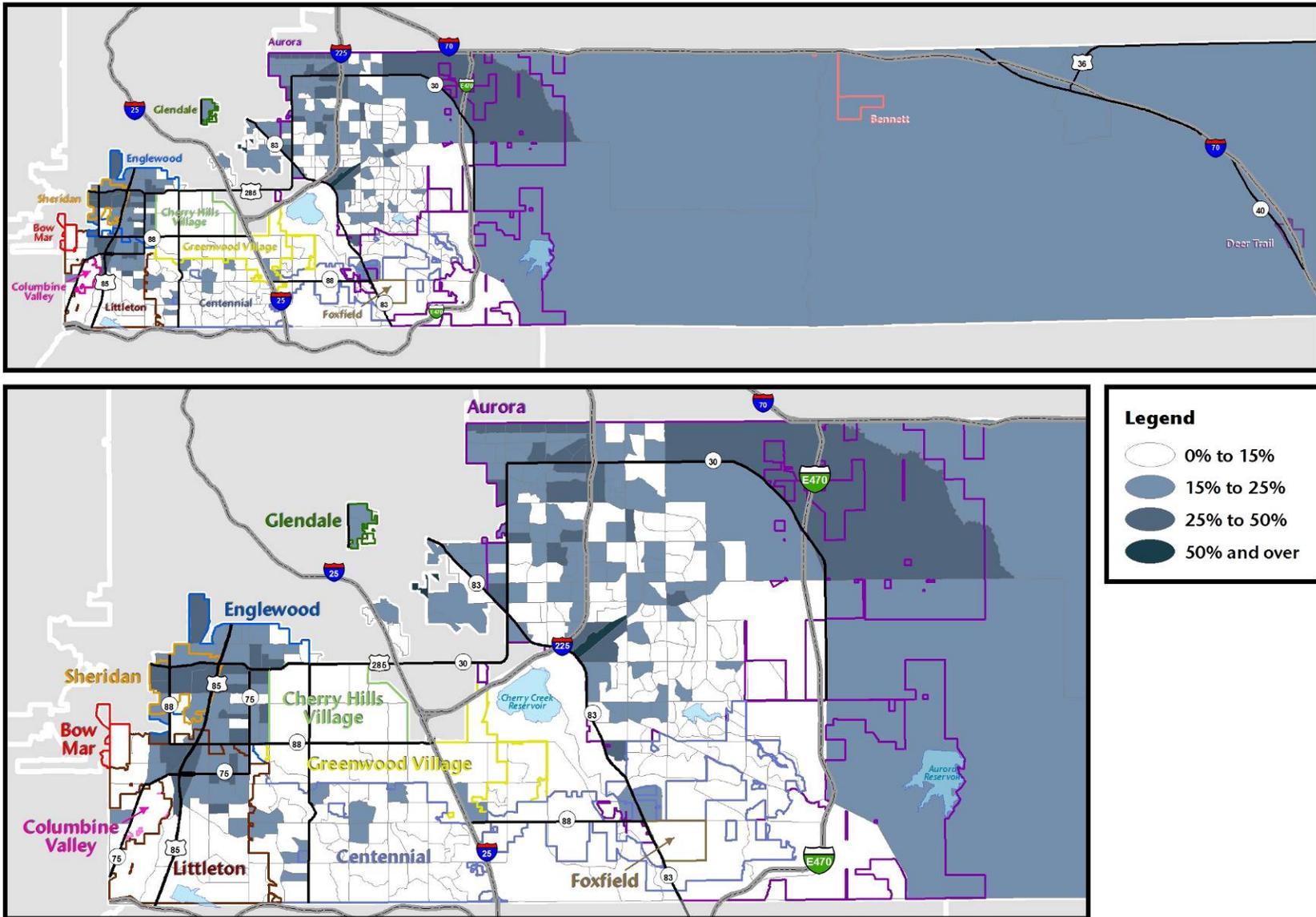
As shown in Exhibit II-8, the majority of Arapahoe County’s residents—77 percent—are White. The next largest racial categories are Black/African American at 10 percent, Asian at 5 percent and Some Other Race also at 5 percent. Seventeen percent of the County’s population is reported to be of Hispanic descent in 2006.

**Exhibit II-8.
Race and Ethnicity,
Arapahoe County, 2006**

Source:
U.S. Census Bureau’s 2006 American Community Survey.

	Arapahoe County	
	Number	Percent
Total Population	537,197	100%
American Indian and Alaska Native Alone	3,200	1%
Asian Alone	26,644	5%
Black or African American Alone	51,105	10%
Native Hawaiian and Other Pacific Islander Alone	890	0%
White Alone	412,538	77%
Some Other Race Alone	27,529	5%
Two or More Races	15,291	3%
Hispanic or Latino	89,531	17%

Exhibit II-7.
Percentage of Population Age 5 Years and Over with a Disability by Block Group, Arapahoe County, 2000



Source: U.S. Census Bureau's 2000 Census.

Deer Trail and Greenwood Village have similar distributions of racial minorities in 2000; over 90 percent of their population was White. Glendale and Sheridan both had a larger portion of their populations that are racial minorities, 33 percent and 30 percent respectively, when compared to other places in Arapahoe County. Glendale and Sheridan also reported higher percentages of Hispanic or Latino persons, 41 percent and 44 percent respectively, when compared to other places in the County and the County overall. The racial and ethnic distributions of Arapahoe County and jurisdictions within the County are shown in Exhibit II-9.

**Exhibit II-9.
Race and Ethnicity, 2007**

	Total Population	American	Asian	Black or African American	Native Hawaiian & Other Pacific Islander	White	Some Other Race	Two or More Races	Hispanic or Latino
Arapahoe County	539,641	1%	5%	9%	0%	74%	6%	4%	17%
Centennial	104,023	0%	5%	3%	0%	87%	2%	3%	7%
Deer Trail	600	0%	1%	1%	0%	95%	1%	2%	5%
Englewood	32,574	2%	2%	2%	0%	84%	7%	3%	19%
Glendale	4,882	1%	7%	8%	0%	67%	10%	7%	41%
Greenwood Village	13,118	0%	3%	2%	0%	92%	1%	2%	6%
Littleton	40,600	1%	2%	2%	0%	89%	4%	3%	13%
Sheridan	5,595	3%	2%	2%	0%	70%	17%	6%	44%
Unincorp. Area	68,429	1%	7%	7%	0%	78%	4%	4%	11%

Source: Claritas, 2007 estimates.

Distribution within Arapahoe County. One of the key components of fair housing analysis is an examination of the concentration of racial and ethnic minorities within a jurisdiction, to detect evidence of segregation.² In some cases, minority concentrations are a reflection of preferences—e.g., minorities may choose to live near family and friends of the same race/ethnicities or where they have access to grocery stores or restaurants that cater to them. In other cases, minority populations are intentionally steered away or discouraged from living in certain areas. Housing prices can also heavily influence where minorities live, to the extent that there are economic disparities among persons of different races and ethnicities.

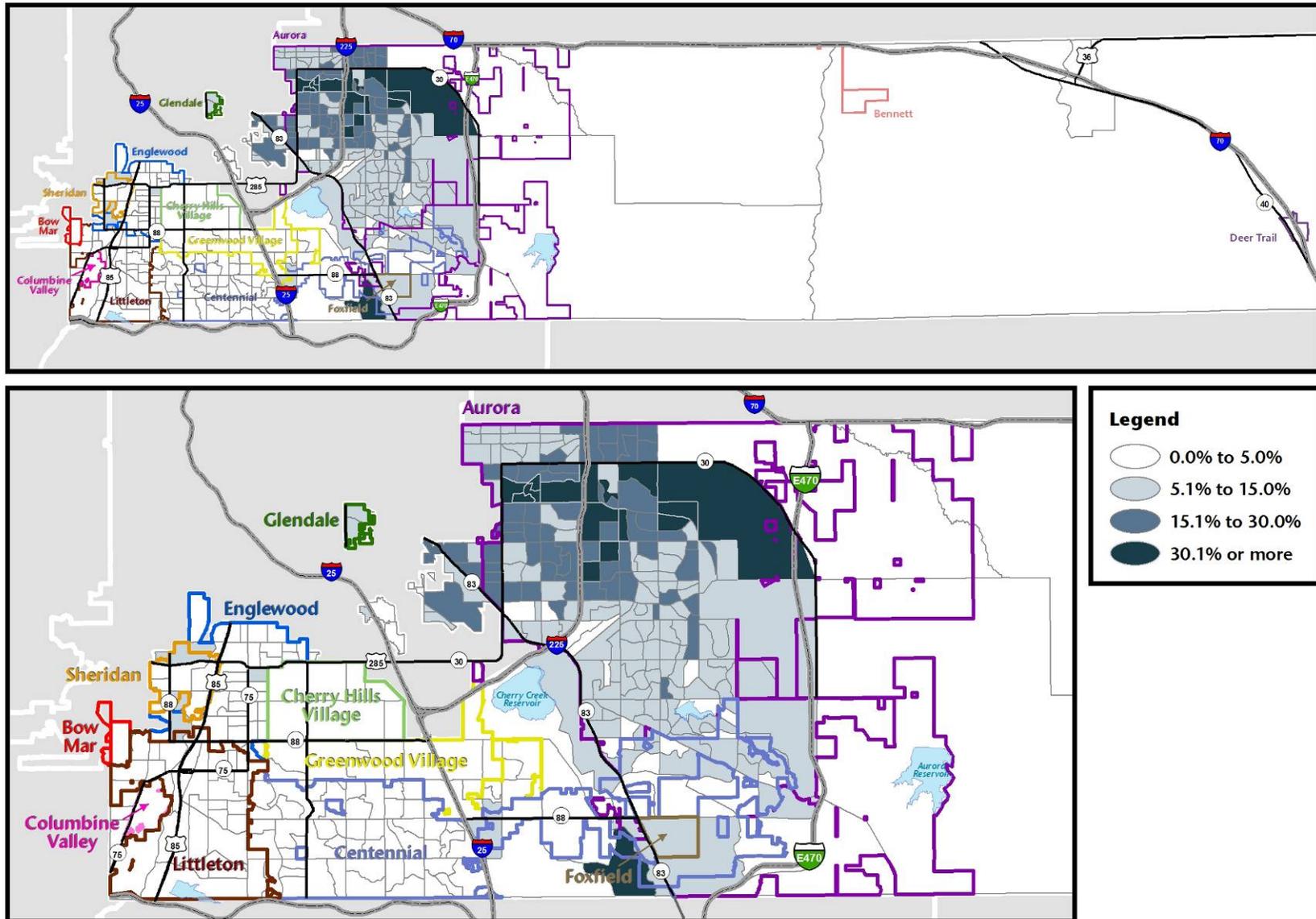
Exhibits II-10 and II-11 show the distribution of residents who classified themselves as Black or African American and Hispanic or Latino in 2007, as estimated from the 2007 Claritas data projections. The exhibits show the percentage of each block group that is African American and Hispanic. Exhibit II-12 shows the percentage of residents who are White by block group for a comparison.

As shown in Exhibit II-10, the African American population is largely located in the northern parts of Aurora portions of the County. These block groups located in Aurora south of 6th Avenue, north of Alameda and west of I-225, had the highest percentage (between 40 to 51 percent) of Black or African American residents in the County.

Persons of Hispanic descent are similarly concentrated in Aurora, in addition to the north western portion of Arapahoe County and Glendale.

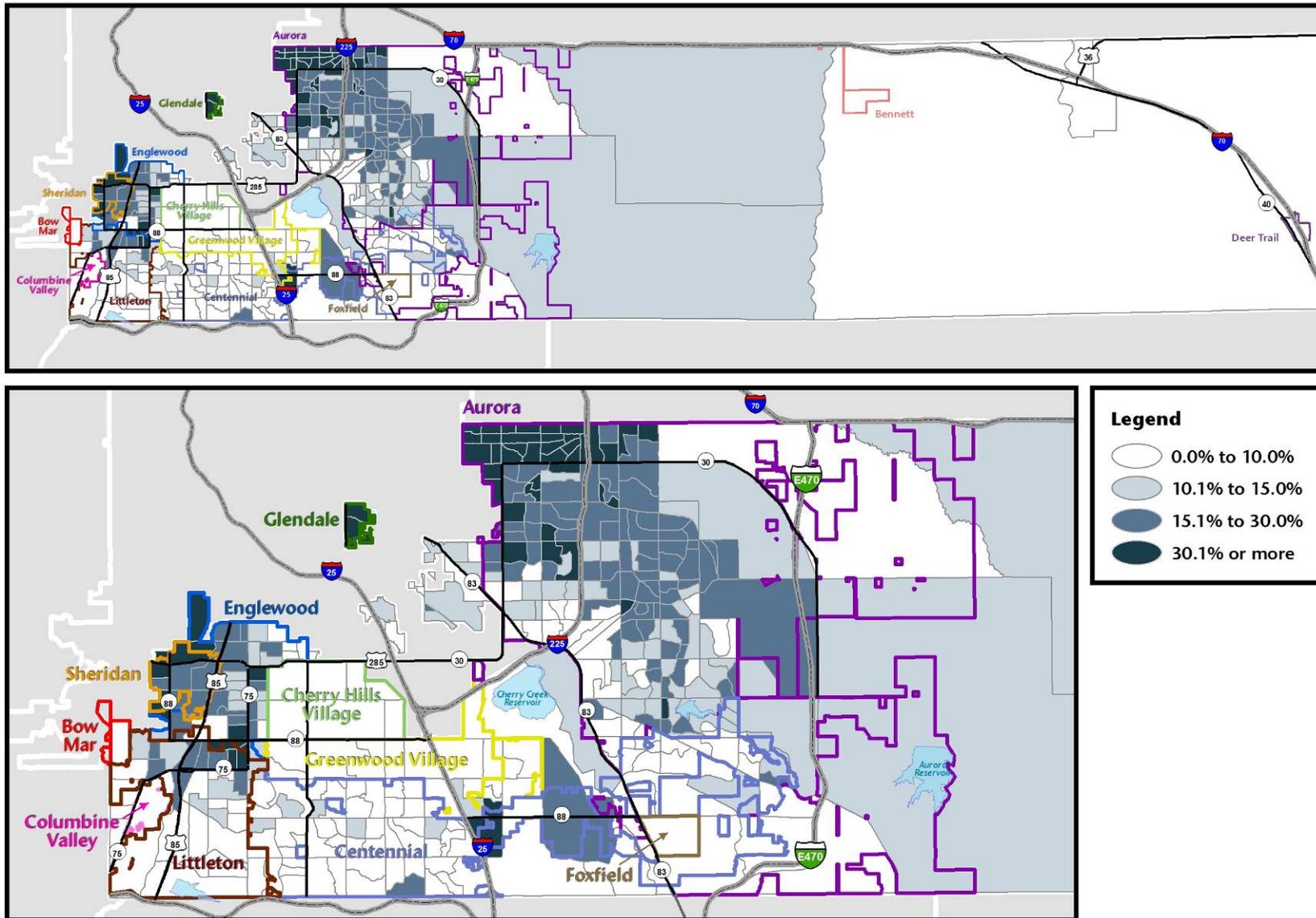
² Race and ethnicity are combined for the purposes of this discussion. It should be noted however, that persons of Hispanic/Latino descent can be of any race.

Exhibit II-10.
Percent of Population that is African American by Block Group, Arapahoe County, 2007



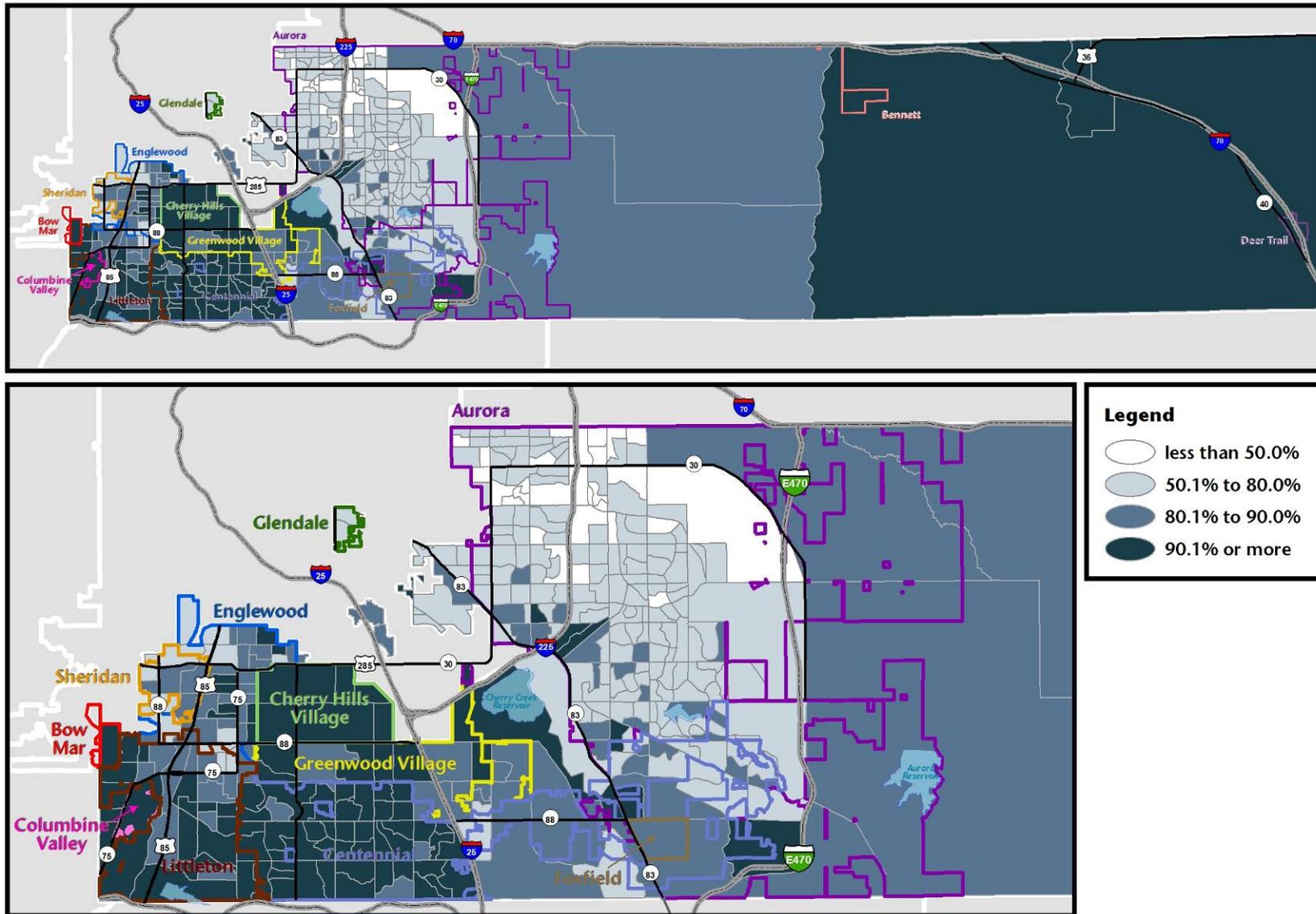
Source: Claritas, 2007 estimates.

Exhibit II-11.
Percent of Population that is Hispanic by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Exhibit II-12
Percent of Population that is White by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Household Characteristics

According to the Denver Regional Council of Governments (DRCOG), Arapahoe County contained 218,627 households in 2007, up from 190,909 in 2000. From 2000 to 2007, the number of households in Arapahoe County increased at a compound annual rate of 1.96 percent. However, the number of households in certain communities, such as Deer Trail and Littleton, actually decreased from 2000 to 2006. Greenwood Village grew the most from 2000 to 2006 (21.1 percent increase). Exhibit II-13 below displays the number of households by place for 1990, 2000 and 2006 (household by place data was unavailable for 2007).

Exhibit II-13. Households by Place, Arapahoe County

Note:

(1) From 1990 Census.

(2) From State Demographer.

Centennial officially became a city on February 7, 2001. Household data is unavailable for 1990 and 2000.

Source: U.S. Census Bureau 1990 Census and Colorado State Demography Office.

	1990 ⁽¹⁾	2000 ⁽²⁾	2006 ⁽²⁾	Percent Change 2000 to 2006
Arapahoe County	154,710	190,909	211,798	10.9%
Centennial	0	0	35,298	-
Deer Trail	197	247	236	-4.5%
Englewood	13,252	14,392	14,607	1.5%
Glendale	1,626	2,630	2,750	4.6%
Greenwood Village	2,599	3,997	4,841	21.1%
Littleton	13,905	17,248	16,623	-3.6%
Sheridan	1,982	2,236	2,161	-3.4%
Unincorp. Area	0	54,611	27,593	-49.5%

The commercial data provider Claritas projects the number of households within Arapahoe County to increase to approximately 225,900 by 2012. This would represent a seven percent increase in households over the next five years.

Type of household. According to ACS, 38 percent of Arapahoe County households contained children in 2006. The largest portion of those households was married-couple families (65 percent of all households with children). Exhibit II-14 displays the distribution of households by familial status for Arapahoe County in 2006.

Exhibit II-14. Familial Status, Arapahoe County, 2006

Source:

U.S. Census Bureau's 2006 American Community Survey.

Household Type	Arapahoe County	
	Number	Percent
Households with children	74,518	35%
Married-couple family	48,758	23%
Female-headed households	19,122	9%
Male-headed households	6,638	3%
Households without Children	137,357	65%
Married-couple family	54,682	26%
Female-headed households	43,518	21%
Male-headed households	39,157	18%
Total Households	211,875	100%

As shown in Exhibit II-14, 12 percent of Arapahoe County households contained single-parent households with children. Of the focus cities for this study, Sheridan had the highest percentage of households containing single parents with children at 15 percent. Exhibit II-16 on the following page shows the percent of single parents for each block group. The map shows little concentration of single parent households.

Household size. The most common household size in 2007 for Arapahoe County was a 2-person household (32 percent of all households). This trend was also found in Centennial, Deer Trail, Greenwood Village as well the unincorporated areas of the County. Conversely, 1-person households were the most common in the municipalities of Englewood, Glendale, Littleton and Sheridan in 2007. Exhibit II-15 displays the range of household sizes for 2007.

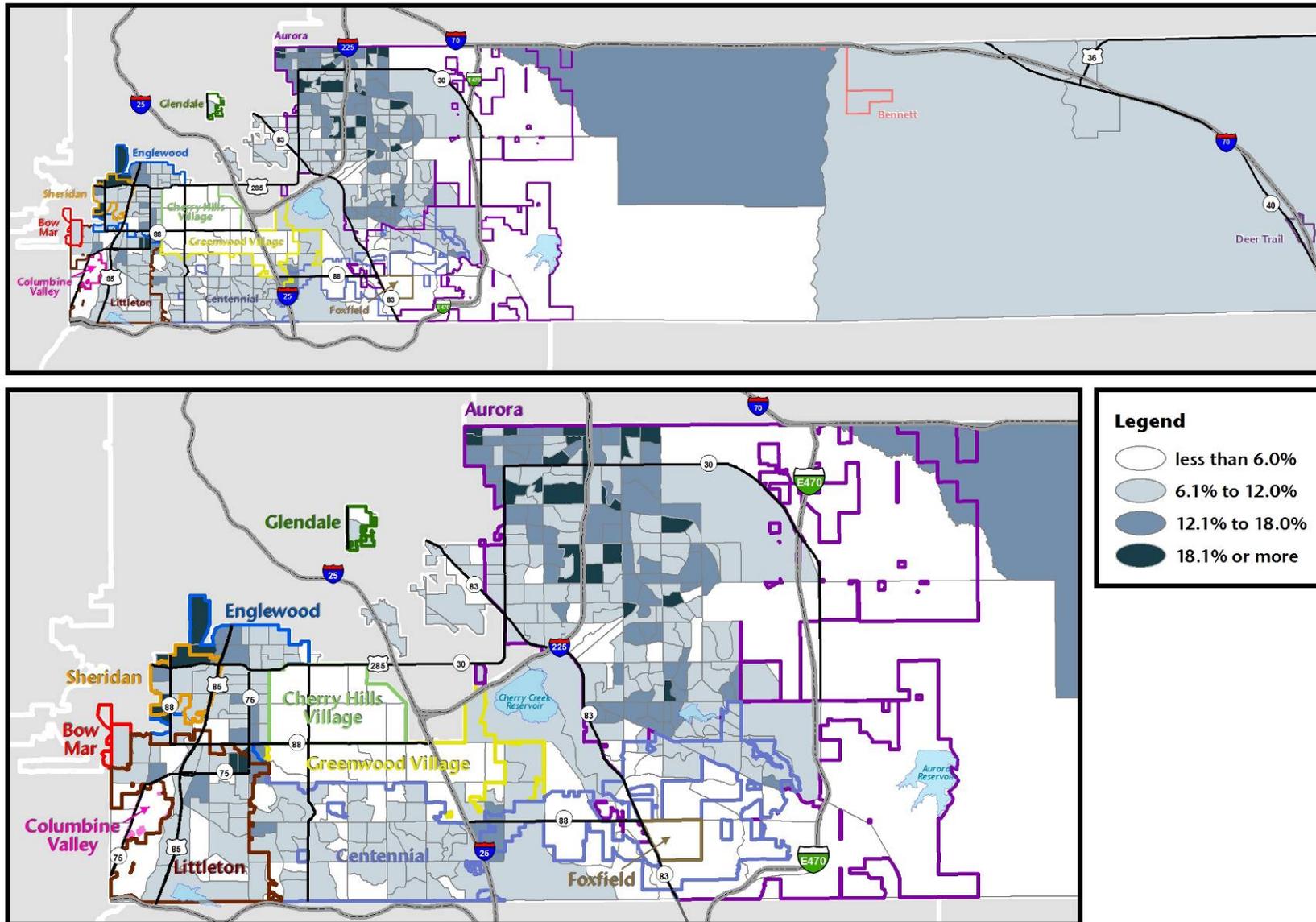
Exhibit II-15.
Household Size, Arapahoe County, 2007

Household Size	Arapahoe County	Centennial	Deer Trail	Englewood	Glendale
1-person household	27%	17%	31%	39%	58%
2-person household	32%	33%	33%	33%	26%
3-person household	17%	19%	12%	14%	8%
4-person household	15%	20%	15%	9%	4%
5-person household	6%	8%	6%	3%	2%
6-person household	2%	2%	2%	1%	1%
7 or more person household	1%	1%	1%	1%	1%
Household Size	Greenwood Village	Littleton	Sheridan	Unincorp.	
1-person household	21%	36%	32%	22%	
2-person household	35%	33%	30%	31%	
3-person household	17%	13%	15%	19%	
4-person household	17%	11%	12%	19%	
5-person household	7%	4%	6%	6%	
6-person household	2%	1%	3%	2%	
7 or more person household	0%	1%	2%	1%	

Source: Claritas, 2007 estimates.

The 2006 ACS reports slightly higher percentages of one- and two-person households and slightly smaller percentages of three and larger person households when compared with Claritas 2007 data.

Exhibit II-16.
Percent of Single-Parent Households by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Large households. Households containing five or more residents are considered “large households.” In 2007, Arapahoe County contained 19,370 large households, or 9 percent of all of its households. The ACS 2006 also reports nine percent of Arapahoe County’s housing stock contained five or more persons. Exhibit II-17 displays the number and percentage of large households found in 2007.

**Exhibit II-17.
Large Households,
Arapahoe County, 2007**

Note:
Large households are households with 5 or more persons.

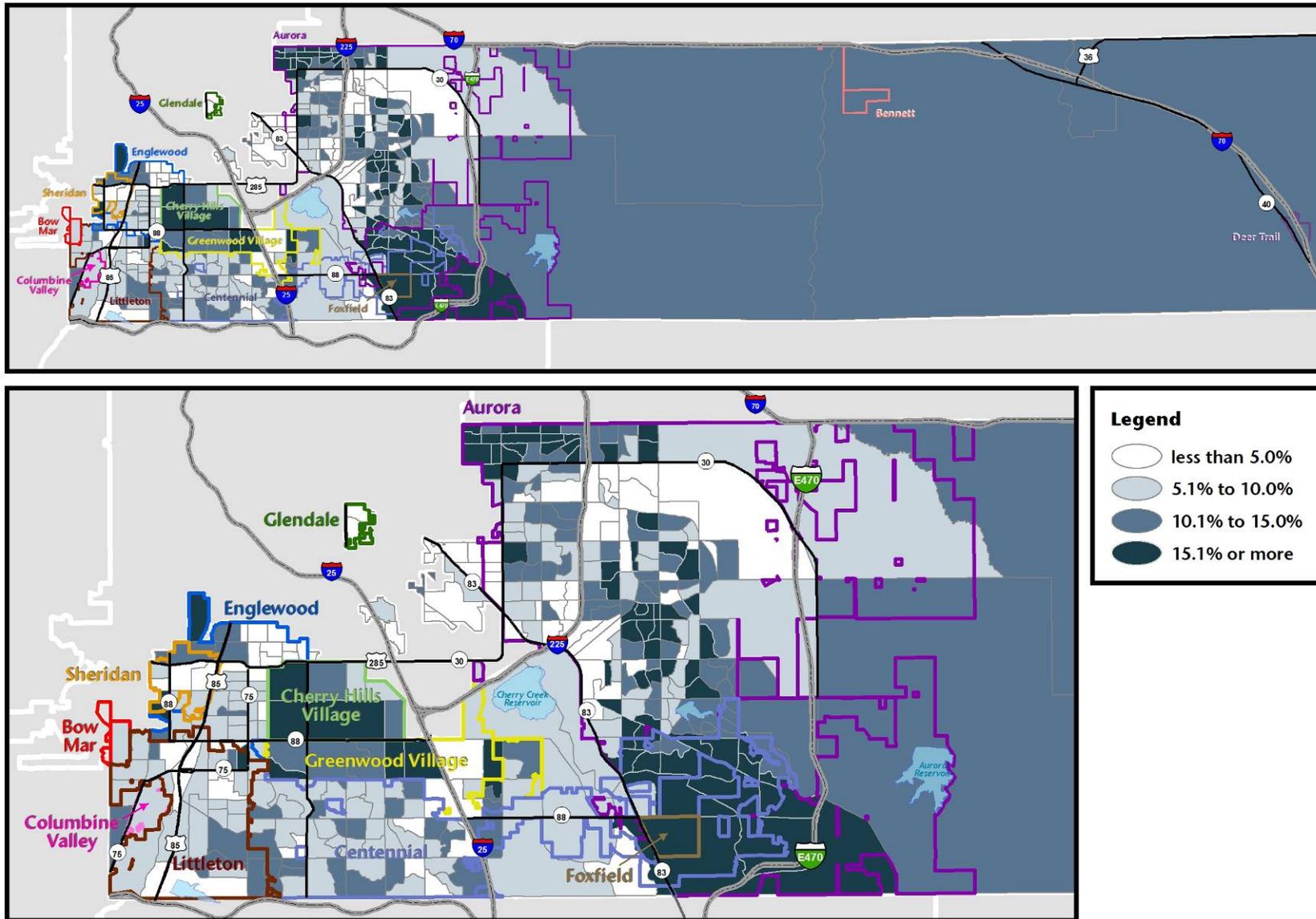
Source:
Claritas, 2007 estimates.

	Large Households	Percent of All Households
Arapahoe County	19,370	9%
Centennial	3,921	11%
Deer Trail	22	9%
Englewood	819	5%
Glendale	101	4%
Greenwood Village	453	9%
Littleton	1,127	6%
Sheridan	248	11%
Unincorp.	2,334	9%

Sheridan, followed by Centennial, contained the highest percentage of large households (11 percent and 10.6 percent, respectively, of their households) when compared to the other municipalities and Arapahoe County. Glendale had the smallest percentage at 4 percent.

Exhibit II-18 shows the distribution of large households in Arapahoe County by block group, as estimated from the 2007 Claritas data estimates. The exhibit shows the percentage of households in each block group that was considered a large household, or contained five or more people. As the map demonstrates, large households are located in both high and lower income portions of the County.

Exhibit II-18.
Percent of Large Households by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Household income. Exhibit II-19 shows the income distribution of Arapahoe County households by median family income (MFI) range for the Denver-Aurora MSA (which includes Arapahoe County) as defined by the U.S. Department of Housing & Urban Development (HUD). MFI is used by HUD, state and local policy makers to qualify households for housing programs. MFI is based on the Denver metro area income. The 2008 HUD MFI for the Denver-Aurora MSA is \$71,800.

**Exhibit II-19.
Income Distribution of Households, Arapahoe County, 2006e**

	Income Limit	Number of Households	Percent of Households
2008 HUD Median Family Income: \$71,800			
0 to 29% MFI	less than \$21,540	30,160	14%
Less than \$10,000		13,243	6%
\$10,000 to \$14,999		8,862	4%
\$15,000 to \$19,999		8,055	4%
30% to 49% MFI	\$21,540 to \$35,899	34,923	16%
\$20,000 to \$24,999		10,199	5%
\$25,000 to \$29,999		11,612	5%
\$30,000 to \$34,999		13,112	6%
50% to 79% MFI	\$35,900 to \$57,439	48,721	23%
\$35,000 to \$39,999		10,201	5%
\$40,000 to \$44,999		10,660	5%
\$45,000 to \$49,999		10,421	5%
\$50,000 to \$59,999		17,439	8%
81% to 99% MFI	\$57,440 to \$71,799	21,658	10%
\$60,000 to \$74,999		21,658	10%
100% MFI and over	\$71,800 or more	76,413	36%
\$75,000 to \$99,999		27,099	13%
\$100,000 to \$124,999		19,106	9%
\$125,000 to \$149,999		9,655	5%
\$150,000 to \$199,999		10,092	5%
\$200,000 or more		10,461	5%
Total		211,875	100%

Source: U.S. Department of Housing and Urban Development, U.S. Census Bureau's 2006 American Community Survey and BBC Research & Consulting.

The U.S. Census estimates and reports both *family* median and *household* median income. Median household income is usually lower than median family income, since household income includes single-person households and unrelated persons living together (e.g., students), where median family income does not. That is, the median family income category has a larger proportion of two-earner households, who usually have higher earnings than one-person households.

In 2006, the *family* median income for Arapahoe County was \$69,291. This means that in 2006, exactly half of the County's *families* earned less than \$69,291 and exactly half earned more.

The *household* median income in 2006 was a lower \$55,161. In 2006, half of Arapahoe's *households* earned less than \$55,161; half earned more.

ACS reported Arapahoe County’s median household income to be \$55,161 in 2006. This is a 3 percent increase from the 2000 median of \$53,570. Compared to the State’s percent change of 10 percent during the same period this is a much smaller percent change in median household income.

Income data at the place level is not available from the Census’ ACS, but is available from the commercial data provider Claritas. Sometimes income data from Claritas can be notably different than the Census. For example, the median household income for Arapahoe County according to the Claritas 2007 estimate was \$62,085, which is almost \$7,000 higher than the 2006 ACS estimate of \$55,161. Each data source uses different methodologies and because of these different methodologies, distributional shifts may occur in the data. In general, Claritas data for Arapahoe County have fewer households in the lower income brackets than the ACS.

According to Claritas 2007 data, approximately 39 percent of Arapahoe County households earned over \$75,000 in 2007, with the median household income at \$62,085. Greenwood Village had the highest percentage of households earning over \$75,000 (65 percent). Approximately 14 percent of Arapahoe County households earned less than \$25,000 in 2007. Glendale had the highest concentration of such households, with 36 percent of its population earning less than \$25,000 in 2007. Exhibit II-20 shows the income distributions for Arapahoe County’s cities and the County overall.

**Exhibit II-20.
Household
Incomes,
Arapahoe
County and
Cities, 2007**

Note:

* The median household income for the Unincorporated area of Arapahoe County was calculated by taking the median of the median household incomes of the unincorporated blocks.

Source:

Claritas, 2007 estimates.

Income Level	Arapahoe County	Centennial	Deer Trail	Englewood	Glendale
Less than \$15,000	7%	3%	12%	12%	17%
\$15,000 to \$24,999	7%	3%	12%	12%	19%
\$25,000 to \$34,999	10%	5%	22%	13%	19%
\$35,000 to \$49,999	16%	10%	19%	19%	19%
\$50,000 to \$74,999	22%	19%	16%	23%	13%
\$75,000 to \$99,999	14%	19%	8%	11%	7%
\$100,000 to \$149,999	15%	23%	7%	8%	5%
\$150,000 or more	10%	18%	4%	2%	1%
Median Household Income	\$62,085	\$88,391	\$38,594	\$45,115	\$32,593
Income Level	Greenwood Village	Littleton	Sheridan	Unincorp.	
Less than \$15,000	4%	8%	17%	5%	
\$15,000 to \$24,999	2%	9%	15%	4%	
\$25,000 to \$34,999	5%	11%	13%	8%	
\$35,000 to \$49,999	8%	16%	21%	13%	
\$50,000 to \$74,999	17%	21%	21%	19%	
\$75,000 to \$99,999	12%	12%	8%	16%	
\$100,000 to \$149,999	17%	14%	4%	21%	
\$150,000 or more	36%	9%	2%	14%	
Median Household Income	\$108,058	\$57,017	\$38,686	\$56,541 *	

Low- and moderate-income households. Households earning 80 percent or less of the MFI (\$57,440) are considered to be “low- and moderate-income” (LMI) households by HUD’s definition. Exhibit II-21 displays the percentage of households that qualified as LMI.”

**Exhibit II-21.
Low- and Moderate-Income
Households, Arapahoe
County, 2007**

Note:
All households that earn less than 80 percent of the HUD MFI, or less than \$57,440, are considered low- and moderate-income.

Source:
U.S. Department of Housing and Urban Development and Claritas, 2007 estimates.

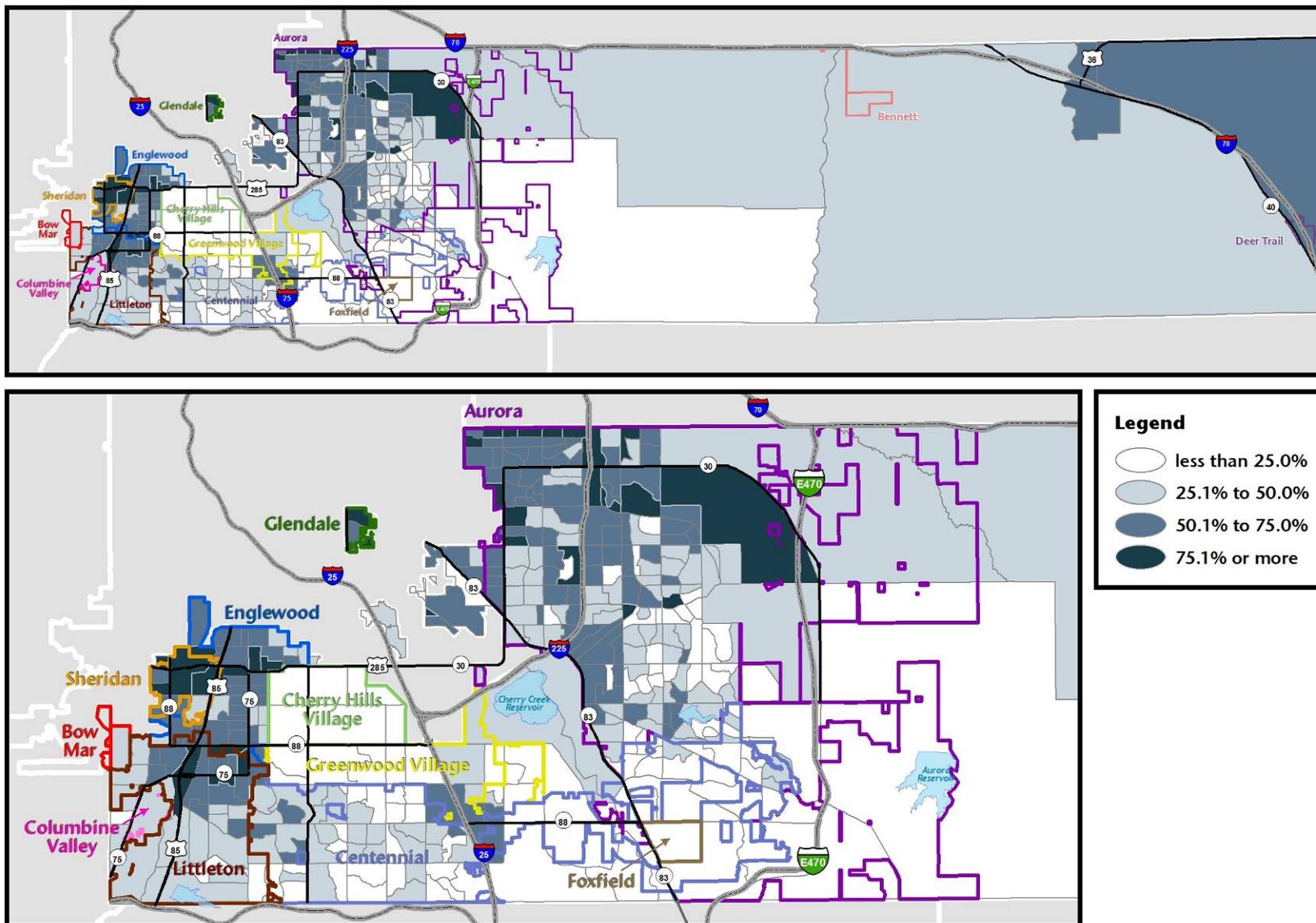
	Low- and Moderate-Income Households	Percent of All Households
Arapahoe County	97,507	46%
Centennial	9,803	27%
Deer Trail	173	70%
Englewood	9,475	63%
Glendale	2,189	77%
Greenwood Village	1,191	24%
Littleton	9,047	50%
Sheridan	1,620	72%
Unincorp. Area	9,003	35%

Forty-six (46) percent of Arapahoe County households, or 97,507 households, earned less than \$57,440 in 2007 and were considered LMI households. According to the 2006 ACS, 51 percent of Arapahoe County households were considered low- and moderate-income in 2006. Greenwood Village had the smallest percentage of LMI households, with only 24 percent earning less than \$57,440 in 2007. Glendale, in comparison, had the highest percentage of LMI households: 77 percent of all Glendale and households qualified as LMI in 2007. In addition to Glendale, over 50 percent of households in the municipalities of Deer Trail (70 percent), Englewood (63 percent), and Sheridan (72 percent) were considered LMI in 2007.

Exhibit II-22 on the following page shows the distribution of households that qualified as low-income in 2007, as estimated from the 2007 Claritas data projections. The exhibit displays the percentage of households in each block group that was considered a low-income household.

As shown in the exhibit, the most concentrated areas of low-income households are found in Sheridan and parts of Englewood, Littleton and Aurora.

Exhibit II-22.
Low- and Moderate-Income Households by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Households in poverty. The poverty threshold is established at the federal level and updated annually. It is adjusted for household size but not by geographic area, except for Alaska and Hawaii³. In 2008, the poverty threshold for a family of four in Arapahoe County was \$21,200.

In 2006, 11 percent of the Arapahoe County population, or about 58,539 people, lived below the poverty threshold. This is much higher than the 2000 rate of just 6 percent. The poverty rate is the highest for Arapahoe’s children: over one-third live in poverty, or an equivalent of about 20,620 children in 2006. Poverty rates are lowest for the County’s seniors. Exhibit II-23 shows the percentage of Arapahoe County’s population living in poverty by age cohort.

**Exhibit II-23.
Population Living
Below Poverty
Level by Age,
Arapahoe
County, 2000
and 2006**

Source:
U.S. Census Bureau, 2000
Census and 2006 American
Community Survey.

	2000		2006		Percent Change
	Number	Percent	Number	Percent	
Under 5 years	2,880	10%	6,577	11%	128%
5 to 17 years	6,525	23%	14,043	24%	115%
18 to 24 years	4,665	17%	7,961	14%	71%
25 to 34 years	4,515	16%	10,620	18%	135%
35 to 44 years	3,595	13%	7,060	12%	96%
45 to 54 years	2,249	8%	4,023	7%	79%
55 to 64 years	1,507	5%	4,168	7%	177%
65 to 75 years	985	4%	2,311	4%	135%
75 years and over	1,066	4%	1,776	3%	67%
Total population below Poverty level	27,987	100%	58,539	100%	109%
Percent of population below poverty level	6%		11%		

The previous exhibit also shows persons living below poverty for 2000 and 2006. The number of persons living below the poverty level in Arapahoe County more than doubled between 2000 and 2006. Overall, the County’s population increased by approximately 50,000 people, while the number of people who were measured as living below the poverty level rose by over 30,000. Therefore, there was disproportionate growth in the number of persons in poverty (109 percent growth) compared to population growth (10 percent growth) overall.

³ Therefore, the poverty threshold in Manhattan, New York is the same as in Minot, North Dakota.

Exhibit II-24 shows poverty rates by family for Arapahoe County and its places. Glendale had the highest percentage of its families living below poverty level.

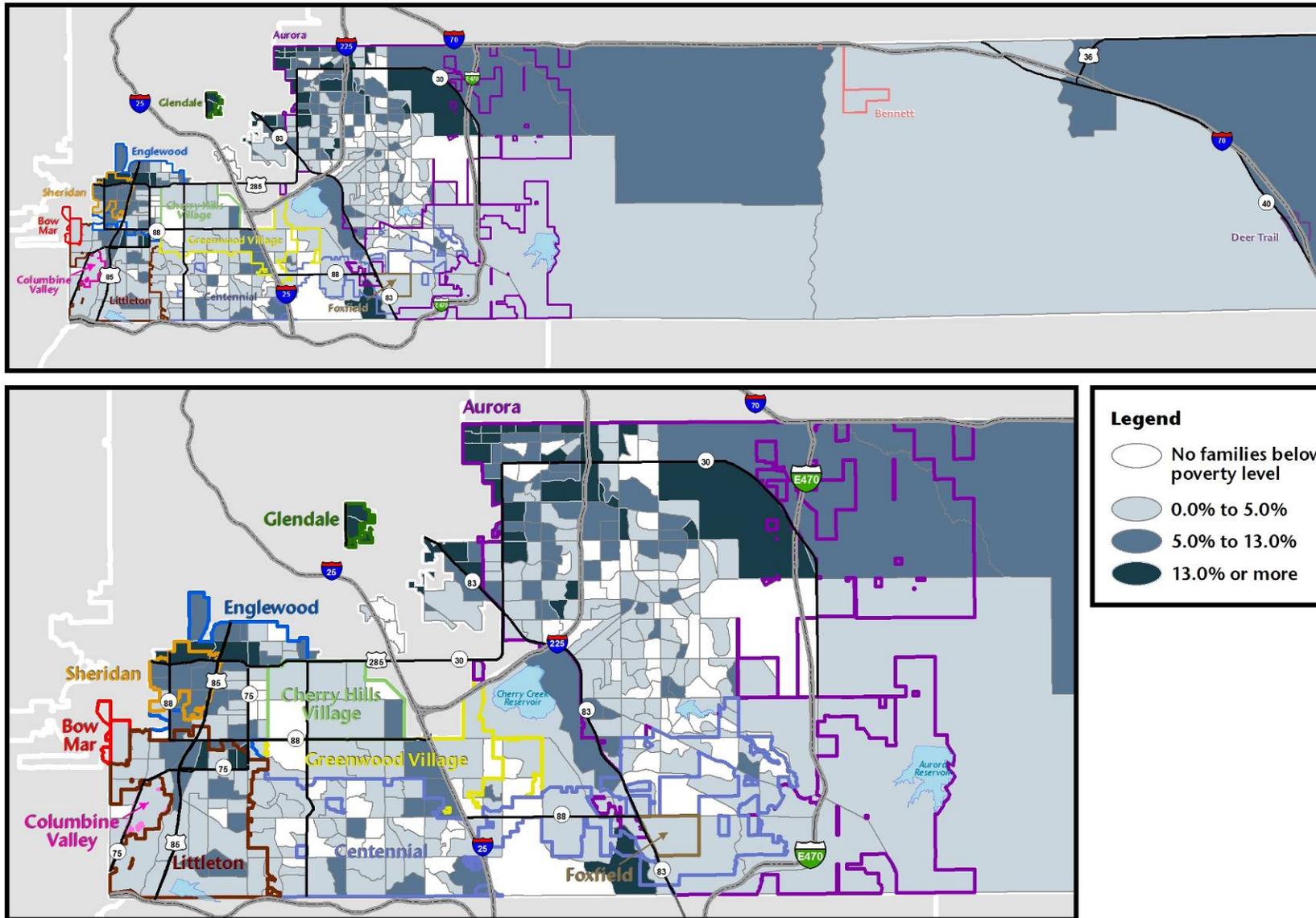
**Exhibit II-24.
Percent of Families Living
Below Poverty Level, 2007**

Source:
Claritas, 2007 estimates.

	Families in Poverty	Percent of Families in Poverty
Arapahoe County	6,641	4.8%
Centennial	539	1.9%
Deer Trail	5	3.2%
Englewood	423	5.5%
Glendale	138	18.6%
Greenwood Village	84	2.3%
Littleton	486	4.6%
Sheridan	133	9.8%
Unincorp. Area	1,300	4.3%

Exhibit II-25 shows the percentage of family households in poverty in Arapahoe County by block group, according to 2007 Claritas. In 2007, 37 block groups in Arapahoe County had family poverty rates of 13 percent and higher. These areas are shown in Exhibit II-25 as the block groups with the darkest shades and include Glendale, parts of Aurora, Sheridan, Englewood, and Littleton as well as in unincorporated Arapahoe County along its southern border near Parker Road. These block groups make up 10 percent of the block groups in the County.

Exhibit II-25.
Percent of Families Living Below the Poverty Level by Block Group, Arapahoe County, 2007



Source: Claritas, 2007 estimates.

Arapahoe County houses a disproportionate percentage of the five-county population of persons in poverty. There were 274,372 people living below the poverty level in the five-county area in 2006. Twenty-one percent, or 58,539 people, of all persons living in poverty in the five-county area, resided in Arapahoe County compared with 11 percent of the Arapahoe County population overall.

Housing Affordability

Although low-income individuals are not a protected class under the Fair Housing Act, the provision of affordable housing is an important component of fair housing policy, because many of the protected classes contain a large percentage of low-income individuals. In general, persons with disabilities, single-parent families (protected under familial status) and minorities tend to have lower incomes than non-protected classes.

This section presents information on housing costs in Arapahoe County, for both rental and for sale housing and in the context of affordability.

Definition of housing affordability. In the housing industry, housing affordability is commonly defined in terms of the proportion of household income that is used to pay housing costs. Housing is “affordable” if no more than 30 percent of a household’s monthly income is needed for rent, mortgage payments and utilities. When the proportion of household income needed to pay housing costs exceeds 30 percent, a household is considered “cost burdened.” Cost burden is discussed further in this section.

Housing programs generally focus on assisting lower income populations. HUD divides low- and moderate-income households into categories, based on their relationship to the MFI; extremely low-income (earning 30 percent or less of the MFI); very low-income (earning between 31 and 50 percent of the MFI); low-income (earning between 51 and 80 percent of the MFI); and moderate-income (earning between 81 and 95 percent of the MFI). According to HUD, the 2008 Median Family Income (MFI) for the Denver-Aurora MSA is \$71,800.

Housing units and vacancy. In 2007, the American Community Survey estimated that there were 228,500 housing units in Arapahoe County. The Colorado Department of Local Affairs estimates housing units in Arapahoe at 226,267 in 2006 with 6.4 percent of these units vacant. The following exhibit shows the total number of housing units and the percent vacant for Arapahoe County and the highlighted areas of the study.

**Exhibit II-26.
Housing Units and
Percent Vacant,
Arapahoe County, 2006**

Source:
Colorado Department of Local Affairs.

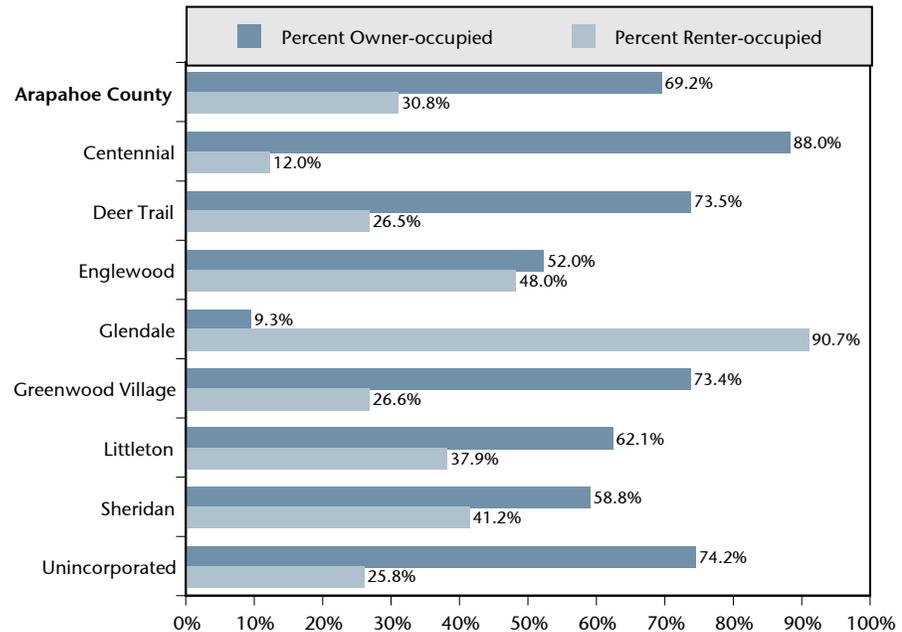
	Housing Units	Percent Vacant
Arapahoe County	226,267	6.4%
Centennial	37,528	5.9%
Deer Trail	277	14.8%
Englewood	15,963	8.5%
Glendale	3,073	10.5%
Greenwood Village	5,387	10.1%
Littleton (part)	18,186	8.6%
Sheridan	2,442	11.5%
Unincorporated	29,742	7.2%

As shown in the exhibit, Centennial had the most housing units compared to the other cities, while Deer Trail had the highest vacancy rate of its housing units.

According to the 2000 Census, 68 percent of Arapahoe County housing units were owner occupied in 2000. In 2007, the homeownership rate was estimated at 67 percent. Overall, there was very little percentage change in tenure between 2000 and 2007. Exhibit II-27 displays the household tenure for the County and its cities in 2007.

**Exhibit II-27.
Household
Tenure,
Arapahoe
County, 2007**

Source:
Claritas, 2007 estimates.



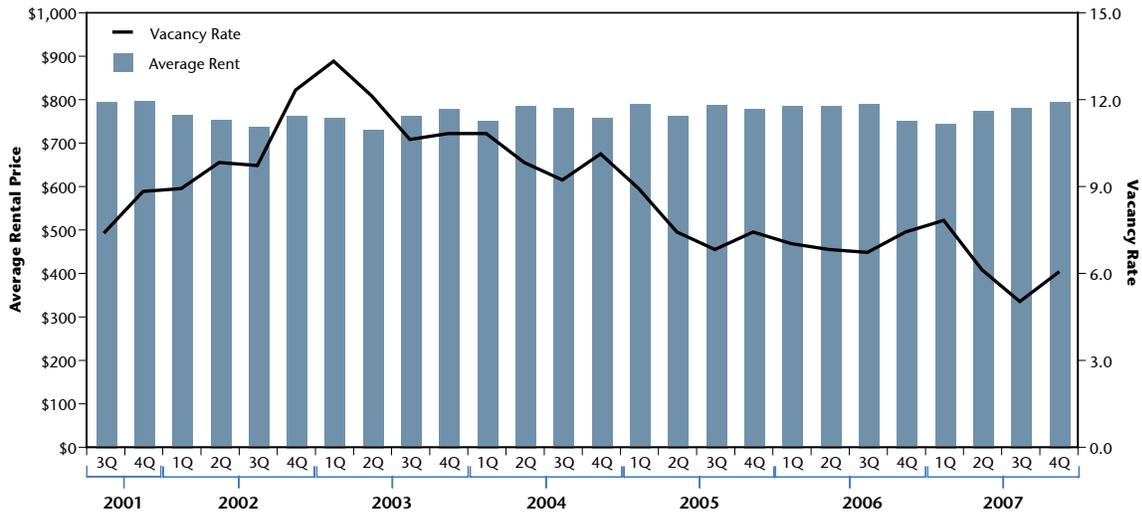
Centennial had the highest percentage of owner occupied households in 2007 at 88 percent. Glendale has a very large renter occupied housing population, with over 90 percent of units renter occupied. The City of Glendale is a physically surrounded by the City and County of Denver and most of Glendale’s limited space is devoted to commercial development and has both office and residential high rises. The dominant housing structure in Glendale consists of a building with 50 or more units.

Rental affordability. In the 2nd Quarter of 2008, the average price for an apartment in Arapahoe County, regardless of size or apartment type, was \$837.62. The average rent in 2007 for an Arapahoe County apartment was \$812.48. This is lower than average rental rate of the seven-county Denver region (\$856.24), as well as the average of Denver (\$858.80).

The following exhibit shows the median rent by quarter from 2001 to 2007 along with the vacant rate for each quarter⁴. As demonstrated by the exhibit, vacancies in Arapahoe County have reached their lowest rate since 2001.

⁴ The median is the point at which 50 percent of units are less expensive and 50 percent are more expensive. Medians are usually a better measure of actual cost than averages, because averages are affected by extreme highs and lows, where medians are not.

Exhibit II-28.
Median Rent and Vacancy Rate, Arapahoe County, 2001 to 2007



Source: Denver Metro Apartment Vacancy and Rent Survey, Fourth Quarter 2007 and Colorado Department of Local Affairs.

In the fourth quarter of 2007, the median rent in Arapahoe County was \$793.85. Exhibit II-29 shows the median and average rents for Arapahoe County by market area as of the fourth quarter of 2007.

Exhibit II-29.
Median and Average Rents, Arapahoe County, by Market Area, Fourth Quarter 2007

Source: Denver Metro Apartment Vacancy and Rent Survey, Fourth Quarter 2007.

	Median Rent	Average Rent
Arapahoe County	\$ 793.85	\$ 813.83
Arapahoe County - South	907.58	926.16
Arapahoe County - Southeast	966.52	1,022.10
Aurora - Central Northeast	660.55	656.76
Aurora - Central Northwest	641.90	668.64
Aurora - Central Southeast	642.56	713.37
Aurora - Central Southwest	719.86	736.49
Aurora - South	833.16	854.45
Englewood/Sheridan	800.09	823.48
Glendale	670.10	757.13
Littleton	810.75	849.75

The highest median rent of \$967 in the southeastern portion of Arapahoe County was about 51 percent greater than the lowest median rent of \$642 in the central northwest portion of Aurora. Rent levels and increases have been highest for three-bedroom units, although the increase has not significant during 2001 to 2007.

To afford the median rent of all units, a household would need to earn about \$31,750 per year. About 35,500 of the County’s renters (49 percent) earned more than the \$31,750 needed to afford to pay the median rent of \$794 for all types of units and bedroom sizes. To afford the median *one-bedroom* rent of \$704 in Arapahoe County, a household would need to earn at least \$27,800 and not be cost burdened. A household would need to earn at least \$36,800 to afford the median *two-bedroom, two bath* unit of \$921 and \$45,370 to afford the median-priced *three-bedroom* unit of \$1,130. These affordability thresholds are shown in Exhibit II-30.

**Exhibit II-30.
Affordability of Median Rents by Type, Arapahoe County**

	Median Rent	Annual Income Needed to Afford Median Rent	Number of Renter Households Able to Afford Median Rent	Percent of Renter Households Able to Afford Median Rent
All Units	\$ 794	\$ 31,754	33,540	49%
Efficiency	\$ 484	\$ 19,363	49,437	72%
1 Bedroom	\$ 695	\$ 27,818	38,613	56%
2 Bedrooms, 1 bath	\$ 760	\$ 30,399	35,287	52%
2 Bedrooms, 2 baths	\$ 921	\$ 36,822	27,839	41%
3 Bedrooms	\$ 1,134	\$ 45,365	20,715	30%

Source: Denver Metro Apartment Vacancy and Rent Survey, Fourth Quarter 2007, U.S. Census Bureau's 2006 American Community Survey and BBC Research & Consulting.

Homeownership. The median sale or listing price of the housing units on the market in 2007 in all of Arapahoe County was \$205,000, while the average price was approximately \$100,000 higher at \$308,787.

The median asking sale price for homes in Arapahoe County during 2007 was approximately \$195,000. The average price was \$311,994. The following exhibit shows the median and average of some housing characteristics by housing type for Arapahoe County.

**Exhibit II-31.
Housing Characteristics of Housing Units For Sale, Arapahoe County, 2007**

Note:
Multifamily housing units include townhouses, hi rises, low rises and condos. Single family attached housing units include duplexes and triplexes.

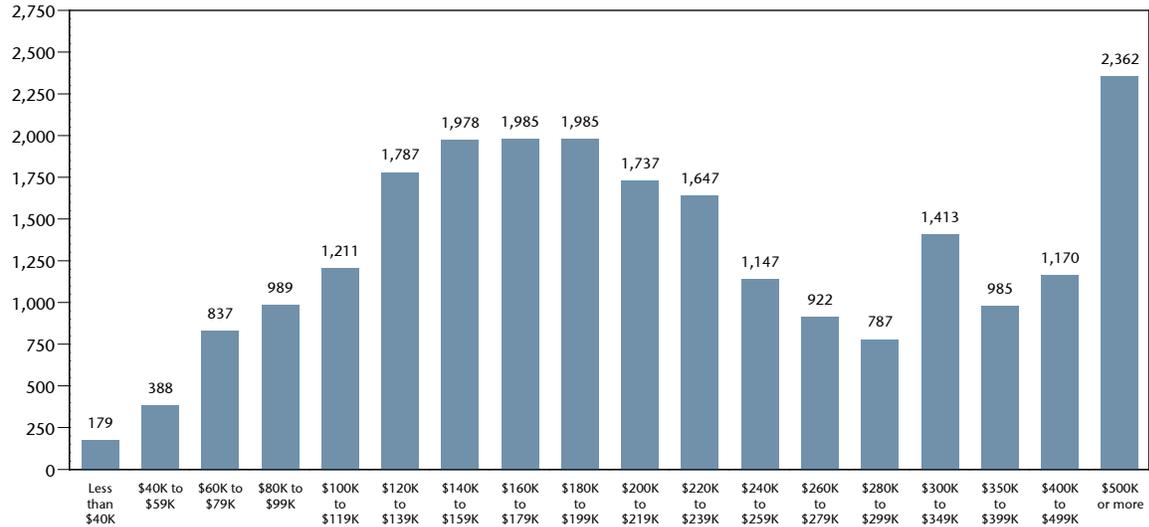
Source:
The Genesis Group, Multiple Listing Service for Arapahoe County during 2007.

	Multifamily	Single Family		All Housing Units
		Attached	Detached	
Median:				
Asking price	\$ 135,000	\$ 224,900	\$ 240,000	\$ 208,000
Sold price	\$ 125,000	\$ 204,000	\$ 226,000	\$ 195,000
Square feet	1,152	1,536	1,823	1,535
Year built	1987	2000	1982	1983
Average:				
Asking price	\$ 153,377	\$ 249,619	\$ 383,964	\$ 311,994
Sold price	\$ 132,229	\$ 230,316	\$ 306,091	\$ 254,849
Square feet	1,199	1,683	2,079	1,807
Year built	1987	1990	1982	1984

During 2007, approximately 23,500 housing units were listed in MLS for Arapahoe County. Of these units 42 percent, or 9,939 units, were sold during 2007. The average number of days the properties were on the market was 123 days.

Exhibit II-32 shows the number of housing units sold in Arapahoe County during 2007 by asking or sold price. Almost half of the units sold were priced between \$120,000 and \$240,000, with a couple of other peaks in the number of units priced between \$300,000 to \$350,000, and also \$500,000 or more.

Exhibit II-32.
Distribution of Housing Units Sold or On the Market, Arapahoe County, 2007



Source: The Genesis Group, Multiple Listing Service for Arapahoe County during 2007.

Purchasing a home is usually most difficult for renters.⁵ Renters have lower incomes than homeowners, may have difficulty coming up with a downpayment and are competing in the for sale market with many current homeowners who have higher incomes and established equity.

As mentioned above, the median price of housing units sold or on the market in Arapahoe County in 2007 was \$205,000. Households would need to earn an annual income of at least \$56,286 to afford the median price of these homes (priced \$205,000 or below) with current interest rates at 6.5 percent, pay for utilities and taxes and to not be cost burdened. The estimated monthly mortgage of the median priced home is \$1,407. Half of the households in the County, or 105,679 households, made enough money to afford the median priced home of \$205,000. Households would have to earn an annual income of at least \$86,200 to afford the average price of \$308,787.

⁵ We assume that most renters—especially lower-income renters—have not owned a home in the past. In some cases, renters may be former homeowners who have relocated and are renting until they decide to buy, are waiting for a home to be built, or have economic reasons for renting rather than buying.

An estimated 21 percent of the County's renters (14,319 households) and 64 percent of owners (91,361 households) could afford to purchase the median-priced home without being cost burdened. Exhibit II-33 summarizes these data.

**Exhibit II-33.
Affordability of Housing Units Sold or On the Market, Arapahoe County, 2007**

	Multifamily	Single Family		All Housing Units
		Attached	Detached	
Median price sold or on the market	\$ 134,995	\$ 221,500	\$ 239,900	\$ 205,000
<i>Income needed to afford median price</i>	\$ 36,109	\$ 61,041	\$ 66,345	\$ 56,286
Number of renters who can afford to buy	28,434	12,403	10,266	14,319
<i>Percent of renters who can afford to buy</i>	42%	18%	15%	21%
Number of owners who can afford to buy	116,046	85,839	79,681	91,361
<i>Percent of owners who can afford to buy</i>	81%	60%	56%	64%

Note: Mortgage loan terms are assumed as follows: 30 year fixed, 6.50 percent, 5 percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes and utilities.

Source: The Genesis Group, Multiple Listing Service for Arapahoe County during 2007, U.S. Census Bureau's 2006 ACS and BBC Research & Consulting.

Affordability by HUD income categories. Exhibit II-34 presents affordability data by income ranges based on median family income. HUD divides low- and moderate-income households into categories, based on their relationship to the median family: extremely low-income (earning less than 30 percent of the MFI), very low-income (earning between 30 and 50 percent of the MFI), low-income (earning between 50 and 80 percent of the MFI) and moderate-income (earning between 80 and 95 percent of the MFI). According to HUD, the 2008 Median Family Income (MFI) for the Denver-Aurora MSA is \$71,800.

**Exhibit II-34.
Affordable Rents and Home Prices by HUD Income Category, Arapahoe County, 2007**

	Maximum Affordable Monthly Gross Rent	Number of Renters	Maximum Affordable Home Price	Number of Owners
Extremely low-income (less than 30% of MFI or less than \$21,540)	\$ 539	21,674	\$71,744	11,628
Very low-income (30-49% of MFI or \$21,540 to \$35,899)	\$ 898	18,128	\$119,574	15,530
Low-income (50%-79% of MFI or \$35,900 to \$57,439)	\$ 1,436	14,754	\$191,319	26,287
Moderate-income (80% to 95% of MFI or \$57,440 to \$68,210)	\$ 1,705	4,339	\$227,191	12,505

Note: HUD's 2008 Median Family Income is \$71,800. Mortgage loan terms are assumed as follows: 30 year fixed, 6.50 percent, 5 percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes and utilities.

Source: U.S. Department of Housing and Urban Development, U.S. Census Bureau's 2006 American Community Survey and BBC Research & Consulting.

As shown in Exhibit II-35, 4 percent of Arapahoe County's for sale housing stock in 2007 was affordable to households earning less than 30 percent of MFI (less than \$21,540). Households must have incomes at the upper income level and above (\$57,440 and higher) before the majority of the units in Arapahoe County's market become affordable to them.

Exhibit II-35.
Affordability of Housing Units Sold or On the Market by MFI, Arapahoe County, 2007

	Housing Units Sold or On the Market	Percent of Total Housing Units	Cummulative Percent
Extremely low-income (less than 30% of MFI or less than \$21,540)	995	4%	4%
Very low-income (30-49% of MFI or \$21,540 to \$35,899)	2,512	11%	15%
Low-income (50%-79% of MFI or \$35,900 to \$57,439)	7,014	30%	45%
Moderate-income (80% to 95% of MFI or \$57,440 to \$68,210)	3,214	14%	58%

Note: HUD's 2008 Median Family Income or Area Median Income (MFI) is \$71,800. Mortgage loan terms are assumed as follows: 30 year fixed, 6.50 percent, 5 percent downpayment. The affordable mortgage payment is also adjusted to incorporate hazard insurance, property taxes and utilities.

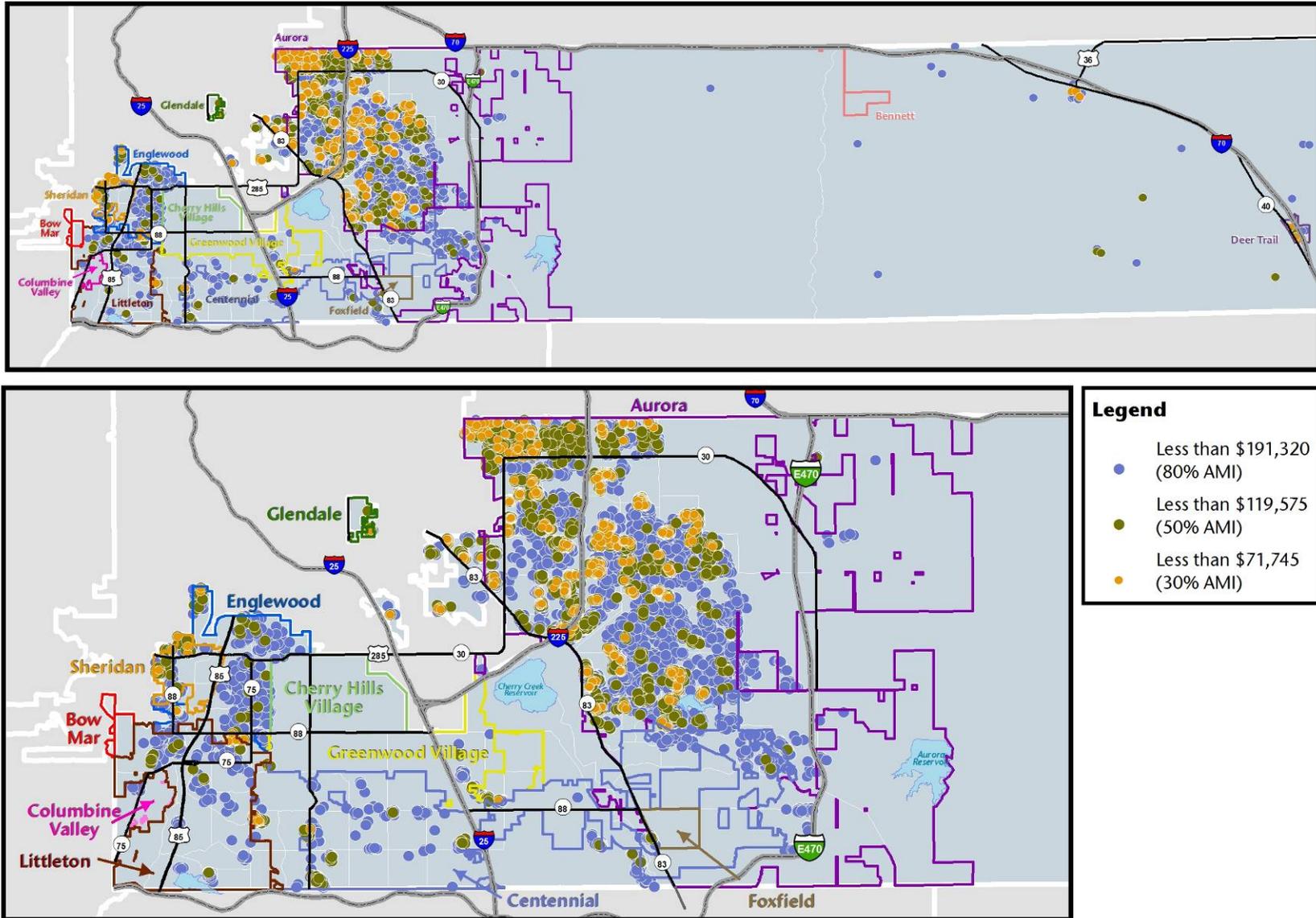
Source: The Genesis Group, Multiple Listing Service for Arapahoe County during 2007, U.S. Department of Housing and Urban Development and BBC Research & Consulting.

Exhibit II-36 shows the location of the housing units sold or on the market during 2007 that are affordable to households earning 80 percent of the MFI (80 percent of the MFI is \$57,440)⁶. The majority of the units affordable to households earning less than 80 percent of the MFI were located in Aurora. Just over half of the housing units were multifamily⁷ housing units.

⁶ A household earning an annual income of \$57,440 would be able to afford a home priced at approximately \$191,320.

⁷ Multifamily housing units include townhouses, hi rises, low rises and condos.

Exhibit II-36.
Housing Units Sold or On the Market That Are Affordable to Households Earning 80 Percent of MFI (\$57,440), Arapahoe County, 2007



Note: The sold or market value of the housing units is less than \$191,320.

Source: The Genesis Group, Multiple Listing Service for Arapahoe County during 2007, U.S. Department of Housing and Urban Development and BBC Research & Consulting.

As demonstrated by the map above, affordability varies considerably by location. Exhibit II-37 examines this in more detail by displaying the median home prices for the municipalities in Arapahoe County, as defined by the 2007 MLS.

**Exhibit II-37.
Median Re-sales of Multifamily and Single Family
Housing by Municipality, Arapahoe County, 2007**

	Total Median Price	Difference from Arapahoe County	Median Price Multifamily	Difference from Arapahoe County	Median Price Single Family	Difference from Arapahoe County
Arapahoe County	\$ 205,000		\$ 135,000		\$ 239,900	
Aurora	\$ 180,000	\$ (25,000)	\$ 122,000	\$ (13,000)	\$ 212,000	\$ (27,900)
Bennett	\$ 387,250	\$ 182,250	\$ -	NA	\$ 387,250	\$ 147,350
Bow Mar	\$ 1,500,000	\$ 1,295,000	\$ -	NA	\$ 1,500,000	\$ 1,260,100
Centennial	\$ 270,000	\$ 65,000	\$ 188,000	\$ 53,000	\$ 296,900	\$ 57,000
Cherry Hills Village	\$ 2,350,000	\$ 2,145,000	\$ -	NA	\$ 2,350,000	\$ 2,110,100
Columbine Valley	\$ 551,000	\$ 346,000	\$ 375,000	\$ 240,000	\$ 628,750	\$ 388,850
Deer Trail	\$ 145,000	\$ (60,000)	\$ -	\$ (135,000)	\$ 145,000	\$ (94,900)
Englewood	\$ 204,000	\$ (1,000)	\$ 152,000	\$ 17,000	\$ 222,000	\$ (17,900)
Foxfield	\$ 585,000	\$ 380,000	\$ -	NA	\$ 585,000	\$ 345,100
Glendale	\$ 150,000	\$ (55,000)	\$ 150,000	\$ 15,000	\$ -	NA
Greenwood Village	\$ 730,422	\$ 525,422	\$ 235,000	\$ 100,000	\$ 992,500	\$ 752,600
Littleton	\$ 250,000	\$ 45,000	\$ 175,900	\$ 40,900	\$ 303,750	\$ 63,850
Sheridan	\$ 153,950	\$ (51,050)	\$ 109,900	\$ (25,100)	\$ 159,000	\$ (80,900)
Balance of Arapahoe County	\$ 210,000	\$ 5,000	\$ 142,900	\$ 7,900	\$ 325,000	\$ 85,100

Note: The municipalities were provided by the MLS. The Balance of Arapahoe includes the areas Byers, Denver, Padroni, Strasburg, Watkins and Arapahoe.

Source: BBC Research & Consulting.

Cherry Hills Village had the highest overall median home price. Cherry Hills Village offered no multifamily units for sale and its single family units had a median price that exceeded the County's by over \$2.1 million. Bow Mar and Greenwood were also areas with high-end single family median prices that exceeded the County by \$1.25 million and \$752,600, respectively.

Aurora, Deer Trail, Englewood, Glendale and Sheridan provide the most affordable housing options.

However, when looking at the total volume of affordable units, Aurora, Englewood and Centennial provide Arapahoe County with a substantial portion of the County's affordable housing options. Of the single family units affordable to households earning 80 percent or less of the AMI (\$57,440) in the 13 communities in Arapahoe County, 92 percent of those units were located in Aurora and Englewood.

When comparing the proportion of single family units that are affordable for households earning 80 percent or less of the AMI for each municipality; Deer Trail and Sheridan each had over three fourths of their single family for sale housing units affordable to households earning 80 percent or less of the AMI. Of the municipalities that had multifamily units available for sale, Sheridan, Glendale, Aurora and Englewood all had over 80 percent of their multifamily for sale homes affordable to households earning 80 percent or less of the AMI. Exhibit II-38 presents the location by municipality of affordable units.

**Exhibit II-38.
Location of Multifamily
and Single Family
Affordable Units,
Arapahoe County, 2007**

Source:
BBC Research & Consulting.

Multifamily Units	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Units	Number of Units	Percent of Total Units
Arapahoe County	2,683	38%	5,650	80%
Aurora	2,296	48%	4,179	87%
Bennett	-	-	-	-
Bow Mar	-	-	-	-
Centennial	97	15%	344	52%
Cherry Hills Village	-	-	-	-
Columbine Valley	0	0%	0	0%
Deer Trail	-	-	-	-
Englewood	76	19%	325	82%
Foxfield	-	-	-	-
Glendale	10	43%	22	96%
Greenwood Village	1	1%	58	34%
Littleton	39	8%	302	62%
Sheridan	2	67%	3	100%
Balance of Arapahoe County	162	32%	417	83%

Single Family Units	Affordable to 50% AMI		Affordable to 80% AMI	
	Number of Units	Percent of Total Units	Number of Units	Percent of Total Units
Arapahoe County	808	5%	4,854	29%
Aurora	726	7%	4,082	40%
Bennett	0	0%	3	3%
Bow Mar	0	0%	0	0%
Centennial	7	0%	156	6%
Cherry Hills Village	0	0%	0	0%
Columbine Valley	0	0%	0	0%
Deer Trail	9	20%	38	83%
Englewood	37	3%	375	30%
Foxfield	0	0%	0	0%
Glendale	-	-	-	-
Greenwood Village	0	0%	0	0%
Littleton	2	0%	87	10%
Sheridan	18	20%	66	73%
Balance of Arapahoe County	9	2%	47	10%

Subsidized and Special Needs Housing

Subsidized and special needs housing units are developed and made available to qualifying residents of Arapahoe County through diverse funding mechanisms and community resources, including, but not limited to:

- Public Housing Authorities (PHAs)
- Section 8 Housing Choice Vouchers
- CDBG/HOME funding
- Low Income Housing Tax Credits (LIHTC)
- Private Activity Bonds (PAB)
- Section 203(b) and Section 203(k) funding
- Section 202, Section 811, and HOPWA funding for special needs populations
- Private not-for-profit community service providers

Public Housing Authorities. There are four PHAs currently serving Arapahoe County: Arapahoe County Housing Authority, Littleton Housing Authority, Aurora Housing Authority (AHA), and Englewood Housing Authority. Because the City of Aurora is a separate entitlement city and the Aurora Housing Authority receives funding separate and apart from the remainder of Arapahoe County, most detailed data on subsidized and special needs housing presented in this section excludes the City of Aurora, although a summary of resources available in Aurora are included.

Arapahoe County Housing Authority (ArCHA) is responsible for servicing the pre-2007 Arapahoe County First Time Homebuyer (FTHB) loan program. The County has partnered with the Colorado Housing Assistance Corporation (CHAC) to administer all FTHB loans after August of 2007.

ArCHA receives Section 8 Housing Choice Vouchers, issued by HUD through the State of Colorado Division of Housing (CDOH), as well as portable Section 8 Vouchers from other jurisdictions. These ArCHA vouchers cover the areas of unincorporated Arapahoe County and the Cities of Centennial and Glendale. ArCHA has partnered with the Littleton Housing Authority (LHA) to administer these Section 8 Voucher programs which provide rental assistance to those in need of help in paying the cost of housing rent.

Littleton Housing Authority administers multiple housing programs within the City of Littleton, as well as the ArCHA programs noted above. LHA's programs include family (public) housing, senior and disabled housing, Section 8 Housing Choice Vouchers, and market rentals.

Much like Arapahoe and Littleton PHA, the Englewood PHA helps promote decent, safe, affordable housing in Englewood (and the City of Sheridan via administration of their Section 8 vouchers) by increasing housing opportunities for low and moderate-income households. The Housing Authority administers housing programs such as family (public) housing, senior housing, Section 8 Housing Choice Vouchers, and market rentals.

Exhibit II-39 shows a total of 1,874–1,894 units of subsidized housing are available through the PHA providers in Arapahoe County. In addition to these Arapahoe County resources, Aurora Housing Authority (AHA) estimates that approximately 2,000 individuals and families are currently served by the AHA⁸.

⁸ Per Aurora Housing Authority web site, Housing Assistance Programs page, May 14, 2008.

**Exhibit II-39.
Arapahoe County Public Housing Authorities**

	Number of Units	Description	Size of Units
Arapahoe County PHA:			
Section 8	60-80	Certificates and vouchers	
Section 8 Port-ins	187	Certificates and vouchers	
Littleton PHA:			
Libby Bortz Assisted Living Center	111	Frail elderly, aged over 62	0 to 1-bedrooms
Amity Plaza	180	Seniors	1-bedroom
Bradley House	72	Seniors	1-bedroom
Geneva Village	28	Seniors	0 to 2-bedrooms
Alyson Court	60	Seniors / Disabled	1-bedroom
John H. Newey Public Housing	20	Single family homes	2 to 4-bedrooms
Public Housing - duplexes	38	Homes	2 to 3-bedrooms
Public Housing - single family homes	33	Homes	3 to 5-bedrooms
Littleton Section 8	288	Certificates and vouchers	
Englewood PHA:			
Orchard Place	100	Seniors / Disabled	1-bedroom
Simon Center	104	Seniors / Disabled	1-bedroom
Public Housing	9	Duplexes	2 to 4-bedrooms
Englewood Section 8	393	Certificates and vouchers	
Sheridan Section 8	177	Certificates and vouchers	
Sheridan Public Housing	3	Single family homes	
Dee Trail FMHA-owned Property	<u>11</u>	Seniors	1-bedroom
Total PHA-offered units or vouchers	1,874 – 1,894		

Source: Public Housing Authority websites, BBC Research & Consulting.

Section 8 – Housing Choice Vouchers. Section 8 Housing Choice Vouchers provide rental assistance payments on behalf of low-income individuals and families. This HUD-administered program provides low-income households the means to offset private rental costs; in general, households will pay 30 percent of their adjusted monthly income towards rent and utilities, with the remainder of the rent (up to the established fair market rate for the area) paid through the voucher program. To be eligible for this program, a household may not earn more than 50 percent of the median income for the area. In addition, the PHA is required to provide 75 percent of its vouchers to applicants whose incomes do not exceed 30 percent of the median family.

Wait lists. The Arapahoe County Housing Authority receives between 60 to 80 Section 8 vouchers from the Colorado Division of Housing (CDOH). The County waitlist reopened in Spring 2008 for the first time in five years.

In early 2008, Arapahoe County received 15 additional vouchers from the Colorado Division of Housing (CDOH), bringing their total vouchers from 65 to 80. Due to this increase, the Arapahoe County wait list reopened in Spring 2008 for the first time in five years.

The Littleton Housing Authority Section 8 vouchers are fully utilized, although they are accepting applications and placing eligible families on a wait list. The LHA has a wait list of approximately 993 households. The Englewood Housing Authority’s vouchers are also fully utilized, and the wait list has been closed since 2004. At the time of this report, 1,749 households were on Englewood Housing Authority’s wait list. A combined wait list total is 2,742 for Section 8 vouchers and public housing.

While the majority of Section 8 Housing Choice Vouchers are available and administered through the PHAs, other community service providers in the County offer Section 8 vouchers to certain of their clients. Developmental Pathways is an organization dedicated to serving persons with developmental disabilities, and currently administers 370 vouchers through the Supportive Housing and Homelessness Program. Arapahoe/Douglas Mental Health Network is an organization that provides community-based mental health and substance abuse services; they also administer Section 8 vouchers and currently have 103 vouchers, in addition to 20 Shelter + Care rental assistance vouchers. Arapahoe House has 72 vouchers for its clients being treated for substance abuse issues.

Selected Arapahoe County Section 8 Housing Choice Voucher usage statistics can be seen in Exhibit II-40 below.

**Exhibit II-40.
Arapahoe County
Section 8 Housing
Choice Voucher –
Usage Statistics**

Source:
Arapahoe County

	Section 8 Vouchers	Section 8 Port-in Vouchers
Total number of vouchers	60-80	187
Average monthly assistance per voucher	\$731	\$680
Household/Family Status:		
Female Head of Household	78%	71%
Male Head of Household	22%	29%
Family household	72%	77%
Single-person household	28%	23%
Race/Ethnic Distribution:		
White, Non-Hispanic	49%	39%
White, Hispanic	3%	5%
African American	46%	53%
Asian/Pacific Islander	2%	2%
Other	0%	1%
Housing Types:		
Single family dwelling	31%	19%
Townhome/condo	14%	30%
Apartment	52%	50%
Duplex	3%	1%

CDBG/HOME funding. Community Development Block Grant (CDBG) funding is made available through HUD to states (who in turn allocate the grant funds to smaller cities and towns), or to large metropolitan cities or counties known as “entitlement communities.” Arapahoe County is an entitlement community. The City of Aurora is also an entitlement community, separate and apart from Arapahoe County.

For the 2007 grant year, Arapahoe County expended \$1.1 million in CDBG funding. CDBG funding is broad and can be used for many diverse community needs, such as economic development and revitalization, rehabilitation of housing stock, property acquisitions, employment and housing assistance programs, social services programs, or public infrastructure improvements. Exhibit II-41 summarizes key CDBG expenditures during 2007.

**Exhibit II-41.
Arapahoe County—CDBG Expended Funds, 2007**

CDBG Project Description	Needs category	Recipients	2007 Expenditures
Public Facilities - Infrastructure	Sidewalks and Streets	Littleton, Sheridan, Englewood, Glendale, Centennial and Deer Trail	\$243,522
Public Facilities - Infrastructure	Parks	South Suburban	\$29,622
Public Facilities - Infrastructure - Buildings	Disabled	Center for the Blind	\$97,000
Public Facilities - Infrastructure - Buildings	Homeless	Gateway Shelter, House of Hope	\$42,100
Public Facilities - Infrastructure - Buildings	Other	Sr Hub, Third Way Teen Mom Facility, Sungate, and Covenant Cupboard	\$53,068
Public Services	Health	Drs Care, Drs Care Mental Health, Project Angel Heart	\$66,950
Public Services	Senior Services	Meals on Wheels, EHA Sr Services Coordinator	\$30,376
Public Services	Disabled	Audio Info Network, Arap Sheriffs Project Lifesaver	\$23,395
Public Services	Youth	Big Brothers Big Sisters, Kids Promise	\$15,195
Public Services	Other / Homeless	AMEND, Covenant Cupboard, Family Self Sufficiency, MDHI, House of Hope, Brothers Redevelopment	\$71,949
Housing - Rehab	Rehabilitation	Englewood and Rebuilding Together	\$227,442
Housing - Rental	Disabled	JFS Group Home	\$14,350
Housing - Rental - cancelled	N/A	EHA	(\$9,550)
Administration	N/A	Arapahoe County HCDS	\$218,126
Total			\$1,123,545

Source: Arapahoe County Consolidated Annual Performance Report (CAPR), Final Version dated 9/17/08, BBC Research & Consulting.

HOME funding provides local funding to build, buy, and/or rehabilitate affordable housing for rent or homeownership. HOME funds can also be used to provide rental assistance to low-income residents. In the grant year 2007, Arapahoe County expended approximately \$1.3 million in HOME funding. Exhibit II-42 on the following page summarizes key HOME expenditures for 2007.

**Exhibit II-42.
Arapahoe County—HOME Expended Funds, 2006**

HOME Project Description	Grant Year(s)	2007 Expenditures
HOME Community Housing Development Organization (CHDO)	2004-2007	\$561,922
HOME Ownership Program	2004-2007	\$264,471
HOME Affordable Housing	2003-2007	\$239,330
Littleton Housing Rehabilitation	2005	\$110,736
HOME Administration/ Project Costs	2006-2007	\$77,586
Total		\$1,254,045

Source:
Arapahoe County Consolidated Annual Performance Report (CAPR), Final Version dated 9/17/08, BBC Research & Consulting.

LIHTC and PAB financing. Private for profit or nonprofit organizations can utilize subsidy programs such as Low Income Housing Tax Credits (LIHTC) and Private Activity Bonds (PAB) to assist in the financing of the acquisition or development of subsidized housing. Properties acquired or developed using PAB or LIHTC must offer a certain percentage of the units as affordable housing units, with appropriate income restrictions. The following exhibit shows the 19 properties (offering 1,480 units) that have utilized PAB or LIHTC funding.

**Exhibit II-43.
LIHTC & PAB-funded
Units, Arapahoe County**

Source:
Colorado Housing & Finance Authority
(CHFA), BBC Research & Consulting.

Financed with:	Number of Units	Size of Units
Private Activity Bonds:		
Caley Ridge	25	0 to 1-bedrooms
Centennial East Apartment I	160	1 to 3-bedrooms
Forest Manor Apartments	103	1 to 2-bedrooms
Highland Crossing	107	1 to 3-bedrooms
King's Point	50	1-bedroom
Reserve at South Creek	69	1 to 3-bedrooms
Sheridan Gardens	47	2 to 3-bedrooms
Total PAB units	561	
Low Income Housing Tax Credits (LIHTC):		
Arapahoe Green	59	2 to 3-bedrooms
Centennial East Apartments II	49	2 to 3-bedrooms
Dayton Meadows	120	1 to 3-bedrooms
Fox Crossing I & II	217	1 to 3-bedrooms
Lara Lea Apartments	36	1 to 3-bedrooms
Main Street Apartments	50	1 to 2-bedrooms
Prentice Place Lofts	104	1 to 3-bedrooms
Presidenital Arms Apartments	33	0 to 2-bedrooms
Renaissance at Loretto Heights	75	1 to 4-bedrooms
South Creek Apartments	35	1 to 3-bedrooms
Terraces on Pennsylvania	62	1 to 2-bedrooms
Willow Street Residences	79	1 to 3-bedrooms
Total LIHTC units	919	

Section 203(b) and 203(k) funding. The 203(b) and 203(k) programs are administered by HUD and the Federal Housing Administration (FHA) and provide mortgage insurance for a person to purchase or refinance a principal residence.

The main differences between the 203(b) and 203(k) programs are that the 203(k) program is designed specifically to allow homebuyers to roll home rehabilitation costs (greater than \$5,000) into the FHA-insured home loan. The 203(b) program is a larger, more general program that is designed to provide mortgage insurance to eligible homebuyers. These programs were established to encourage homeownership and neighborhood revitalization. Exhibit II-44 shows total 203(b) and 203(k) loan endorsements in Arapahoe County during 2007.

**Exhibit II-44.
Section 203(b) and
203(k) Loan Endorsements,
Arapahoe County, 2007**

Source:
HUD Processing & Underwriting Division, BBC
Research & Consulting.

Mortgage Ranges	203(b) Loans Endorsed	203(k) Loans Endorsed
\$25,001 - \$50,000	1	0
\$50,001 - \$75,000	11	1
\$75,001 - \$100,000	48	4
\$100,001 - \$125,000	58	3
\$125,001 - \$150,000	144	1
\$150,001 - \$175,000	226	3
\$175,001 - \$200,000	348	3
\$200,001 - \$225,000	269	1
\$225,001 - \$250,000	144	0
\$250,001 - \$275,000	113	0
\$275,001 - \$300,000	51	0
\$300,001 - \$325,000	37	0
Total	1,450	11

Private not-for-profit community service providers. Additional affordable housing resources are available through private organizations whose mission includes assisting low-income, disabled, or special needs residents' find affordable housing in their community. For example, Habitat for Humanity of Metro Denver, in conjunction with \$260,000 in Arapahoe County HOME funding, recently completed the construction of four duplexes in Englewood, providing affordable homeownership opportunities to eight separate families.

Special needs housing. The special needs population can be defined to include the following groups of persons: those persons that are disabled, persons with HIV/AIDS, persons with disabilities, persons with mental illnesses, the elderly, persons who are homeless and at-risk of homelessness and at-risk youth. Several different programs exist to provide housing assistance to these populations, including Section 202 funding, Section 811 funding, Housing Opportunities for Persons with AIDS (HOPWA) funding, and, more generally, HOME and CDBG funding. Following is a description of the specific programs and data on Arapahoe County's recent utilization by program.

Section 202 funding. The Section 202 program helps expand the supply of affordable housing with supportive services for the elderly by providing interest-free capital advances to private, nonprofit sponsors to finance the development of supportive housing for the elderly.⁹ If the project financed serves very low-income elderly persons for more than 40 years, the capital does not need to be repaid. In addition to the capital advance portion of Section 202, project rental assistance funds are available to cover the difference between the HUD-approved operating cost for the project and the tenants' contribution towards rent. Project rental assistance contracts are approved initially for 3 years and are renewable based on the availability of funds.

Arapahoe County has not received Section 202 funding for any recent affordable housing for the elderly development projects.

⁹ Department of Housing and Urban Development web site, HUD - Multifamily Housing - Program Description.

Section 811 funding. The Section 811 program is almost identical in administration to the Section 202 program, but is designed to expand the supply of affordable rental housing for very low-income adults with disabilities.

In 2005, Developmental Pathways, Inc. was awarded multiple Section 811 grants (each grant awarded a capital advance of \$464,100, along with a five-year rental unit subsidy of \$97,000) for the new construction and sub-rehabilitation of three separate group homes in Aurora and Centennial for persons with developmental disabilities. In addition to the Section 811 funding, Developmental Pathways also received \$180,000 in Arapahoe County HOME funds for the construction and rehabilitation of these properties.

HOPWA funding. HOPWA funding is designed to “provide States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases, and their families.”¹⁰

In 2005, the Colorado AIDS project was awarded \$730,643 in HOPWA grant funds support the Julian Project, which provides scattered site transitional housing throughout the metro area and Arapahoe County, for 30 homeless households living with HIV/AIDS. The program is designed to enable clients to obtain and maintain stable housing through coordinated supportive services and employment training.

Assisted living or group home facilities. As noted in Exhibit II-45, approximately 11 percent of Arapahoe County residents ages 5 and older have at least one disability, while approximately 34 percent of Arapahoe County residents ages 65 and older have a disability. Approximately 10 percent of Arapahoe County residents are 65 years and older. To serve the needs of these populations, public and private entities and organizations combine to provide 1,319 assisted living beds, 1,801 nursing care beds, 76 beds for the developmentally disabled, and 52 to 68 residential treatment beds.

**Exhibit II-45.
Assisted Living or
Group Home Facilities,
Arapahoe County**

Source:
BBC Research & Consulting.

	Number of Licensed Beds
Assisted Living	1,319
Residential Treatment	68
Hospice	0
Nursing Care	1,801
Developmental Disabilities	76
Correctional Facilities	<u>766</u>
Total	4,030

¹⁰ “A Guide to HUD Programs”, U.S. Department of Housing and Urban Development, as presented by the Denver Regional Office, April 2004.

Location of subsidized and special needs housing. Subsidized and special needs housing units, group homes, assisted living facilities in Arapahoe County are shown in the maps located in Exhibit II-46a thru II-46c (pages 40 thru 42).

Homeless Needs Assessment

The Metro Denver Homeless Initiative (MDHI) conducts annual point-in-time counts and surveys of the homeless population in the metropolitan area. Arapahoe County participates and supports the efforts of the MDHI with annual grant funding and extensive assistance in the administration of the annual point-in-time surveys.

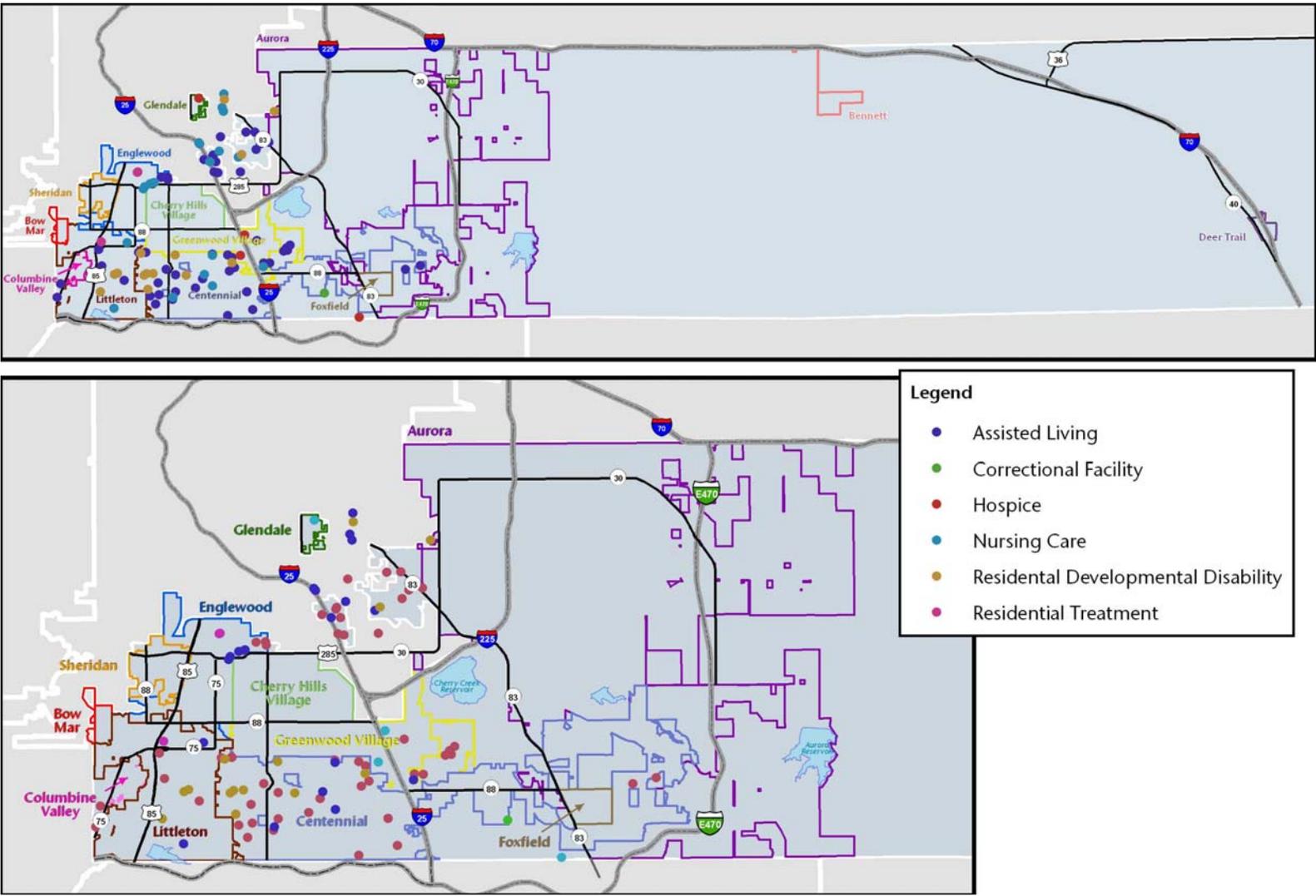
In 2007, an estimated 10,604 people were homeless one night in January across the seven-county metropolitan area. This number is comprised of 8,482 individuals on whom survey data was received plus an additional estimate of 1,305 unsheltered individuals and 817 relatives not identified by survey respondents. Asked where they spent the night, 687 of the 8,482 respondents, or 8.1 percent, reported Arapahoe County. As shown in Exhibit II-47 on page 43, of the 687, over 63 percent were female and over 54 percent responded that their household included children. A total of 74 percent of the total number of persons counted were in households with children. This is markedly different from homeless respondents in Denver County, where over 70 percent were men and only 45 percent responded that their household included children.

These numbers should be interpreted with caution, as the homeless data from the MDHI is *not* intended to give a concrete estimate of the entire homeless population, but rather *is* intended to provide an overall demographic profile of the homeless population.

The survey results indicate that homeless individuals in Arapahoe County are most likely to be adults between the ages of 26 and 64 (79 percent); White (50 percent); female (63 percent); and a member of a household with children under the age of 18 (54 percent).¹¹ In many cases, the last permanent address recorded by those surveyed was Arapahoe County (55 percent), indicating that those who become homeless while in Arapahoe County remained in Arapahoe County. The night of the survey, most of the homeless stayed in transitional housing (25 percent), with friends and family (22 percent) or in a hotel paid for by themselves (22 percent). Despite being in Arapahoe County during the time of the survey, some individuals spent the night in Denver (3 percent). The majority stayed in Arapahoe County in facilities in Aurora (56 percent), Englewood (20 percent) and Littleton (12 percent).

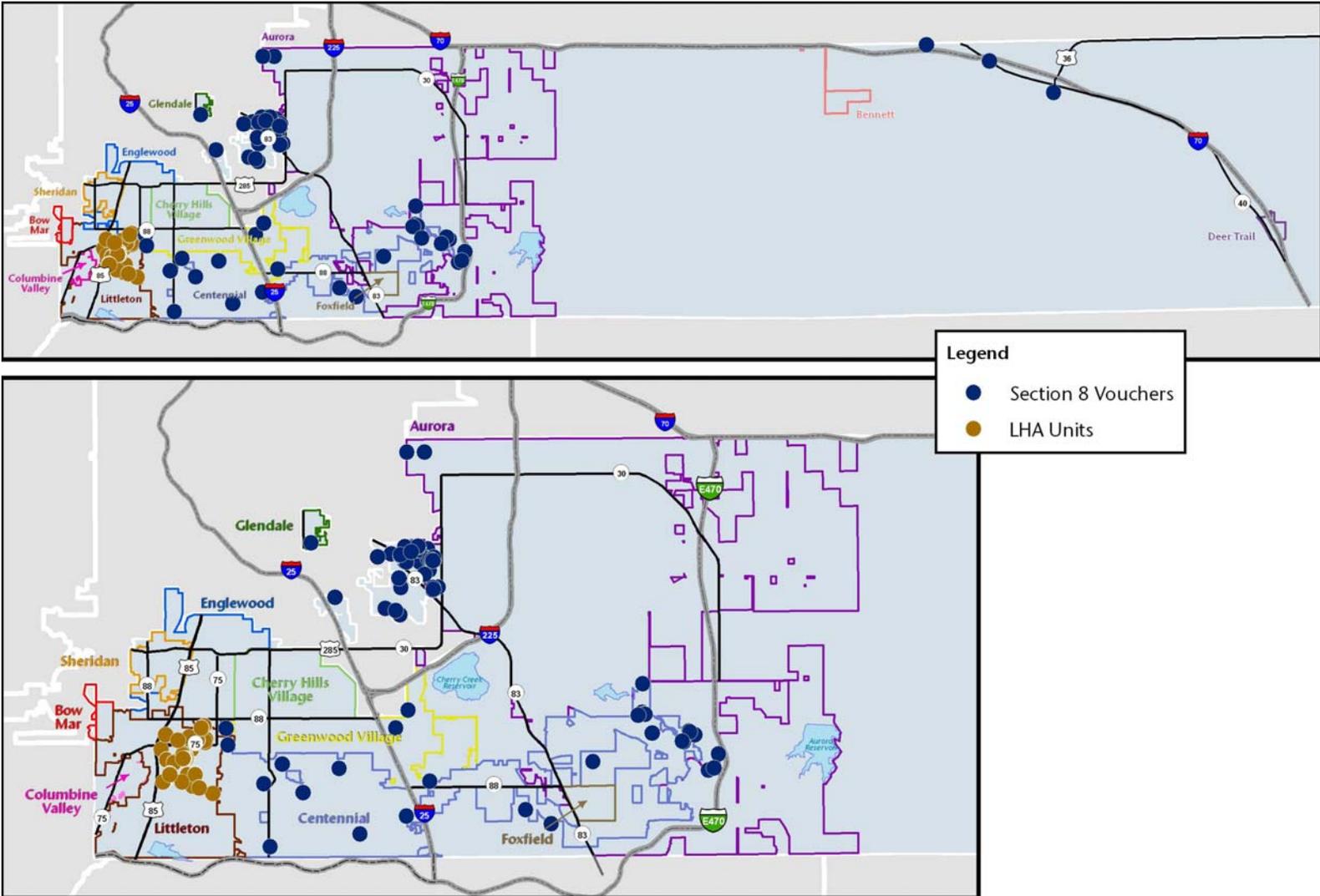
¹¹ Percentages represent the valid percentages presented by the Metro Denver Homeless Initiative. Valid percentages do not include missing responses.

Exhibit II-46a.
Location of Subsidized and Special Needs Housing, Arapahoe County



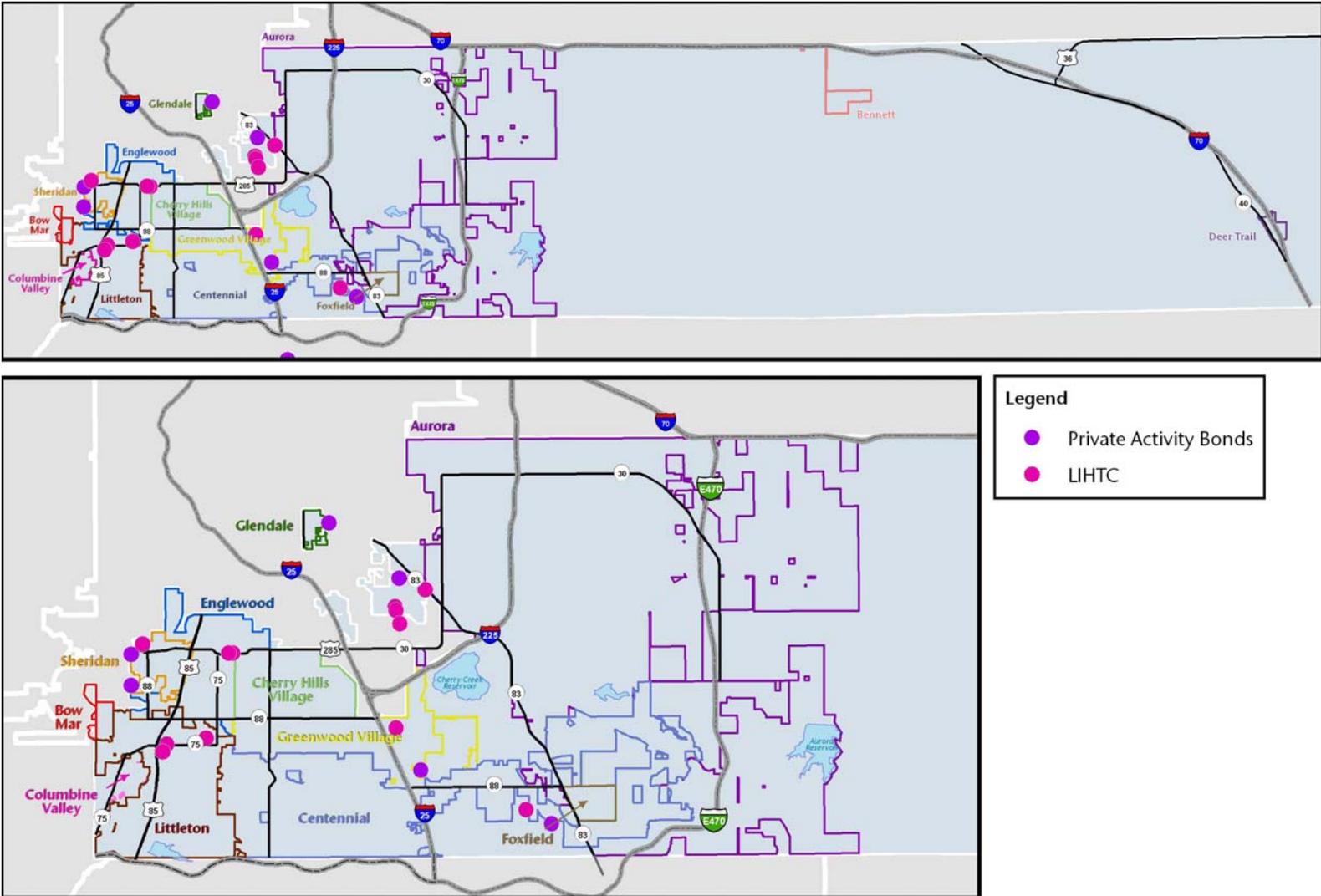
Note: Aurora units are not included.
 Source: BBC Research & Consulting.

Exhibit II-46b.
Location of Subsidized and Special Needs Housing, Arapahoe County



Note: Aurora units are not included.
Source: BBC Research & Consulting.

Exhibit II-46c.
Location of Subsidized and Special Needs Housing, Arapahoe County



Note: Aurora units are not included.
 Source: BBC Research & Consulting.

Eighty-five percent of survey recipients reported no mental or emotional conditions that may have contributed to their homeless status. Many homeless were not receiving public assistance at the time the survey was completed. Twenty-eight percent of the respondents said losing their job or not being able to find a job were the reasons they became homeless. Exhibit II-47 summarizes the key characteristics of the homeless population in Arapahoe County as gathered from the 2007 point-in-time homeless survey.

**Exhibit II-47.
Characteristics of Homeless Population, Arapahoe County, January 2007**

	Number	Percent		Number	Percent
Homeless population	687				
Gender			Special Needs		
Male	101	33%	Mental illness	80	25%
Female	207	63%	Physical/Medical condition	74	23%
			Substance abuse	69	22%
Race/Ethnicity			Developmental disability	17	5%
Asian	5	2%	HIV/AIDS	5	2%
African American	77	28%			
Native American	15	5%	Why Homeless		
White	140	50%	Lost Job - Cannot find work	89	28%
Mixed	27	10%	Wages Too Low	33	10%
Other	15	5%	Family Break up, Death	72	23%
Hispanic	67	22%	Abuse or Violence	51	16%
			Runaway from Home	9	3%
Household Situation			Discharged from Jail/Prison	24	8%
Single	113	19%	Medical Problems	37	12%
Single parent	117	48%	Eviction/Foreclosure	47	15%
Couple with children	38	21%	Housing Cost Too high	76	24%
Couple without children	30	9%	Utility Costs Too High	34	11%
Grandparent with children	4	2%	Alcohol, Drug Abuse	40	13%
Other	3	1%	Mental, Emotional Problems	47	15%
Households without children	139	26%	Other Reason	32	10%
Households with children	166	74%			
			Chronically homeless	2	0.6%

Note: Not all percentages may add to 100 percent, due to rounding.

Source: Metro Denver Homeless Initiative, 2007 Point-in-Time Count.

Exhibit II-48 shows emergency and transitional housing services made available by \$131,326 in 2007 SuperNOFA funds:

**Exhibit II-48.
SuperNOFA Funded
Transitional and Permanent
Housing Beds, 2007**

Source:
Arapahoe County Consolidated Performance Review,
dated 12/12/07.

	Number of Beds
Transitional Housing	
Family Tree	5
Interfaith	19
Mile High Ministry	75
COMITIS	18
Permanent Housing	
Arapahoe Douglas Mental Health Network (ADMHN)	21
Aurora Mental Health (AMH)	25
Forest Manor	86
Lima Street	<u>15</u>
Total	264

At risk of homelessness. While 687 persons were identified as homeless in Arapahoe County from the MDHI survey, many more can be considered at risk of becoming homeless. In 2006, 58,539 persons in the County were living in poverty. In addition, there were 32,418 *severely* cost burdened, paying 50 percent or more of their incomes for housing costs, in Arapahoe County in 2007. These populations represent those persons most at risk for homelessness in the future.

Homelessness and foreclosure. In 2007, Arapahoe County had 13,556 *severely* cost burdened households with a mortgage. These are the households most at risk for foreclosure and possible homelessness, although foreclosure has, in recent times, affected all income brackets. It is the combination of low-income and cost-burdened with a mortgage, however that creates a strong risk profile.

SECTION III.
Housing and Land Use Policy Review

SECTION III.

Housing and Land Use Policy Review

This section contains a review of land use and housing policies that encourage or discourage the development of affordable, workforce and special needs housing. These policies include zoning ordinances, Comprehensive Plans, development fees and taxes and the practices of public housing authorities.

BBC obtained relevant planning documents, land use and housing policies, and development fee schedules for the County—as well as the cities and towns in the County—and reviewed these documents to identify existing or potential barriers to fair housing choice.

In our review of the County and cities' Comprehensive Plans and other land use documents, we looked for the following items:

- Do the plans acknowledge and address affordable and workforce housing needs?
- Do the communities plan for a mix of housing by type and price range?
- Do the communities encourage the provision of housing for special needs populations?
- Are there any limitations on the locations of group homes?
- What affordable housing programs are available? Do the communities provide incentives for affordable and workforce housing development if needed?

Addressing Affordable Housing Needs

Arapahoe County. The Arapahoe County Comprehensive Plan 2001 includes a lengthy discussion of affordable housing needs found within the County, as well as policies “intended to have a positive impact on housing cost and availability for low- and moderate-income households and lead to a greater provision of special-needs housing opportunities....” Key points of the document include a focus on a diversity of housing types and a reduction in low-density housing patterns.

The County's Plan contains numerous objectives and strategies for addressing affordable housing needs. Key objectives and strategies include:

- ***Reduce local government barriers to affordable housing.***
 - Provide tax incentives, i.e. a rebate of 100 percent of sales and use tax for materials used for the construction of affordable housing units;
 - “Fast track” permitting to accelerate approval or waiver of process for affordable units;

- Expansion of the qualifications of the first time homebuyers down payment assistance program. A deeper analysis to identify any gaps, such as persons with disabilities, persons with lower credit scores, and other, could be conducted to determine any opportunities;
 - Sliding scale bonus with greater density for greater set aside of affordable units; and
 - Implementation of a program of deed restrictions for a term of 15 years, on a resale of an affordable housing unit to a qualified buyer, where appreciation is limited to the original owner, in efforts to keep the units affordable for future needs of primary workers.
- ***Increase funding for affordable housing.***
 - Identify and use funding available through grants and other funding programs to reduce the cost of housing for lower income households and provide financial incentives for building affordable housing.
 - ***Integration of affordable housing.***
 - Integrate affordable housing into neighborhoods in a complementary way, so it is not segregated in separate development areas.
 - ***Revise regulations as necessary to allow accessory units.***
 - ***Work with nonprofit organizations and developers to increase affordable housing supply.***

The County's 2004-2008 Consolidated Plan also identifies five similar strategies to encourage the development of affordable housing within the County.

It is a promising sign that Arapahoe County has correctly identified many of the most common barriers to the creation of affordable housing and developed strategies to combat these barriers.

Despite these goals, the County has not seen the development of many high-density, housing units targeted to workforce. This does not appear to be related to the County's land use ordinances or zoning. Such development is allowed, but, according to County planners, developers are not taking advantage of the allowances for density. The economics may not be working for developers, or perhaps they do not perceive a market for such development (despite the lack of workforce housing in many areas of the County).

The County intends to implement the affordable/workforce housing goals and objectives from the Comprehensive Plan through revisions to their current land use and ordinances.

Centennial. Centennial's Comprehensive Plan 2004 has a very limited direct discussion of policies regarding affordable housing, with the majority of those policies related to increasing financial assistance to current and future residents.

The City's Plan contains the following objectives and strategies for addressing affordable housing needs within their community:

- *Support the development of workforce housing.*
- *Work with private, public and nonprofit agencies and organizations to expand the available resources for housing programs, services and financing mechanisms and opportunities.*
- *Encourage development of financing tools, such as housing tax credits, low interest loans, etc.*
- *Encourage finance and housing opportunities and availability to enable mixed income households to buy and rehabilitate houses and condominiums in existing Centennial neighborhoods.*

The City's plan also mentions the need for a mix of housing types and costs close to work, shopping and services. According to City staff there are few larger vacant pieces of land to develop for residential neighborhoods in Centennial and the City is restricted in development in the east due to the airport. Therefore the City is currently focusing on infill of residential development.

The City is looking for a balance between residential, commercial and retail while also focusing on the redevelopment of older areas. Currently, Centennial is in the process of redeveloping the Southglenn Mall into a mixed-use center. Alberta Development Partners, LLC, is planning on retail, office and residential uses for the new center. However, none of the residential uses will include affordable housing; in fact, the plans only call for 200 for-rent luxury apartment homes. This would be a prime opportunity to integrate affordable housing units in the new mixed-use center.

Littleton. Littleton's Comprehensive Plan Update 2005 identifies numerous objectives and policies related to increasing affordable housing within the City and is one of the most robust and progressive of all cities within Arapahoe County. These objectives and policies include:

- *Continue the programs in which land purchases are made for the new construction of low and moderate income housing for sale.*
- *Provide incentives to developers to provide lower cost housing mortgage insurance.*
- *Continue to explore new techniques that will make housing more affordable and available to a broader segment of the community.*
- *Insure that low and moderate income family housing is dispersed throughout the community and compatible with surrounding residential development. New assisted housing units should be located in areas not already concentrated with public housing.*
- *Continue to provide housing rehabilitation grants and loans to low and moderate income homeowners.*
- *Encourage a higher rate of home ownership for Littleton residents.*

The City's Plan also notes that one of the best ways to provide affordable housing is to retain existing housing. This is consistent with the housing market in Littleton, which provides affordable housing in some of its oldest areas. According to the plan, retention of existing housing is a good way to meet several goals: "encouraging sustainability, providing affordable housing, helping residents age in place and providing diverse housing that meets current market demands."

Englewood. Englewood's Comprehensive Plan 2003 states the City needs to "provide affordable housing for low- and moderate-income groups, including workforce housing, accessory living units and efficiency units." More broadly, it stresses the importance of a "balanced mix of housing opportunities serving the needs of current and future Englewood residents." The City's Plan also mentions a need to expand the range of appropriate work/live opportunities throughout the community.

Greenwood Village. Greenwood Village's Comprehensive Plan 2004 addresses the issue of affordable housing the least of any City within the County that is being reviewed for this AI. Within its "Housing Goals and Objectives" section, the closest the Plan comes to mentioning the need for affordable housing is the objective of "Encourage the diversity of housing types which allows a mixture of socio-economic situations within the Village, and a choice of lifestyles." The fourth objective of the section includes discouraging the development of infill projects with higher proposed densities than currently exists, which could potentially have the effect of limiting the construction of smaller, affordable units.

However, in specific "Planning Areas" identified in the Comprehensive Plan, the City does mention a few objectives that may be conducive to the development of affordable housing. For the Corridor Planning Area, objectives include "...a variety of medium to high residential densities with prices ranging from affordable to luxury," and "high- and medium-density residential..." In the Cottonwood Grove Planning Area, the City hopes to "Support the maintenance of approved residential densities, although proposals with increased densities may be considered... [and] include attractive medium- to high-density, residential, mixed use, or cluster developments that provide affordable housing..."

Mix of Housing Types

Arapahoe County. Arapahoe County's 2001 Comprehensive Plan identifies quite a few policy goals related to the creation of a diverse housing stock. For example, Strategy NH 1.2(a) states the County will "amend the zoning code to allow different sizes of lots as well as single and multi-family housing..." The Strategy also says "High density housing should be located near open space, major thoroughfares, neighborhood services and transit services." Those features (a variety of housing types near neighborhood and transit services) are defining characteristics of mixed-use development, another key goal found in the County's Comprehensive Plan.

Centennial. Centennial's Comprehensive Plan 2004 does not directly address the need for a wide variety of housing types. However, it does support the construction of mixed-use developments, which typically contain high-density housing (the housing type that is most commonly under-represented in a municipality's housing stock).

Englewood. Englewood, similar to Centennial, does not address in detail the need for a wide variety of housing types in the City. It does state that “Providing the variety of housing required to meet the needs of singles, couples, and families with children is important to maintaining community.” Englewood also encourages the development of mixed-use developments. During an interview with City staff, it was mentioned that change in the zoning code was being proposed. The revision would change the setback requirement to 25 feet from 60feet when building attached units, therefore making construction of units, such as duplexes, more affordable.

Littleton. One of Littleton’s Community-wide Goals is the encouragement of variety in housing stock and types of people. Littleton also has plans to limit the construction of single-family homes in certain areas of the City and instead encourage multi-family homes and higher-density developments.

Greenwood Village. Greenwood Village’s Comprehensive Plan 2004 is broken down into goals and strategies for individual areas within the City. For some areas, such as the Corridor Planning Area, the City wants to provide “a variety of medium to high residential densities with prices ranging from affordable to luxury.”

Sheridan. We were unable to find any mention of a “diversity of housing types” in Sheridan’s Comprehensive Plan. However, an estimated 45 percent of the housing units in Sheridan are single family, detached, which is one of the lowest percentages in the County. For comparison, 58 percent of housing units in Arapahoe County are single family detached units. Sheridan also had one of the highest percentages of homes that were mobile homes or trailers in the County.

Special Needs Housing

An examination of the County and cities’ Comprehensive Plans revealed small but important objectives and policies related to special needs housing.

Arapahoe County. In its Comprehensive Plan 2001, Arapahoe County states it will “support the provision of facilities for groups homes, shelters for homeless persons and victims of domestic violence, elderly housing and housing for handicapped, mentally ill and disabled.” The Plan also mentions the need to “identify and use funding available through grants and other funding programs to provide special-needs housing and to develop incentives for building it.”

The County’s 2004-2008 Consolidated Plan notes that Developmental Pathways, an organization dedicated to providing assisted housing for persons with disabilities in Arapahoe County as well as Douglas County, is now the recipient of a mill levy assessed to aid in providing services to the developmentally disabled. According to the Developmental Pathways website, the organization received approximately \$6.6 million in FY 2007 from this mill levy.

Centennial. We could not locate information about group homes or special-needs housing in Centennial’s Comprehensive Plan 2004. However, the City’s Land Use code does provide regulations for group homes in the City. These regulations will be discussed later in this section.

Littleton. Littleton’s Comprehensive Plan 2005 mentions that the City should “Periodically review city codes for their ability to encourage the provision of a broad range of housing types... [including] assisted-living units.”

Englewood. Englewood directly identifies an objective related to special-needs housing in its Comprehensive Plan 2003: “Encourage housing investments that accommodate groups with special needs, including independent and assisted living, as well as full time nursing care.”

Greenwood Village. The Arapahoe Road Commercial District Planning Area allows for transitional residential housing (assisted living) under its density regulations. This is the only mention of special-needs housing within the Plan.

Sheridan. The City of Sheridan did not provide information about special-needs housing or group homes in its Comprehensive Plan 2004 update. However, the City’s zoning code does provide regulations for group homes in the City. These regulations will be discussed later in this section.

Group Homes. Group homes are typically housing for persons with disabilities and the elderly. However, group homes may also include halfway homes, homeless shelters, and rehabilitation centers, which provide an important but sometimes overlooked service to those trying to regain a secure financial and mental footing in the community. An examination of the zoning codes for each city and the County revealed regulations on the location, types and operations of group homes, some of which may create minor barriers to the creation of such facilities. Some regulations are consistently found in each community, such as a minimum distance between the locations of individual group homes.

Arapahoe County. Arapahoe County identifies group homes as “a means of providing certain individuals the opportunity to live in normal residential surroundings.” The County allows them by right and follows the state statute. The County has placed a maximum of 8 (eight) individual residents per group home. The County has also required that group homes may not be located within 750 feet of any other group home. The establishment of a group home in unincorporated Arapahoe County requires a public hearing.

Littleton. The Littleton City Code permits by right group homes for the handicapped and foster care homes in all residential zones. A group home for persons with handicaps is defined as a dwelling unit which is shared by four (4) or more persons with handicaps living together as a single housekeeping unit, including resident staff.

Group homes for the elderly have specific guidelines that must be followed for approval in residential zones. These homes are defined as an owner occupied or nonprofit residential facility which houses not more than eight (8) elderly persons, including resident staff.

Centennial. Centennial requires that all group homes within the City are licensed by the State. Similar to Arapahoe County, the City also requires a minimum of 750 feet between the location of two group homes. Centennial has two separate “types” of group homes: Type A and Type B. Type A homes are limited to a maximum of eight residents who fall under the classification of “mentally challenged, developmentally disabled or elderly”. Type B group homes are limited to a maximum of 12 residents of any classification. The establishment of Type B group homes requires a public hearing and lengthy approval process, while Type A group homes do not.

Englewood. The City of Englewood defines “group living” as, “A use category characterized by residential occupancy of a structure by a group of people that does not meet the definition of ‘Household living,’ ‘hotel,’ or ‘detention facility’.” Tenancy is arranged on a monthly or longer basis, and the size of the group may be larger than a household. Generally, group living structures have a common eating area for residents. The residents may receive care, training, or treatment, and caregivers may or may not reside at the site.”

Englewood further classifies group living facility into three types, either small group living facility, small treatment facility or large/special group living facility. A small group living facility is a residence for up to eight unrelated individuals, none of which are receiving on-site medical or psychological treatment, but some or all of whom may be receiving on-site physical assistance with day-to-day living activities. Small group living facilities may include a group home for the elderly, developmentally disabled, child care facility, foster care home, or a rooming/boarding housing. The city permits this use in all of the residential districts and mixed use districts.

A small treatment center is a residence for up to eight unrelated individuals, some or all of whom are receiving on-site medical or psychological treatment. If any individual resident of a group living facility with up to eight unrelated individuals receives on-site medical or psychological treatment, the entire facility shall be classified as a small treatment center (rather than a small group living facility). Examples of small treatment centers include a nursing home, a group home for person with mental illness or a physical/mental rehabilitation home. This use is permitted in the mixed use nonresidential districts and requires a conditional use permit when located in a mixed use residential district. A small treatment center is not permitted in the remaining residential districts.

A large/special group living facility is any residence for more than eight unrelated individuals, and any residence for up to eight unrelated individuals that does not meet the definition of "small treatment facility" or "small group living facility". These may include homeless shelters, dormitory, sorority/fraternity house, or a secure residential treatment center. A large/special group living facility is permitted in the mixed use nonresidential districts and requires a conditional use permit when located in a mixed use residential district. This use is not permitted in the remaining residential districts.

Englewood requires that all group homes are located a minimum of 750 feet from a childcare facility or elementary, middle or high school. It also requires a minimum of 1,250 feet between any two group homes.

As previously mentioned, Englewood requires large/special group living facilities and small treatment centers to obtain a conditional use permit when located in mixed use residential districts before establishment of the home. Obtaining a conditional use permit includes a review by the Planning and Zoning Commission as well as a public hearing. Finally, while this is not stated in other community’s zoning regulations, Englewood requires 24 hour supervision at all group homes within the City.

Greenwood Village. Greenwood Village requires that group care facilities obtain a special use permit to be established in any residential zoning districts. A “Group care facility” is defined as a facility providing custodial care and treatment, or social services, in a protective living environment for persons residing in the facility either voluntarily or by court placement. The term includes, without limitations, facilities commonly known as group homes for the aged; group homes for the

developmentally disabled; group foster care homes; shelters for abused persons; safehouses; nursing homes; intermediate care facilities or residential care facilities licensed by the Colorado Department of Health; correctional and post-correctional facilities; addiction treatment centers; juvenile detention facilities; and temporary custody facilities. Notwithstanding the foregoing, the term “group care facility” does not include a facility which houses more than one individual who is required to register as a sex offender under certain provisions.

Sheridan. Sheridan categorizes group homes into those housing elderly persons, children and the developmentally disabled. The municipal code regulations for the elderly and developmentally disabled are essentially the same. The lot area for any Sheridan group home must be a minimum of 1,500 square feet for every bed within the home. Any group home cannot be located closer than 2,000 feet from a group home of the same type (e.g., one elderly group cannot be located less than 2,000 feet away from another elderly group home) and 750 feet from a group home of the opposite type (e.g., one elderly group home cannot be located less than 750 feet away from a developmentally disabled group home).

Residential group homes for children must be licensed or certified by the State of Colorado and are permitted upon approval of a special use permit by the City Council. A minimum lot area of one thousand five hundred (1,500) square feet per child is permitted for group homes for children and are located no closer than two thousand (2,000) feet from any other group home facility and are permitted with a special use permit.

Any Sheridan group home that plans to hold nine or more residents must also receive a special use permit as well as follow the regulations set forth above. Before approval and construction of any group home can begin, the Sheridan Department of Community Development will place a sign in a highly visible location on the property indicating the intent to occupy the premises with a group home. The sign is only for informational purposes so that interested parties can review the proposal for the group home at the Dept. of Community Development’s office.

Accessibility Regulations

The Federal Fair Housing Act (FHA) contains a specific provision that addresses accessibility requirements of certain types of residential housing. The FHA specifies certain features of accessible and adaptable design. According to HUD, these design features are “essential for equal access and to avoid future de facto exclusion of persons with disabilities.”¹

The design requirements of the FHA apply to buildings built for first occupancy after March 13, 1991 and which are defined as “covered multifamily dwellings.” Covered multifamily dwellings are:

1. All dwelling units in buildings containing four or more dwelling units if such buildings have one or more elevators, and
2. All ground floor dwelling units in other buildings containing four or more units.

¹ Fair Housing Design Manual, U.S. Department of Housing & Urban Development, revised April 1998.

In general, the design requirements of the FHA Guidelines require:

- An accessible entrance to the building on an accessible route;
- Accessible and usable public and common use areas;
- Doors that allow passage through by persons in wheelchairs;
- Accessible routes into and through all dwelling units;
- Light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
- Reinforced walls for grab bars; and
- Usable kitchens and bathrooms by persons in wheelchairs.

In our discussions with County and city building officials and inspectors, we asked about compliance with the above provisions of the FHA. All municipalities we spoke with have adopted building codes, and as such, they are required by Colorado state law to follow the ANSI 117.1 1998 *American National Standard for Buildings and Facilities—Providing Accessibility and Usability for Physically Handicapped People*. In general, the ANSI 117.1 standard provides a safe harbor for compliance with the FHA.

Building, Occupancy and Health and Safety Codes

Each city in this study has adopted building, occupancy and health and safety codes to provide standards for the planning and construction of housing within each city. These codes include design standards, construction material regulations and occupancy limits among other things. The following list displays many common building codes used by the participating cities:

- 2006 International Building Code
- 2006 International Plumbing Code
- 2006 International Fire Code
- 2005 National Electrical Code
- 2006 International Energy Conservation Code
- ICC/ANSI A117.1 – 2003 Accessibility Standards

The general maximum occupancy standard used by many cities is no more than five unrelated individuals can live in a single housing unit. A more detailed discussion the definitions of a family is included under the *Zoning Regulations* discussion.

While strict adherence to these building, occupancy and health and safety codes can increase the construction cost of residential units (e.g., using a stronger, more expensive type of wood than a weaker, cheaper type), they can also reduce the long-term costs of insuring and maintaining such units.

Zoning Regulations

Arapahoe County/Centennial. Arapahoe County and Centennial both break their residential zoning regulations into two areas: one for general residential development and the other for planned

unit developments. As Arapahoe County and Centennial are rapidly growing communities with a large amounts of undeveloped land, it is likely the majority of future residential developments within both the unincorporated County and City will fall under the planned unit development zoning regulations. Parcels zoned for general residential (R-1) are very low density, with a minimum lot size of 40,000 square feet. Such lots are restricted to single-unit dwellings. Parcels that are zoned for planned unit developments are further categorized as single family (R-PSF), moderate density (R-PM) and high density (R-PH). R-PSF parcels are restricted to single-dwelling units (including townhomes) and have a maximum of 4 units per acre (a minimum of 10,890 square feet per lot). On the other hand, R-PH parcels permit both single-family and multi-family dwelling units, as well as require a minimum of 11 units per acre (or a maximum lot size of 3,960 square feet). The maximum allowable density for R-PH zoned parcels is determined by other requirements, such as open space, setbacks, parking and height; in other words, there is not a set maximum “units per acre” for R-PH zoned parcels.

Littleton. Littleton has five basic residential zones ranging from low density to high density in the following order: R-1, R-2, R-3, R-4 and R-5. Zones R-1 through R-3 are for single-family units, while Zones R-4 and R-5 are for multi-family units. The R-1 zone allows for “larger lot suburban single-family residential development” and has a minimum lot size of 21,780 square feet. Parcels zoned R-3 are designed for high-density single-family units and have minimum lot sizes of 6,500 square feet. The minimum setback for an R-3 lot is 20 feet. R-5 zoned parcels allows for “high density multiple-family development of up to 43.56 units per acre, together with limited private and public institutions and supporting health services.” With a maximum of 43.56 units per acre, these parcels have a minimum lot size of 1,000 feet. The minimum setback for R-5 lots is 20 feet.

Englewood. Englewood’s zoning regulations allow for three general categories of residential development: R-1, which is restricted to single dwelling units, R-2, which allows single and multi-dwelling units, and MU-R, which is designed for mixed-use residential and office development. The highest density R-1 zoned parcels (R-1-C) require a minimum lot area of 4,500 square feet for single-unit detached dwellings on a small lot and a minimum front setback of 25 feet. R-2 zoned multi-unit dwellings have a minimum lot area of 3,000 per unit. This equates to a maximum of 14 multi-unit dwellings per acre. The minimum setback for these multi-unit dwellings is 25 feet. Housing units found in MU-R zoned parcels have minimum lot areas ranging from 6,000 square feet for a single detached unit to 3,000 square feet for both single-unit attached dwellings and multi-unit dwellings. The minimum setback for all MU-R zoned dwellings is 25 feet.

Greenwood Village. Greenwood Village has nine individual residential zones in its zoning code. The lowest density zone is R-2.5 with a minimum lot area of 2.5 acres. The minimum setback for this zone is 30 feet. However, riding stables and agricultural operations are permitted on R-2.5 lots, so this zoning is likely reserved for large-scale farms and ranches. On the opposite end of the spectrum lies the high-density R-0.05 zone. This zone is designed for multi-family units with a maximum of 20 units per acre. However, the zoning code also states “The applicant [for an R-0.05 development] shall show a proximate relationship to an employment center within a one-half mile radius, document a housing need in that center, and present an application and construct a project that will serve a cross-section of the employees of that center.” This might create an impediment to the creation of the less expensive, high-density residential developments that the zone permits. The highest density single-family unit zone is R-0.25. The minimum lot size for this zone is 10,000 square feet and the minimum setback is 25 feet.

Sheridan. Sheridan provides two types of residential zoning: Type A and Type B. Type A is limited to single-family units, while Type B can include both single family and multi-family units. The minimum lot size for Type A is 6,000 square feet with a minimum setback of 20 feet. Residential units in Type A zoned land cannot be over 2 stories in height. The Type B residential zone requires a minimum of 6,000 square feet per single-family lot and 3,100 square feet per multi-family lot.

Definition of a family. Typically the zoning code of a community restricts the number of people living in one housing unit. They do this to prevent overcrowding which can lead to unsafe and unhealthy living situations. However, if the restrictions are too narrow it can be interpreted as discriminating against larger households or households where extended family live together. All of the cities and the county use appropriate and acceptable definitions a family. However, Greenwood Village’s family definition refers directly to parents, children and servants and may prohibit extended family members if challenged.

Arapahoe County. Dwelling units are to provide housing for a family. Arapahoe County defines a family as an individual or two or more persons related by blood, marriage or adoption residing under one head of household, or a group of not more than five (5) persons, who need not be related, living as a single housekeeping unit. The definition of “Family” specifically excludes any group home licensed by the State for the use of four (4) to eight (8) persons.

Englewood. A dwelling unit in Englewood is intended for one single household. A household includes one (1) or more persons related by blood, marriage, adoption, or legal guardianship, including foster children, together in a dwelling unit; or two (2) unrelated persons and their children living together in a dwelling unit.

Littleton. The City of Littleton defines that a single residential dwelling unit be occupied by one family or by not more than three (3) unrelated people, unless otherwise provided for in state or federal law, including rooming and boarding as an accessory use. A family is defined as any number of persons related by blood, marriage or adoption, living together and normally, but not always, consisting of two (2) parents and their children; or persons living together for the purpose of guardian, ward or foster family who may or may not be related by blood or marriage to the head of the household; or a group of not more than three (3) unrelated individuals living together in a dwelling unit.

Greenwood Village. The dwelling units in Greenwood Village can be occupied by a single individual or a family. A family means a collective body of persons, including parents, children and servants, who live in one dwelling under one head. The term “family” shall not include paying guests nor the occupants of boarding houses, hotels and the like.

Sheridan. Sheridan defines a dwelling unit as being occupied exclusively by one (1) family. A family is an individual or two (2) or more persons related by blood or marriage or a group of not more than five (5) persons (excluding servants) who need not be related by blood or marriage living together in a dwelling unit. Any child living in a foster family house is deemed to be a part of a family.

Homeowners Associations (HOAs) and Development Covenants

Some of Arapahoe County's housing stock is fairly new. Newer subdivisions are usually developed as planned developments (PDs) and commonly have homeowners associations which enforce subdivision covenants.

As part of the AI, BBC had discussions with the Colorado Civil Rights Division (CCRD) about fair-housing trends in Arapahoe County and frequent types of complaints received by and/or against residents in Arapahoe County. CCRD's cases are all confidential, so, as a result, we were unable to obtain specific information about fair-housing violations in Arapahoe County that had been investigated by CCRD.

CCRD did report that many of their cases involve violations of fair housing laws by HOAs, primarily:

- HOAs refusing to make reasonable accommodations for persons with disabilities; and
- HOAs refusing to let children play in common areas and/or use the community pool during certain hours.

In the reasonable accommodation cases, HOA covenants have prevented persons with disabilities from making changes to their properties that allow them full enjoyment of the premises or else provide a safe environment for their family members. For example, covenants may prohibit someone who becomes wheelchair bound from constructing a ramp on their property. Another example is disallowing swamp coolers to be attached to properties, which may be the most affordable way for a low-income person or a person with a disability to attach a cooling system to their home (which is sometimes needed for medical reasons).

It was also suggested that covenants could create barriers for certain populations. For example, requirements that prevent multiple vehicles or require that all vehicles be parked in a garage could discourage large families and families with driving-age children from purchasing homes in the communities. Another example: limitations on certain church-related functions held in residences might also discourage persons of certain cultures or religious backgrounds where home-based churches are common from locating in the communities.

Transportation

In the Arapahoe County AI published in 2002², one existing impediment identified in the analysis was a lack of public transportation and the limitations that deficiency placed on the location of affordable housing and group homes. As a large percentage of affordable housing and group home residents rely on public transportation to travel to work or shopping, such housing units must have

² The full document title is "Fair Housing for All in Arapahoe County: An Analysis to Determine Fair Housing Efforts and Impediments." It was prepared by DJ Consulting in September 2002.

convenient access to such transportation. We examined the Comprehensive and Consolidated Plans of the County and every participating municipality to identify any plans for future public transportation improvement.

Arapahoe County. Arapahoe County’s Consolidated Plan 2004 does not identify specific plans to improve public transportation within the County. However, it does make the general point that the County has a need for more accessible transportation for those residents without a car. In regards to Arapahoe County’s elderly population, the Consolidated Plan notes that the Arapahoe County Senior Resources serves the County’s Medicaid population. This service is integral to the inclusion and success of Arapahoe County elderly.

Centennial. Centennial’s Comprehensive Plan 2004 has an entire section devoted to transportation goals and planning. However, the majority of this section discusses a reduction in traffic, increased safety for drivers and other goals unrelated to improving affordable housing and group home resident access to public transportation. Goal 8: “Accommodate Development” does identify a need to encourage transit oriented development (TOD) as a framework for future development. As transit oriented development typically implies an easy access to transportation for residents, this would be a step in the right direction for Centennial. Goal 8 also states the goal of requiring transportation infrastructure supportive of the uses in each area. This goal could be interpreted as providing a high level of accessibility to public transportation for those residential areas that are likely not to have personal sources of transportation.

Englewood. Englewood’s Comprehensive Plan contains the most progressive and detailed transportation component of any City in this study. The section includes the following goals and needs related to the development of transportation services that would help those without personal transportation:

- *Development of light rail provides opportunities for redevelopment of obsolete or deteriorated areas with high-quality, mixed-use developments*
- *Maximize travel mode choice opportunities both within and between residential, commercial, recreation and civic areas*
- *Build a transportation system that ensures universal access to historically underserved or disadvantaged groups, including the elderly, children, the disabled, minorities and low-income groups*
- *Encourage higher-density, pedestrian-oriented, mixed-use development along primary mass transit routes*
- *Encourage land use patterns and urban designs that reduce dependency on automobiles*

As seen above, Englewood has the right goals in place to help ensure better access to public transportation for all of its residents.

Englewood also provides a free shuttle service, locally known as the “art” shuttle. With 19 stops connecting the Englewood City Center, the business district and the medical facilities, the service has exceeded ridership projections for every year of its existence. The program is funded primarily with grant funding from the Denver Regional Council of Governments as well as contributions from the Regional Transportation District.

Littleton. Littleton has offered a free transportation service for its elderly and disabled residents since 1974. The “Omnibus” served more than 12,000 rider trips in 2002 and provides a very important service to the Littleton community. Littleton also has a goal to improve existing sidewalks and bike paths so that safe access to alternative modes of transportation is provided within the City. While the City’s Comprehensive Plan does not mention specific goals related to improving public transportation access for its lower-income residents, the City does identify a general need for more accessible transportation for those without a car.

Greenwood Village. Greenwood Village does not mention any goals within its Comprehensive Plan related to improving access to public transportation for its residents. The plan does express a need for a “multi-modal” transportation network within the City and encourages the implementation of mass transit systems and other alternatives to single occupant vehicles.

Sheridan. We could not find any mention of transportation goals for Sheridan, either in its Comprehensive Plan or on its website.

Permit and Development Fees

One potential impediment to the construction and development of affordable housing within Arapahoe County is the permitting, application and development fees that must be paid before construction can even begin on a house. If the cost of these fees is too high, developers may be discouraged to build lower-priced housing due to the inherent lower profit-margin and instead chose to build more expensive units. Through an examination of each City’s website and fee schedule, as well as telephone conversations with each City’s Building Department, we were able to estimate the total fees owed for the construction of a \$200,000 residential unit for each City. The results are shown in Exhibit III-1 below.

**Exhibit III-1.
Estimated Total Fees for
\$200,000 Single Family Home**

Note:
(1) Based on construction of residential unit with assumed value of \$200,000.

Source:
Centennial, Englewood, Greenwood Village, Littleton and Sheridan Building Departments.

	Total Fee Cost ⁽¹⁾
Centennial	\$5,300
Englewood	\$6,314
Greenwood Village	\$6,349
Littleton	\$7,129
Sheridan	\$7,013

As seen above, the total cost ranges from a high of \$7,129 in Littleton to a low of \$5,300 in Centennial. These cities should consider waiving such fees for the development of affordable units. Such a waiver could encourage increased construction of affordable units by developers.

Additionally, Housing Colorado released a study in 2002 of development charges for several communities in Colorado. According to the study, in Arapahoe County there had been a net increase of \$855 in development fees between 1998 to 2002. This increase was due to an increase in water fees. Compared to other communities in the metro area these increases were the second lowest after Jefferson County. However, comparing total development charges reveals that Arapahoe County is one of the highest of the surrounding metro communities. The following exhibit shows the average charges of a home with actual construction costs of \$100,000 found in Arapahoe County compared to surrounding communities in the metro area.

**Exhibit III-2.
Municipal/County Development Charges for a \$100,000 Single Family Home, 2002**

	Water Fee	Sewer Fee	Traffic Impact fee	Strom Drainage Fee	Parl/ Rec Fee	Fee in Lieu of Land Dedication		Other Fee(s)	Building Permit Fee	Plan Check Fee	Municipal/County Use Tax on Construction Materials		Total Fees
						Parl/Open Space Fee	School Fee				Fee	Percent	
Arapahoe ⁽¹⁾	Cherry Creek Valley Water \$11,000	Cherry Creek Valley Sewer \$2,545	\$750	\$900	\$0	\$710	\$806	\$138	\$887	\$577	\$0	0.0%	\$18,313
Aurora ⁽²⁾	\$7,121	\$2,620	\$125	\$258	\$810	\$1,000	\$333	\$14	\$994	\$675	\$1,875	3.8%	\$15,825
Adams	South Adams Water \$8,058	South Adams Sewer \$3,058	\$0	\$0	\$0	\$0	\$0	\$1,599	\$994	\$646	\$0	0.0%	\$14,355
Denver	\$9,800	\$5,000	\$0	\$0	\$0	\$0	\$0	*	\$920	\$0	\$1,750	3.5%	\$17,120
Douglas	Special District (S.D.) \$6,750	S.D. 4,429	\$0	S.D. \$632	\$0	formula	formula	\$4,073	\$1,500	\$0	\$500	0.5%	\$17,884
Jefferson	Special District \$2,500	Special District \$2,575	\$1,426	\$0	\$0	formula	formula	\$1,124+	\$994+	\$0	\$250	0.5%	\$8,869

Note: (1) Arapahoe County – Uses urban averages

(2) Aurora – assumes 6 housing units per acre; fee in lieu of park land: estimate 6% or 1,000; fee in lieu of land: estimate 2%, or \$333, traffic impact: \$600 per acre.

Source: Housing Colorado: The Challenge for a Growing State, November 1, 2002.

Regulatory Barriers to Affordable Housing

Regulatory barriers—high development fees, lengthy approval processes, extensive reviews of development plans—can contribute significantly to the costs of residential housing development and, subsequently, create economic barriers to developing affordable housing. As part of this AI, we spoke with developers and housing providers who build affordable housing and those who advocate for affordable housing in Arapahoe County. We also reviewed HUD’s Regulatory Barriers Clearinghouse, which identifies regulatory barriers in communities nationwide and how they have been reduced, and did not find anything reported for Arapahoe County or the municipalities located within the County, besides Aurora.

The housing providers interviewed complimented the County on its ease to work with when developing affordable housing. In addition, the cities of Englewood and Sheridan were also complimented as good partners. Housing providers responded there are no formal “fast track” or fee waiver process in Englewood and other cities in Arapahoe County. So far the process has been informal and done on a case-by-case basis. For example, Englewood’s City Council has worked with Habitat, House of Hope and the Housing Authority to waive fees, such as building permits fees, planning review fees, fee in lieu of parkland dedication.

Developers and housing advocates pointed to the high cost of land and the lack of developable land in Arapahoe County as being a primary barrier to affordable housing development. Aging or nonexistent infrastructure in the County was also sited as a barrier. Inflexible zoning regulations in the City of Englewood was also mentioned as a barrier to affordable housing. Currently the City is looking to change the code to allow accessory dwelling units. Neighborhood opposition and the “Not In My Backyard” syndrome associated with affordable housing developments was mentioned as a common problem in Arapahoe County, not including Aurora, when developing affordable housing.

When asked about solutions, they had a number of suggestions that, in general, have the potential to reduce development costs in Arapahoe County communities:

- *Waiver of fees and other assistance.* Housing providers would like help paying for the gap between development costs and affordable housing sales price requirements. Ways in which the County and cities could assist in providing subsidies include reduced or waived fees of planning fees and impact fees (such as water and sewer fees) for affordable developments. The County and a few cities already do a nice job of waiving fees on a case-by-case basis.
- *Fast Track development approval process.* An expedited review process also called “fast track approval,” was suggested as a solution to reduce development costs. The idea is that developments with an affordable component go to the top of the development review pile, and the review process is guaranteed to occur within a number of days and be transparent as possible. Expedited review works best in communities where the review process is lengthy.

- *Energy efficiency rebate.* Housing developers would like to see a replacement of the Energy Efficiency Rebate through the State and Xcel. Several of the developers are improving the energy efficiency of the homes through improved insulation, windows, doors, etc. They see it is a future cost saving method for the homeowners.
- *Communicating the need of affordable housing to County and City officials and residents.* Housing providers would like County and City staff to better communicate to need for affordable housing to County Commissioners and City Councils. They believe this would educate to the officials and assist in gaining their support for affordable housing developments. The general community should also be educated on the benefits of affordable housing and who affordable housing will serve.
- *Assistance from the County and Cities within the County in obtaining funds from agencies.* To make the economics of affordable housing work, developers must bundle several sources of development subsidies. Continued support and assistance from Arapahoe County and its communities in securing the various types of funding would help facilitate affordable housing development and attainment. Although the current market is not looking to build, direct assistance with downpayments would benefit households finding affordable housing.

Public Housing Authorities' Policies and Procedures

As part of this AI, we interviewed the Littleton Housing Authority and Englewood Housing Authority to obtain information about their policies, procedures and housing assistance programs. This section summarizes the information obtained through our interview with the PHAs on their policies. For more information on the PHAs please see Section II of this report.

There are four PHAs currently serving Arapahoe County: Arapahoe County Housing Authority, Littleton Housing Authority, Aurora Housing Authority (AHA), and Englewood Housing Authority. Because the City of Aurora is a separate entitlement city and the Aurora Housing Authority receives funding separate and apart from the remainder of Arapahoe County, the section excludes the City of Aurora.

Arapahoe County Housing Authority (ArCHA) is responsible for servicing the pre-2007 Arapahoe County First Time Homebuyer (FTHB) loan program. The County has partnered with the Colorado Housing Assistance Corporation (CHAC) to administer all FTHB loans after August of 2007.

ArCHA receives Section 8 Housing Choice Vouchers, issued by HUD through the State of Colorado Division of Housing (CDOH), as well as portable Section 8 Vouchers from other jurisdictions. These ArCHA vouchers cover the areas of unincorporated Arapahoe County and the Cities of Centennial and Glendale. ArCHA has partnered with the Littleton Housing Authority (LHA) to administer these Section 8 Voucher programs which provide rental assistance to those in need of help in paying the cost of housing rent.

Littleton Housing Authority administers multiple housing programs within the City of Littleton, as well as the ArCHA programs noted above. LHA's programs include family (public) housing, senior and disabled housing, Section 8 Housing Choice Vouchers, and market rentals.

Much like Arapahoe and Littleton PHA, the Englewood PHA helps promote decent, safe, affordable housing in Englewood (and the City of Sheridan via administration of their Section 8 vouchers) by increasing housing opportunities for low and moderate-income households. The Housing Authority administers housing programs such as family (public) housing, senior housing, Section 8 Housing Choice Vouchers, and market rentals.

The housing authorities' policies and procedures when applying for public housing and Section 8 Housing Choice Vouchers were standard and did not reveal any impediments to fair housing. Both the LHA and EHA provide user friendly websites where information on programs and procedures are available, along with contact information for people to call or visit directly. The Arapahoe County Housing Authority also has a website, however there is much less detail compared to the other two housing authorities.

Fair housing complaints. The LHA and EHA had one lawsuit filed against it in the past, however this case was settled. The complainant alleged the housing authorities were telling potential renters that otherwise qualified individuals with disabilities who had a child were prohibited from residing at units set aside for persons with disabilities and seniors. This case was settled in December 2006, with the PHAs making policy changes to ensure they were not violating the Federal Fair Housing Act.

SECTION IV.
Fair Lending, Complaint,
Legal Review and Community Input

SECTION IV.

Fair Lending, Complaint, Legal Review and Community Input

This section contains an analysis of home loan, community reinvestment and fair housing complaint data, a review of fair housing legal cases and input from the community. The purpose of the section is to identify areas of potential unfair lending practices, and determine trends in fair housing complaints and discriminatory activities in Arapahoe County.

Fair Lending Review

Community Reinvestment Act (CRA) ratings and Home Mortgage Disclosure Act (HMDA) data are commonly used in AIs to examine fair lending practices within a jurisdiction. These data sets can identify potential or existing lending discrimination or community disinvestment.

CRA review. The Federal CRA requires that financial institutions progressively seek to enhance community development within the area they serve. On a regular basis, financial institutions submit information about mortgage loan applications as well as materials documenting their community development activity. The records are reviewed as part of CRA examinations to determine if the institution satisfied CRA requirements. The assessment includes a review of records as related to the following:

- Commitment to evaluating and servicing community credit needs;
- Offering and marketing various credit programs;
- Record of opening and closing of offices;
- Discrimination and other illegal credit practices; and
- Community development initiatives.

The data are evaluated and a rating for each institution is determined. Ratings for institutions range from substantial noncompliance in meeting credit needs to an outstanding record of meeting a community's credit needs.

Of the 12 Arapahoe County banks where CRA examinations were conducted between 2000 and 2007, all had ratings of "satisfactory." The last time any bank received a "needs to improve" ranking was in 1991.

HMDA data analysis. The best source of analysis of mortgage lending discrimination is Home Mortgage Disclosure Act, or HMDA, data. HMDA data consist of information about mortgage loan applications for financial institutions, savings banks, credit unions, and some mortgage companies.¹ The data contain information about the location, dollar amount, and types of loans made, as well as racial and ethnic information, income, and credit characteristics of all loan applicants. The data are available for home purchases, loan refinances, and home improvement loans.

HMDA data can provide a picture of how different applicant types fare in the mortgage lending process. These data can be used to identify areas of potential concern that may warrant further investigations. For example, by comparing loan approval rates of minority applicants with non-minorities who have similar income and credit characteristics, areas of potential discrimination may be detected.

The Federal Reserve is the primary regulator of compliance with fair lending regulations. When federal regulators examine financial institutions, they use HMDA data to determine if applicants of a certain gender, race, or ethnicity are rejected at statistically significant higher rates than applicants with other characteristics. The Federal Reserve uses a combination of sophisticated statistical modeling and loan file sampling and review to detect lending discrimination. Recently, the Federal Reserve began requiring banks to provide the rate spread above a certain annual percentage rate (APR) data for subprime loans. As such, HMDA data can now be used to examine differences in subprime pricing among borrowers of various races and ethnicities.

The data tables in this section present HMDA data for lending institutions (banks, savings banks, credit unions) with a home office in Arapahoe County. These data represent approximately 12,250 lending transaction records of financial institutions with a home office in Arapahoe County. About 1,760 of these transactions involved Arapahoe County residents.

All loan activity took place in 2007. In addition to Arapahoe County, these lenders make loans in areas outside of the County—i.e., the lending data include more transactions than just those that took place in Arapahoe County. This analysis, therefore, is an examination of the performance of Arapahoe County lenders, rather than an analysis of the treatment of Arapahoe County residents by all lenders making loans in the County. Since the lending area examined is broader than Arapahoe County, the sample of loans captures a much larger number of minority borrowers and is a better indicator of institution performance of minority lending.

The analysis also examines how Arapahoe County residents fared in the lending decision, both by lending institutions with home offices in the County and for all institutions with which Arapahoe County residents applied for loans.

¹ Financial institutions are required to report HMDA data if they have assets of more than \$32 million, have a branch office in a metropolitan area, and originated at least one home purchase or refinance loan in the reporting calendar year. Mortgage companies are required to report HMDA if they are for-profit institutions, had home purchase loan originations exceeding 10 percent of all loan obligations in the past year, are located in an MSA (or originated five or more home purchase loans in an MSA) and either had more than \$10 million in assets or made at least 100 home purchase or refinance loans in the calendar year.

Types of loans made. An analysis of the loan application records included in the HMDA data for Arapahoe County’s lending institutions showed that the majority of loan transactions (84 percent) were for conventional loan products. Twelve percent were for FHA insured loans; and the remaining 3 percent were for VA guaranteed loans.

For just Arapahoe County residents, the lending institutions made mostly conventional loans (83 percent), followed by FHA loans (14 percent).

Arapahoe County institutions received applications for home purchases (52 percent of the applications), followed by refinances (29 percent) and home improvement loans (18 percent).

Loan applications from Arapahoe County residents only were less likely to be for home purchases (37 percent), and more likely to be for home improvement loans (32 percent). Of the applications received from Arapahoe County, 31 percent were for loan refinances.

Race/ethnicity of loan applicants. Loan applicants were overwhelmingly white (94 percent), followed by Black/African American (3 percent) and Asian (2 percent). Eleven percent of applicants were of Hispanic/Latino descent. The race and ethnic breakdown was similar for Arapahoe County applicants only.

Loan amounts. We examined any differences in the average loan amounts by race and ethnicity, since higher loan requests could be a reason for more frequent loan denials. The average loan amounts were very similar across borrower race and ethnicity.

Dispositions of loans. Overall, 75 percent of loans were originated by the Arapahoe County financial institutions. Nine percent of the loan offers were not accepted by the applicants and 7 percent of the loan applications were denied by the financial institutions. Nine percent of the loan applications were withdrawn by applicants during the application process. The dispositions were similar for Arapahoe County residents only.

Exhibit IV-1 shows the disposition of loans by race and ethnicity. The biggest difference in loan originations is between whites and African Americans, with 76 percent of loans made to whites originated, compared to 52 percent for African Americans. Application denial rates were also highest for African Americans (15 percent), followed by persons of Hispanic descent (11 percent). These compare to 7 percent of applications by whites that were denied.

**Exhibit IV-1.
Action Taken on Loan by Race/Ethnicity, Arapahoe County Lending Institutions, 2006**

Race/Ethnicity	Loan originated	Loan not accepted by applicant	Loan denied	Application withdrawn	File closed	Total
Race:						
African American	52%	12%	15%	21%	1%	305
Asian/Pacific Islander	67%	13%	9%	10%	1%	221
White	76%	9%	7%	9%	0%	9,958
Ethnicity:						
Hispanic/Latino	64%	8%	11%	16%	1%	1,105
Non-Hispanic	76%	9%	6%	8%	0%	9,649

Note: The racial and ethnic breakdown of the applications examined in this analysis are more diverse than Arapahoe County, since these data contain loans made outside of the County, as well as in the County. This analysis not only examines the treatment of borrowers within the County; it also examines the minority lending patterns of Arapahoe County lenders.

Source: FFIEC HMDA Raw Data 2006 and BBC Research & Consulting.

Exhibit IV-2 shows the disposition of loans by ethnicity for *Arapahoe County residents only* who applied for loans through the County’s lending institutions. The data are only shown for ethnicity, since there were too few loans for minorities. As shown by the data, non-Hispanics/Latinos had higher origination rates and lower denial rates than Hispanics/Latinos. The disparity is similar to that in Exhibit IV-1, suggesting that Arapahoe County lending institutions do not have much higher loan approval rates for Hispanics/Latinos residing in the County (v. elsewhere in Colorado).

Exhibit IV-2.

Action Taken on Loan by Ethnicity, Arapahoe County Residents who applied to Arapahoe County Lending Institutions, 2006

Ethnicity	Loan originated	Loan not accepted by applicant	Loan denied	Application withdrawn	File closed	Total
Hispanic/Latino	66%	6%	13%	14%	1%	143
Non-Hispanic	76%	10%	7%	6%	0%	1,421

Source: FFIEC HMDA Raw Data 2006 and BBC Research & Consulting.

Reasons for loan denials. The HMDA data contain some information about the reasons for denials of the loan applications. For all Arapahoe County banks, information on denials was missing for a substantial amount of cases. For white borrowers, the most common reason for denial was collateral (lack of), followed by debt-to-income ratios being too high.

Arapahoe County residents. In addition to the above analysis, we analyzed a database of all loans that were made to residents Arapahoe County in 2006 by lenders located throughout the United States. We compared loan origination and denial rates by minority group to uncover any significant disparities in lending for residents within the County.

The applicants were slightly more diverse than those of the Arapahoe County institutions only, with 83 percent listing their race as white (compared to 94 percent). Overall, 50 percent of loans were originated by the financial institutions, a much lower origination rate than that of Arapahoe County financial institutions. Twenty-four percent were denied, and 14 percent were withdrawn by the applicant. The results of the analysis are presented in Exhibit IV-3.

Exhibit IV-3.

Action Taken on Loan by Race/Ethnicity for All Loans Made in Arapahoe County, 2006

Race/Ethnicity	Loan originated	Loan not accepted by applicant	Loan denied	Application withdrawn	File closed	Total
Race:						
African American	39%	10%	32%	16%	3%	5,832
Native American/Alaskan Native	44%	7%	33%	12%	4%	531
Asian/Pacific Islander	54%	10%	21%	12%	3%	2,483
White	56%	9%	22%	11%	2%	44,575
Ethnicity:						
Hispanic/Latino	45%	9%	30%	13%	3%	7,267
Non-Hispanic/Latino	55%	9%	22%	12%	2%	47,081

Note: About 92 percent of the loans were made to Whites, 4 percent were made to Hispanics and 3 percent were made to Asians. In 2000, the Census reported the County to be 92 percent White, 5 percent Hispanic and 2 percent Asian.

Source: FFIEC HMDA Raw Data 2003 and BBC Research & Consulting.

As shown in Exhibit IV-3, applications submitted by African Americans were originated just 39 percent of the time, compared to 56 percent for white applicants. Hispanic and American Indian borrowers also had lower acceptance rates than whites (and non-Hispanics) at around 45 percent. About one-third of the loans submitted by African American, Hispanic and American Indian borrowers were denied, compared to one-fifth of the time for white and Asian applicants.

Summary of HMDA analysis. The mortgage loan analysis conducted for this section revealed the following:

- Arapahoe County lending institutions were more likely to originate loans than lending institutions throughout the United States making loans to Arapahoe County residents. Arapahoe County lending institutions originated loan applications to Arapahoe County residents about three-fourths of the time, compared to 50 percent for institutions nationwide.
- Arapahoe County lending institutions denied applicants' loans 7 percent of the time, compared to 24 percent for lending institutions throughout the United States making loans to Arapahoe County residents.
- Arapahoe County lending institutions were less likely to receive applications from minorities than were institutions nationwide making loans to Arapahoe County residents. Ninety-four percent of the County institutions' applicants were white, compared to 83 percent for institutions nationwide.
- African American, Hispanic and American Indian borrowers had lower origination rates and higher denial rates than white or Asian borrowers, regardless of the location of the lending institution (Arapahoe County v. nationwide).
 - In Arapahoe County lending institutions, loans to African Americans were denied 15 percent of the time; for Hispanics, 11 percent of the time. This compares to 7 percent for whites and 9 percent for Asians.
 - Lending institutions nationwide had higher denial rates for Arapahoe County borrowers across race and ethnicity, but the disparities by race and ethnicity were similar: African Americans were denied 32 percent of the time; for Hispanics, 30 percent of the time. This compares to 22 percent for whites and 21 percent for Asians.
- In general, Arapahoe County residents may fare better with local institutions since local institutions have much higher loan acceptance rates. However, local lending institutions are less likely to receive applications from minority borrowers and the minority/white disparity in denials are no better with local institutions.

Foreclosures, Subprime Lending and Predatory Lending

Related to the rise in foreclosures is a growing concern about predatory and, in some cases, subprime lending. This section explores these issues for Arapahoe County.

Foreclosures. The increase of the rate of foreclosures in the nation is often attributed to rapid population growth, increasing homeownership rates and the growing use of alternative lending products, including subprime loans.

Arapahoe County foreclosures. The Colorado Division of Housing provides quarterly foreclosure reports on Colorado and for its counties. The reports provide a picture of foreclosures in Colorado and help determine which regions of the state are most heavily impacted by foreclosures. The data is provided on a county-by-county basis and is based on foreclosure filings through the Public Trustee's office in each county.

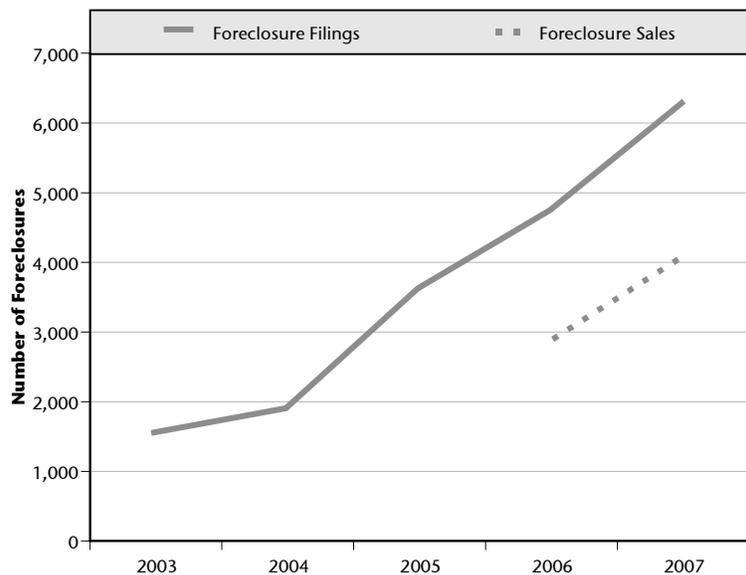
Once a borrower is approximately three months late with payments, the public Trustee will send the borrower a Notice of Election and Demand. At this point, the property is officially in foreclosure. These are referred to as foreclosure filings. These foreclosure filing can be "cured" and "withdrawn" before the home is sold at auction, meaning not all foreclosure filings result in a final foreclosure sale. Typically a foreclosure filing and a foreclosure sale do not occur within the same quarter. The period between the foreclosure filing and the foreclosure sale at auction is legally 120 days, but in some cases, this period may actually last longer.

The number of foreclosure filings have increased from 1,532 filings in 2003 to 6,259 filings in 2007 in Arapahoe County, a 309 percent increase.

Exhibit IV-4. Foreclosure Filings and Foreclosure Sales, Arapahoe County, 2003 to 2007

Note:
Foreclosure sales data was not available for
2003 to 2005.

Source:
Colorado Division of Housing foreclosure
reports.



During the first quarter of 2008, Arapahoe County had 1,851 households filing for foreclosure. Meaning there was approximately 1 foreclosure filing per 114 households. This is a more frequent rate of foreclosure filing when compared to the statewide rate of 1 foreclosure filing per 159 households. As shown in Exhibit IV-5, Arapahoe County had the third highest foreclosure rate in the state during the first quarter of 2008.

**Exhibit IV-5.
Rate of Foreclosure Filings by County, First Quarter 2008**

Note:
*Read: one foreclosure filing per N households.

Source:
Colorado Division of housing, 1st Quarter 2008 Foreclosure Report.

	Occupied Housing Units (2006 estimates)	Foreclosure Filings 1st QTR 2011	Number of Occup. Units per Foreclosure Filing by County*	Rank
Adams	145,949	1,704	1 per 86	1st
Weld	82,929	813	1 per 102	2nd
Arapahoe	211,798	1,851	1 per 114	3rd
Denver	250,259	2,042	1 per 123	4th
Douglas	92,275	665	1 per 139	5th
Pueblo	58,941	383	1 per 154	6th
El Paso	214,974	1,216	1 per 177	7th
Otero	7,579	37	1 per 204	8th
Jefferson	208,482	1,010	1 per 206	9th
Broomfield	17,119	79	1 per 217	10th
Colorado	1,846,988	11,630	1 per 159	

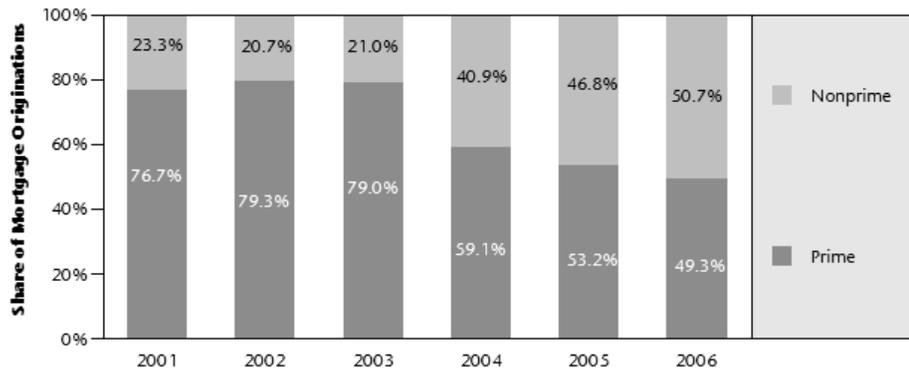
Subprime lending. Subprime loans are—as the name would suggest—mortgage loans that carry higher interest rates than those priced for “prime,” or less risky, borrowers. Initially, subprime loans were marketed and sold to customers with blemished or limited credit histories who would not typically qualify for prime loans. In theory, the higher rate of interest charged for subprime loans reflects increased credit risk of subprime borrowers.

Estimates of the size of the national subprime market vary between 13 to 20 percent of all mortgages. In Colorado, about 24 percent of all 2006 mortgage loan transactions for owner-occupied properties were subprime.

The subprime market grew dramatically during the current decade. The share of mortgage originations that had subprime rates in 2001 was 23.3 percent; by 2006, this had grown to 50.7 percent, as shown in Exhibit IV-6.

**Exhibit IV-6.
Share of Mortgage Originations by Product, 2001 to 2006**

Note:
Harvard Joint Center for Housing Studies and Inside Mortgage Finance, 2007 Mortgage Market Statistical Annual, adjusted for inflation by the CPI-UX for All Items.



Not all subprime loans are predatory loans, but many predatory loans are subprime. A study released by the University of North Carolina, Kenan-Flagler Business School in 2005,² discussed how predatory loan terms increase the risk of subprime mortgage foreclosure. The study reported in the fourth quarter of 2003, 2.13 percent of all subprime loans across the country entered foreclosure, which was more than ten times higher than the rate for all prime loans.

Subprime lending has fallen under increased scrutiny with the increase in foreclosures and the decline in the housing market. Some argue that because minorities are more likely to get subprime loans than white or Asian borrowers, and since subprime loans have a greater risk of going into foreclosure, minorities are disproportionately harmed by subprime lending.

Subprime lending has implications under the Fair Housing Act when the loans are made in a discriminatory and/or predatory fashion. This might include charging minorities higher interest rates than what their creditworthiness would suggest and what similar non-minorities are charged; charging minorities higher fees than non-minorities; targeting subprime lending in minority-dominated neighborhoods; adding predatory terms to the loan; and including clauses in the loan of which the borrower is unaware (this is mostly likely to occur when English is a second language to the borrower).

Subprime lending in Arapahoe County. In 2006, according to HMDA, there were 7,478 subprime loans made to residents of Arapahoe County³. These loans were all for home purchases or refinances on owner-occupied properties (i.e., no second homes or investment properties). Almost 2 percent of the loans (less than 500 loans) had very high interest rates, with annual percentage rates (APRs) exceeding 11 percent.

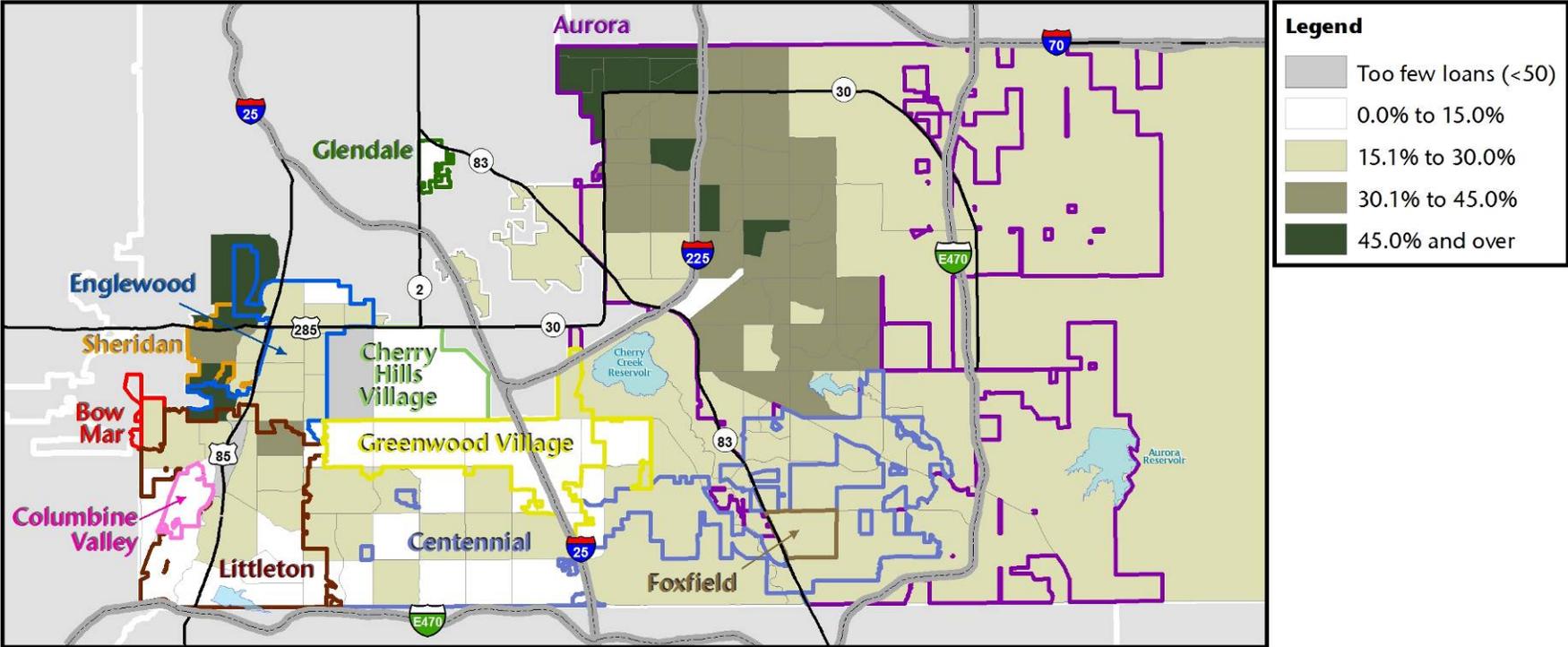
The subprime loans represented 27 percent of the 27,350 mortgage loans made to Arapahoe County residents in 2006. This proportion is slightly higher than the statewide average of 24 percent.

Exhibit IV-7 shows where subprime lending occurred in Arapahoe County in 2006. As the map demonstrates, the Census Tracts around I-225 in southeast and central Aurora had the most subprime activity. In several Census Tracts along the Denver/Aurora border, more than 45 percent of the loans were subprime.

² Roberto G. Quercia, Michael A. Stegman and Walter R. Davis, "The Impact of Predatory Loan Terms on Subprime Foreclosures: The Special Case of Prepayment Penalties and Balloon Payments," *Center for Community Capitalism, Kenan Institute for Private Enterprise, University of North Carolina at Chapel Hill*, January 25, 2005.

³ Subprime loans are defined as loans with Annual Percentage Rates (APRs) of more than 3 percentage points above comparable Treasury securities priced at the time the loan is made. This is consistent with the Federal Reserve definition when they began requiring APRs as part of HMDA reporting.

**Exhibit IV-7.
Arapahoe County Subprime Loans by Census Tract, 2007**



Source: BBC Research & Consulting, 2008.

Exhibit IV-8 shows the disparities in subprime lending by race and ethnicity. As the exhibit demonstrates, residents who were white or Asian were much less likely to get a subprime loan in 2006 than residents who were Black/African American, Hispanic or American Indian.

The “disparity index” shows how many more times non-whites are to get a subprime loan compared to whites.

**Exhibit IV-8.
Subprime Loans by Race/Ethnicity, as a
Percentage of All Mortgage Loans, 2006**

Source:
2006 HMDA, Federal Financial Institutions Examination Council
and BBC Research & Consulting.

Race/Ethnicity	Percent Subprime Loans	Disparity Index
White	22%	N/A
Black/African American	47%	2.10
Asian	24%	1.10
American Indian	46%	2.08
Hawaiian	24%	1.06
Hispanic/Latino	46%	2.08

Census Tracts in Arapahoe County were disproportionately likely to experience subprime loan activity. In 2006, 6 percent of all loans occurred in minority Census Tracts, compared with 9 percent of subprime loans and 12 percent of “super” subprime loans (very high cost).

Predatory lending. There is no one definition that sums up the various activities that comprise predatory lending. In general, predatory loans are those in which borrowers are faced with payment structures and/or penalties that are excessive and which set up the borrowers to fail in making their required payments. Subprime loans could be considered as predatory if they do not accurately reflect a risk inherent in a particular borrower.

Although there is not a consistent definition of “predatory loans,” there is significant consensus as to the common loan terms that characterize predatory lending. There is also the likelihood that these loan features may not be predatory alone. It is more common that predatory loans contain a combination of the features described below.

Most legislation addressing predatory lending seeks to curb one or more of the following practices:

- Excessive fees;
- Prepayment penalties;
- Balloon payments;
- Debt packaging;
- Yield spread premiums;
- Unnecessary products; and/or
- Mandatory arbitration clause.

It is difficult to identify and measure the amount of predatory lending activity in a market, largely because much of the industry is unregulated and the information is unavailable. For example, HMDA data do not contain information about loan terms. In addition, predatory activity is difficult to uncover until a borrower seeks help and/or recognizes a problem in their loan. As such, much of the existing information about predatory lending is anecdotal.

Fair Housing Complaint Process

Citizens of Arapahoe County who believe they have experienced discrimination in violation of the Federal Fair Housing Act or state fair housing laws may report their complaints to the following entities:

- HUD's Office of Fair Housing and Equal Opportunity (FHEO),
- The Colorado Civil Rights Division (CCRD),
- The Colorado Division of Real Estate, and, if they qualify,
- The Colorado Cross-Disability Coalition,
- Colorado Legal Services and
- The Legal Center for Persons with Disabilities and Older People.

Victims have one year from the date of the alleged discrimination to file a complaint. The following section discusses the investigation process by the various complaint-taking organizations.

HUD. Housing discrimination complaints filed with HUD may be done online at (<http://www.hud.gov/complaints/housediscrim.cfm>), by calling toll free at 1-800-669-9777, or by contacting the Office of Fair Housing and Equal Opportunity office in Washington D.C. or the HUD Denver Regional Office of Fair Housing and Equal Opportunity.

When HUD receives a complaint, HUD will notify the person who filed the complaint and will normally notify the alleged violator and allow that person to submit a response. The complaint will be investigated to determine whether there has been a violation of the Fair Housing Act.

A complaint may be resolved in a number of ways. First, HUD will try to reach an agreement between the two parties involved. A conciliation agreement must protect the filer of the complaint and public interest. If an agreement is signed, HUD will take no further action unless the agreement has been breached. HUD will then recommend that the Attorney General file suit.

If HUD has determined that a state or local agency has the same housing powers ("substantial equivalency") as HUD, they will refer the complaint to that agency and will notify the complainant of the referral. The Colorado Division of Civil Rights is a substantially equivalent local agency (see the CCRD process in the following section). CCRD must begin work on the complaint within 30 days or HUD may take it back. If, during the investigative, review, and legal process, HUD finds that discrimination has occurred, the case will be heard in an administrative hearing within 120 days, unless either party prefers the case to be heard in Federal district court.

If a person needs immediate help to stop a serious problem that is being caused by a Fair Housing Act violation, HUD may be able to assist as soon as a complaint is filed. HUD may authorize the Attorney General to go to court to seek temporary or preliminary relief, pending the outcome of the complaint, if irreparable harm is likely to occur without HUD's intervention and there is substantial evidence that a violation of the Fair Housing Act occurred.

Colorado Division of Civil Rights. The Colorado Civil Rights Division (CCRD) is charged with enforcing the State's Anti-Discrimination laws in the areas of employment, housing and public accommodation.

Alleged victims must first complete a housing intake packet. The packet is available online at (<http://www.dora.state.co.us/civil-rights/index.htm>) and includes a housing intake form, a statement of discrimination and an authorization to release information. Once CCRD receives a fully completed intake packet, the housing intake staff will draft a charge of discrimination, which must be signed by the complainant. After CCRD has received a fully executed charge of discrimination, a copy is served promptly on the respondent and the investigative process is initiated. As part of the investigation, the respondent will be asked to provide a written response to the allegation(s). The person filing the complaint will be provided with a copy of the respondent's position statement and will be afforded an opportunity to submit a rebuttal.

The Division also affords the parties the opportunity to participate in a voluntary mediation conference prior to the initiation of the investigation. If the parties wish to avail themselves of the mediation process they can contact CCRD's representative.

If mediation is not held or is unsuccessful the case will be assigned to a housing investigator. The investigator will analyze all information related to the case and request information as needed. After the investigation is complete, the investigator writes a summary report and Letter of Determination.

The Letter of Determination states the facts of the case and provides an analysis of the case. If the preponderance of the evidence supports the allegation of discrimination, a finding of Probable Cause is issued. Conversely, if the evidence does not support the claim, a finding of No Probable Cause is issued. Along with the dismissal of the claim, the person filing the complaint is issued a notice of Right to Sue. A Right to Sue Notice allows the person to proceed in court if desired.

In a No Probable Cause finding, the complainant has the opportunity to appeal that decision to the Colorado Civil Rights Commission.

If a finding of Probable Cause is issued, Colorado law mandates that a conciliation conference be held. A conciliator is assigned to work with both parties to try to resolve the complaint. If successful, a formal agreement with the specifics of the settlement is drafted by the mediator and signed by both parties. If efforts to conciliate the case fail, the Director of the Division may issue a dismissal notice along with a Right to Sue letter, allowing the complainant to proceed to court. In some cases, CCRD may authorize the case for hearing before an Administrative Law Judge, with the administrative hearing to begin within 120 days after service of the written notice of hearing and complaint.

In addition to investigative activities, CCRD staff have written educational curriculum on housing discrimination for licensed real estate agents. The staff also assists or provides training materials to relevant entities, such as human relation commissions, apartment associations and/or law firms.

Colorado Division of Real Estate. The Colorado Division of Real Estate takes complaints against real estate brokers, appraisers and/or mortgage brokers. Complaints can be filed online at www.dora.state.co.us/real-estate/Complaints/Complaints. The Commission receives an average of 1000 written complaints per year against brokers, salespersons, subdivision developers and appraisers. Approximately 15 percent of those result in some form of disciplinary action. The following information regarding investigations is for the benefit of licensees and the public.

The processes for investigating a complaint differ slightly depending on if the complaint involves an appraisal, a broker or a real estate agent. The following section summarizes those general procedures for the investigations.

When a written complaint is received, it is reviewed and assigned to an investigator. The investigator determines the proper respondent(s) based on information on the complaint. Respondents are added or dismissed throughout the course of the investigation as additional information becomes available. A letter, with a copy of the complaint, is sent to the respondent(s), requesting a response within 14 days. At the same time, a letter is mailed to the complainant, acknowledging receipt of the complaint.

The investigator analyzes the complaint, response and pertinent documents to determine possible license law violations. All parties to the complaint, as well as witnesses, are interviewed. The investigator also contacts attorneys, mortgage companies, title company personnel and others who have knowledge of the situation. Additional documents may be sought from county offices and civil courts.

Upon completion of the investigation, the investigator prepares a written report concerning the facts that have been obtained. At that time the complaint may be dismissed on the basis of insufficient evidence of a license law violation or for lack of jurisdiction. If that is the case, all parties to the complaint will receive letters informing them of the disposition.

If, however, the facts obtained appear to indicate a violation of license law, the report is submitted to the appropriate Board or Commission for consideration. At this time, the Board/Commission may vote to dismiss, admonish the respondent(s), or refer the matter to a formal hearing. The Board/Commission has the discretion to summarily suspend the licensee if there appears to be an immediate danger to the public.

If the matter proceeds to a formal hearing, it is held in accordance with Colorado state law(s). After hearing the matter, the Administrative Law Judge makes an Initial Decision, which is forwarded to the parties and the Board/Commission for their review. The Initial Decision includes findings of fact and conclusion of law. The Board/Commission may or may not adopt the Initial Decision. The respondent licensee may file objections to the Board within 30 days after receiving the Initial Decision. After consideration of the Initial Decision and any objections that may be filed, the Board/Commission may vote to adopt the Initial Decision or it may vote to modify the Initial Decision by increasing or decreasing the penalty. The Board/Commission may also vote to remand the Decision for clarification or rehearing.

After the Board has issued its order in the matter, the licensee may appeal the case to the Court of Appeals and, in some instances, appeal again to a higher court.

Colorado Cross Disability Coalition. The Colorado Cross-Disability Coalition, or CCDC, is dedicated to ensuring the independence, self-reliance, and full participation of people with all types of disabilities in Colorado. The CCDC Legal Program brings lawsuits on behalf of CCDC and its members to enforce the American with Disabilities Act (ADA) and other statutes that protect the civil rights of persons with disabilities.

Colorado Legal Services/Center for Persons with Disabilities and Older People.

Colorado Legal Services and the Center for Persons with Disabilities and Older People provide legal assistance to low-income persons and seniors. In addition to various other types of cases, the organizations assist qualifying households with fair housing issues. Their services depend on the potential case, but range from advice from an attorney to legal assistance and representation in court.

Each organization has established priorities for their cases, which determines the types of cases that are investigated if there is a need to prioritize. The Legal Center prioritizes its fair housing advocacy work to assist Coloradans with disabilities in obtaining affordable, accessible housing. The organization assists people with disabilities that are in jeopardy of losing their housing for reasons related to disability and accessibility, in addition to advocating for the provision of legally required accommodations.

Fair Housing Complaints

As part of the AI, BBC obtained data from:

- HUD’s Denver Regional Office of Fair Housing and Equal Opportunity (FHEO) about the number of housing discrimination complaints filed from 2002 through 2007 in Arapahoe County; and
- The Colorado Civil Rights Division about the nature of fair housing cases and violations in Arapahoe County.
- The Colorado Division of Real Estate about fair housing complaints against Realtors, appraisers and mortgage brokers in Arapahoe County.

Arapahoe County residents filed 89 complaints with HUD between 2002 and 2007. Most of the complaints were filed against real estate companies—homeowners associations, condominium or apartment complexes, property management agencies and real estate agents.

In the 89 complaints, the most frequently listed reason for discrimination was race (43 percent of all reasons), with almost all of the racial discrimination cases alleging discrimination against African American residents (31 percent of all reasons). Physical disability was the second most common reason at 20 percent of all reasons.

The top violations that the complaints alleged included discrimination in the terms, conditions, services or privileges related to the rental or sale of property (37 percent); failure to make reasonable accommodations (18 percent); coercion (15 percent); and refusal to rent (11 percent).

Sixty-four percent of the complaints were found to have no cause and were closed by HUD. In 14 percent of the cases, a resolution was found. In 7 percent of the cases, the complainant withdrew the complaint before a resolution was obtained.

Complaints most often occurred in Aurora (48 percent), followed by Englewood (16 percent) and Littleton (14 percent).

Exhibit IV-9 shows trends in the HUD complaints between 2002 and 2007.

**Exhibit IV-9.
Nature of HUD Complaints, 2002 to 2007**

	2002	2003	2004	2005	2006	2007	Total
Number of cases:	11	21	18	12	16	11	89
Number of complaint issues:	15	41	23	15	24	23	141
Most common protected class affected:	African American	African American	Various	Physical disability	Hispanic/Latino	Various	
Most common violations alleged:	Various	Coercion	Discriminatory terms in sale or rental	Reasonable accommodation	Discriminatory terms in sale or rental	Reasonable accommodation	

Source: BBC Research & Consulting.

The Colorado Civil Rights Division (CCRD) provided summary information about the most frequent types of complaints received by and/or against residents in Arapahoe County. The most common complaints in Arapahoe County involved the following:

- Predominantly in Aurora, failure to rent or offering unequal rent terms and conditions because of race and/or national origin.
- Homeowners associations (HOAs) refusing to make reasonable accommodations for persons with disabilities.
- HOAs refusing to let children play in common areas and/or use the community pool during certain hours.
- Neighbor harassment—e.g., calls because a neighbor is alleging making too much noise. The neighbor feels that call was motivated by discrimination based on race/national origin rather than actual noise.

The Colorado Division of Real Estate is the licensing, regulation and enforcement agency for real estate brokers, appraisers and mortgage broker industries. The Division does keep a complaint database, but it is filed by type of complaint and not by location. The Division of Real Estate provided summary information about the most frequent types of complaints they receive overall. In the past two years there have been no Fair Housing Act violations from Realtors. If there were discrimination complaints these would be referred to CCRD.

Real Estate broker complaints tend to be made by the public and are commonly based on the Realtor's unworthiness or incompetency. Other complaints arise from finding a criminal past of realtors. Appraiser complaints are most commonly filed by other appraisers. The complainant notices another appraiser not using standard practice procedures. Beginning January 1, 2008 mortgage brokers in Colorado must be licensed. The Division is beginning to see complaints dealing with bad behavior and document forgery. These complaints tend to come from the second purchasers of the loans or the borrower.

Fair Housing Activities

Fair housing organizations and other non-profits that receive funding through HUD's Fair Housing Initiatives Program (FHIP) assist people who believe they have been victims of housing discrimination. FHIP organizations partner with HUD to help people identify government agencies that handle complaints of housing discrimination. They also conduct preliminary investigation of claims, including sending "testers" to properties suspected of practicing housing discrimination. Testers are minorities and whites with the same financial qualifications who evaluate whether housing providers treat equally-qualified people differently.

Metro area. In 2007 HUD awarded the American Institute for Social Justice \$99,887 to conduct education and outreach to underserved populations, including families with children, in urban and suburban areas of the Denver metropolitan area. Specific areas that will be targeted include underserved minority and immigrant communities, particularly those with limited English proficiency. In carrying out its education and outreach activities, AISJ will work with community groups and faith-based organizations.

Arapahoe County. The County's 2002 Analysis of Impediments to Fair Housing Choice (AI) identified affordability as the largest barrier to fair housing in the County. As such, the County's fair housing activities have largely been dedicated to improving affordability in the County. To this end, the County has completed the following:

- Approved in 2008: Habitat Community Housing Development, Inc. is granted \$200,000 which will be used for property acquisition for the development of eight affordable homes.
- Approved for 2009: Littleton Housing Authority and the City of Centennial will each be granted \$150,000 for owner-occupied housing rehabilitation. These funds will provide loans to 6 to 8 single family homeowners that are at or below 80% of the area median income (AMI) based on their family size. Loans for single family homes will range from \$1,000 to \$24,999.
- Planned for 2009: The City of Sheridan will be granted \$150,000 for owner-occupied housing rehabilitation. These funds will provide loans to 6 to 8 single family homeowners that are at or below 80% of the area median income (AMI) based on their family size. Loans for single family homes will range from \$1,000 to \$24,999.
- Approved in 2006: Habitat Community Housing Development Inc., was awarded \$300,761 for acquisition or infrastructure assistance for two homes in Sheridan, and eight homes in Englewood.

- Approved in 2006: Developmental Pathways Housing Corporation received a \$144,000 grant for acquisition of two single family homes in Centennial to be used as group homes for the developmentally disabled.
- Approved in 2007: Englewood Housing Authority (EHA) received \$300,000 for utility installation and new construction of low income senior housing.
- Approved in 2007: Community Housing Development Association (CHDA) received \$330,000 in assistance to acquire the Presidential Arms apartment building.
- Planned for 2008: Install audible crosswalks at 5 to 6 scattered site intersections in the City of Centennial to assist sight-impaired residents and improve accessibility of the city to persons with disabilities.
- Arapahoe County has a First Time Homebuyer Program, which provides downpayment assistance to homebuyers. The assistance can also be used for closing costs. Homebuyers are required to participate in homebuyer workshops.
- The County has also dedicated HOME funds to affordable housing developers to support multifamily construction; provided operating subsidies and rehabilitation costs affordable multifamily units; and rehabilitated and refinanced affordable multifamily buildings.

Every contract executed between the County and fund recipients contain provisions for fair housing compliance.

The County's Comprehensive Plan encourages the development of affordable housing in the County through the use of five strategies. Each strategy supports or encourages some type of affordable housing. The strategies are as follows:

- Reduce local government barriers to affordable housing
- Increase funding for affordable housing
- Integrate affordable housing
- Revise regulations as necessary to allow accessory units
- Work with non-profit organizations and developers to increase affordable housing supply

In addition to the above-mentioned housing activities, the County provides CDBG funds to nonprofit organizations assisting persons with special needs. These funds are used for facility improvements, operations and direct services.

The County has also been providing funding to Brothers Redevelopment Incorporated (BRI) to provide foreclosure prevention and assistance. The County provides \$10,000 of funding to BRI each year, which funds counseling of 50 households.

Finally, the County uses CDBG to fund fair housing activities provided by Community Housing Services. These activities have included landlord/tenant counseling and support of

renters' rights, housing information and referral services and senior housing support and referrals.

After affordable housing, transportation was the second largest barrier to fair housing choice, according to the 2002 AI. The County has monitored local investment in improving transportation systems, ranging from shuttle busses to the light rail expansion to redevelopment that makes central areas more pedestrian friendly. County staff has also attended Transit Oriented Development (TOD) training with an eye toward locating affordable housing near light rail stops.

Recent Legal Cases

As part of the fair housing analysis, legal cases involving fair housing issues were reviewed to determine significant fair housing issues and trends in Arapahoe County and the Denver Metropolitan Area (MSA). Case searches were completed using the National Fair Housing Advocate's case database, the U.S. Department of Justice's fair housing database, and the Cross Disability Coalition case log.

The legal cases presented in the databases include those that involved a court decision which have been reported to legal reporting services. (Open or ongoing cases would not be represented unless a prior court decision on the case has been made.) Disputes that are settled through mediation are not included in the reported cases.

Most of the cases involve alleged claims of failure to make reasonable accommodations to persons with disabilities. Not all of these cases occurred in Arapahoe County; however, summary information on all cases is included to highlight recent trends and primary issues in fair housing litigation in the metro area.

Reasonable accommodations/disabilities cases—Arapahoe County

Illig v. Southbridge II Property Owners Association (2006). At the time of the lawsuit, the complainant was an 8-year old boy with severe autism. After repeated episodes of him leaving his home, his parents consulted with an occupational therapist who recommended construction of a 6-foot cedar fence in the their backyard, among other things. The parents informed their neighbors of their plan to install the fence; none responded. After the fence was constructed, the president of the HOA to which the parents belong informed the parents that the fence was not in compliance with the HOA rules, and that the situation was not a reasonable accommodation issue. The parents were represented by the Cross-Disability Coalition in U.S. District Court. A settlement agreement was reached in October 2007, in which the HOA approved the current fence and allowed installation of a playset for the boy. The HOA Board of Directors was also required to attend fair housing training, and was required to make a \$1,000 donation to a camp which assists children with disabilities and pay the Cross Disability Coalition attorney's fees.

Colorado Cross Disability Coalition v. Littleton Housing Authority and Englewood Housing Authority (2006). While developing a resource guide for persons with disabilities, the Colorado Cross Disability Coalition (CCDC) discovered that building managers at the public housing authorities (PHAs) were telling potential renters that otherwise qualified individuals with disabilities who had a child were prohibited from residing at units set aside for persons with disabilities and seniors. This case was settled in December 2006, with the PHAs making policy changes to ensure they were not violating the Federal Fair Housing Act.

United States v. Housing Authority of the City of Aurora (2000). The complainants were a mother and her nine-year old son. The son was taken hostage in their Section 8 apartment when he was four years old by a man wanted for murder, who ended the police standoff by attempting suicide in the son's presence. Both mother and son developed post traumatic stress (PTS) syndrome as a result of the incident. Their therapists urged that they be allowed out of the apartment where the tragedy occurred. The private landlord refused to allow the family out of their lease and refused to relieve the family of the responsibility for the damage caused during the hostage-taking. The family requested the Aurora Housing Authority (AHA) transfer them from the project-based Section 8 program to the Section 8 certificate program, which has since been discontinued. AHA refused the transfer. AHA also claimed that the mother and son failed to notify AHA that they had disabilities; that they were not persons with disabilities protected pursuant to Title VIII; that the transfer request was not reasonable, and that the private landlord was solely responsible for accommodating the family, not AHA.

A consent decree was issued against the AHA, which requires that AHA complete training and develop a procedure to handle accommodation requests. The decree also requires on-site monitoring and requires the AHA to notify the federal government whenever they refuse to grant a reasonable accommodation request.

Reasonable accommodations/disabilities cases—Greater Denver Area

Ehman v. Home Builders Association of Metropolitan Denver. This lawsuit was brought against the Parade of Homes alleging that the annual event did not accommodate persons with disabilities. The lawsuit resulted in a Consent Decree which requires that: an accessible route be provided to each home featured in the Parade of Homes; that 5 percent of the restrooms must meet accessibility requirements; that concessions, seating, parking, ticket booths and recreation and entertainment areas meet accessibility requirements; that access must be provided to the 1st floor of each home; and that items displayed on upper or basement floors be available on a videotape accessible to persons who use wheelchairs.

Weinstein v. Cherry Oaks Retirement Community (1996). Cherry Oaks was a privately owned, residential care facility for senior citizens with an impaired capacity to live independently, but who were not in need of 24-hour care.

Prior to 1992, Cherry Oaks had a policy requiring facility residents who used wheelchairs or walkers to transfer to ordinary chairs when taking meals in the dining room. The wheelchairs and walkers were then removed from the dining room and placed in another room. The purpose of this policy, according to Cherry Oaks management, was to allow observation of the residents to ensure they were physically appropriate to remain in the boarding home.

In March 1992, the Weinstains visited the facility as part of the process of selecting a personal care residence. As part of their visit, they ate in the dining room and Mr. Weinstein sat in his wheelchair during the meal. Subsequent to their visit, the Weinstains entered into a one-year lease with Cherry Oaks. At that time, Mr. Weinstein was ambulatory, although he required the use of a walker and occasionally a wheelchair.

In June 1992, Mr. Weinstein's condition began to deteriorate and the transfer from his wheelchair to the dining room chair became increasingly painful. The Weinstains requested that Mr. Weinstein be

allowed to dine in his wheelchair. For a while, he was allowed to eat in his wheelchair but eventually Cherry Oaks discontinued that practice and offered Mr. Weinstein two aides at no cost to assist him in the transfer.

As a result of Cherry Oaks' refusal to allow Mr. Weinstein to take his meals while remaining in his wheelchair, the Weinstains ate all of their meals in their apartment and, at the end of their lease, moved out of the apartment. The Weinstains filed a complaint with the Colorado Civil Rights Commission alleging that Cherry Oaks' policies and conduct constituted a discriminatory and unfair housing practice based on his disability. The Administrative Law Judge ruled in favor of the Weinstains.

Race-based discrimination/HOA and familial status cases—Front Range

Reynolds v. Quarter Circle M Ranch (2003). This discrimination case arose from the attempts of the Reynolds couple to gain approval by the Quarter Circle M Ranch architectural committee (AC) of plans to build a home on their land in El Paso County. The Reynolds couple is interracial. The couple submitted four different sets of plans to the AC, all of which were rejected. In the case, the Reynolds alleged that the AC discriminated against them in the numerous rejections of their plans. The reported case involved the HOA's request for summary judgment by the court. The judge refused to grant the HOA summary judgment. Further information about how the case has proceeded was unavailable.

May v. Colorado Civil Rights Commission (2002). In July 1998, a White female married to an African-American man with whom she had a child responded to an advertisement for an apartment. The landlord's property manager showed her the apartment and told her that the landlord did not want children living in the apartment. The tenant and the landlord spoke on the phone and the landlord agreed to rent the apartment to her. The landlord and the tenant signed a rental agreement and the tenant gave the landlord a postdated check as a deposit.

The next day, the tenant returned to the apartment and spoke to the property manager. When the tenant told the property manager her husband was African-American, the property manager advised the tenant to tell the landlord about her husband's race. The tenant did so by phone and, two days later, the landlord left a message on her answering machine retracting his offer to rent the apartment. When asked, the landlord said his reason for retracting the rental offer was because her deposit check was returned for insufficient funds.

The tenant filed charges of housing discrimination with the Colorado Civil Rights Commission alleging a violation of the Colorado Fair Housing Act (CFHA) because the landlord refused to rent to her based on her familial status and race. The landlord was served a notice of hearing and complaint and did not answer the complaint. When the case was heard, the landlord did not appear personally or through legal counsel at the hearing. The Administrative Law Judge (ALJ) determined that the landlord had violated the CFHA and awarded damages of \$10,000 to the tenant and her family, and ordered the landlord pay an additional \$10,000 in civil penalty to the state.

The landlord retained counsel and filed a motion to dismiss the ALJ decision and contended he was entitled to a new trial because of an impaired mental state. The Colorado Court of Appeals rejected all of the landlord's claims but did instruct the ALJ to reverse the award of damages and civil penalty and consider amounts that are more appropriate for the violation.

Real estate professional race discrimination case—Front Range

The Federal Fair Housing Act also protects against discrimination that result in protected classes being denied participation in real estate brokerage services. The following case involved this type of discrimination.

Tyler v. RE/MAX (2000). Mr. Tyler was an African-American real estate agent and broker. Mr. Tyler applied to RE/MAX for a franchise, having been informed by a RE/MAX representative at a trade convention that the normal franchise fee had been reduced to \$10,000. Mr. Tyler completed the necessary paperwork, visited the corporate office to discuss his application and participated in a site visit. Mr. Tyler's application for franchise was denied. Mr. Tyler sued RE/MAX for discrimination; the jury found in favor of Mr. Tyler.

Community Input

This portion discusses fair housing issues in Arapahoe County, as identified by citizens, public service agencies and government officials through stakeholder consultation, public meetings and a resident telephone housing survey.

Arapahoe County conducted a consultation and citizen participation process in conjunction with the preparation of a Housing Needs Assessment and Consolidated Plan, to elicit input regarding fair housing and housing and community development needs. That process consisted of three major parts:

- Two hundred fifty citizens of Arapahoe County completed a telephone survey about their current housing situation and needs, their perceptions of need in their community and for the County overall and housing discrimination;
- Public meetings including two community meetings and two focus group meetings were held at various sites in Arapahoe County during the month of November 2008; and
- Interviews with key persons who are knowledgeable about the housing needs in the counties were conducted.

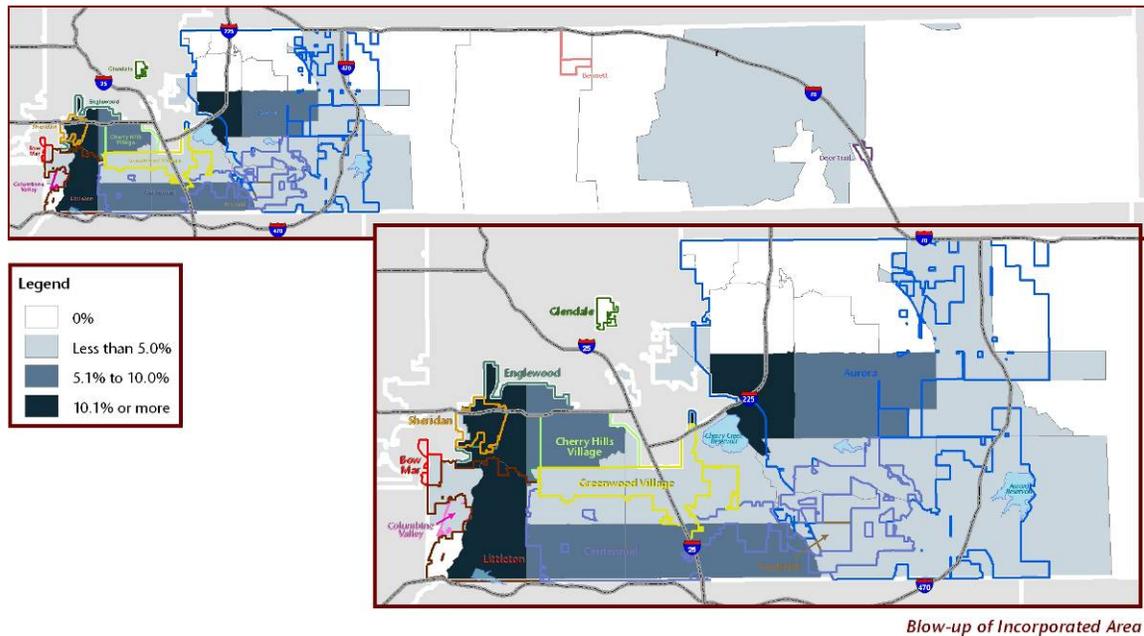
The following section reports the results from these three community input processes.

Resident telephone survey. In September of 2008, Davis Research, an independent research firm, conducted a survey on housing needs in Arapahoe County. Surveys were conducted with 250 Arapahoe County residents via a telephone interview. Nineteen of the interviews were conducted in Spanish. The criterion used to screen potential interviewees was a household income qualifying question, adult status (age of 18 or older) and Arapahoe County residency. Respondents living in Arapahoe County had to earn a household income less than \$72,000, which is approximately the HUD area median income.

In addition, Arapahoe County households living outside of Aurora were targeted for the survey. Arapahoe County chose to exclude Aurora from the survey because the City of Aurora receives federal grant dollars separate from Arapahoe County’s federal grant funding. Therefore, the core area of Aurora was not surveyed. The zip codes that were not surveyed include 80010, 80011, 80012 and 80017.

Geographic distribution. Exhibit IV-10 below shows the distribution of survey respondents by zip code. The highest representation was zip code 80120 in Littleton where 18 percent of the respondents lived. For all other zip codes shaded, the percentage of respondents ranged from less than 1 to 12 percent.

Exhibit IV-10.
Percent of Resident Telephone Survey Respondents by Zip Code, Arapahoe County



Source: Arapahoe County Resident Survey, August and September 2008.

Household characteristics. The following describes some characteristics of the survey respondents and their households from Arapahoe County.

Residence. Approximately one fourth of survey respondents live in Aurora, not including the core part of Aurora,⁴ and another 23 percent live in Littleton. Centennial and Englewood had the next highest number of survey respondents both at 19 percent.

Two-thirds of the respondent households were owners and the remaining one-third rented.

Age. Survey respondents had to be at least 18 years of age to participate in the survey. Respondents were asked the age of the primary householder living in their household. Ages ranged from 22 to 90 years. The average age of the primary householder reported by the survey respondents was 57.2 years. The average age of the owner householder was 61.3 years, while the average age of the oldest renter householder was younger at 49.3 years. Just over one-third of the renters were ages 45 to 54 years and most of the owner householders were ages 65 years or more.

**Exhibit IV-11.
Are of Primary
Householder by Tenure,
Arapahoe County**

Source:
Arapahoe County Resident Survey, August
and September 2008.

	Rent	Own
18 to 24	2.4%	1.9%
25 to 34	19.3%	5.6%
35 to 44	15.7%	7.4%
45 to 54	34.9%	22.2%
55 to 64	8.4%	19.1%
65 or more	19.3%	42.0%
Refused/Don't Know	0.0%	1.9%
Total	100%	100%

Household size. Survey respondents also provided the number of members in their households, including themselves. Approximately 44 percent of respondents reported that two adults lived in their household, the most prevalent number of adults per household, followed by one person households (41 percent). In regards to children, the majority (73 percent) of survey respondents lived with no children. An estimated 4 percent of the respondent households were single parent households.

In addition, 12 percent of survey respondents reported that someone in their household (other than a student) lives there because they cannot afford to live on their own.

Race/Ethnicity. The majority of survey respondents (83 percent) responded that they were White, while 9 percent responded that they were Hispanic. African Americans comprised 4 percent of survey respondents. The 2007 American Community Survey (ACS) reported that 77 percent of Arapahoe County residents were White and 17 percent were Hispanic. However, the U.S. Census considers Hispanic an ethnicity, not a race. Consequently, a Census respondent's Hispanic/Non-Hispanic status is obtained in a separate question. Therefore, the results of our survey and of Census are not directly comparable. Exhibit IV-12 displays the racial and ethnic distribution of survey respondents in Arapahoe County.

⁴The core part of Aurora that was not included in the survey are zips code 80010, 80011, 80012 and 80017.

**Exhibit IV-12
Race/Ethnicity,
Arapahoe County**

Source:
Arapahoe County Resident Survey, August
and September 2008.

	Survey Repondents
African American	3.6%
American Indian/Native American	0.8%
Asian/Pacific Islander	0.8%
Hispanic/Chicano/Latino	6.0%
White	83.1%
Multi-racial	2.0%
Other	1.2%
Refused/Don't Know	2.4%
Total	100%

Disability. Nineteen percent of survey respondents answered “yes” when asked if they or any member of their household had a disability. This is higher than the results of the 2007 ACS, which reported 11 percent of Arapahoe County residents had at least one type of disability. However, the two do not compare exactly since the survey reports the number of households with any member having a disability, while the ACS reports the total number of persons with a disability. Twenty-nine percent of renter households have at least one resident with a disability, while only 13 percent of all owner households have a disabled resident.

Household income. One of the criterion used to screen potential interviewees was a household income qualifying question. Respondents living in Arapahoe County had to earn a household income less than \$72,000, which is approximately the HUD area median income.

Of the 250 survey respondents, 28 (or 11 percent) refused to answer the question about their household income. Of the respondents who did answer this question, approximately half earned between \$20,000 and \$57,000. Exhibit IV-13 below displays the income distribution of survey respondents.

**Exhibit IV-13.
Household Income,
Arapahoe County**

Source:
Arapahoe County Resident Survey, August
and September 2008.

	Survey Repondents
Less than \$10,000	9.7%
\$10,000 to less than \$20,000	8.1%
\$20,000 to less than \$35,000	20.6%
\$35,000 to less than \$57,000	31.6%
\$57,000 to less than \$68,000	12.6%
\$68,000 to less than \$72,000	6.1%
Refused/Don't Know	11.3%
Total	100%

Employment and commute. Fifty-eight of Arapahoe County survey respondents reported that at least one member or more of their household worked a full-time job, while 41 percent reported that no one in their household worked a full-time job. Sixteen percent responded one or more persons in their household work part-time. Of those respondents who did not work a full-time job, 73 percent (approximately 30 percent of all respondents) were 65 years and over. It is not certain from the data how many respondents worked more than one job.

The most common occupation among survey respondent households was that of a Service Representative (customer service rep, cashier, etc.), followed by Marketing and Sales, Education Specialty (teacher, superintendent) and Food Preparation Service (chef, kitchen staff, etc.) jobs.

Respondents were also asked about their commute time to work. Of the responses to this question, almost half (48 percent) reported their commute to be under 20 minutes and an additional 28 percent said the commute was 21 to 30 minutes long. Nineteen percent experienced a commute of a half an hour or longer and 5 percent of the responses had no commute since they worked at home.

A private car or truck is the most common mode of transportation to work, approximately 77 percent use the mode. Public transit was second most common (12 percent) way to get to work.

Housing discrimination. When asked if they had ever experienced housing discrimination, 11 survey respondents (5 percent) answered yes. Sixty-four percent of those who were discriminated against reported the discrimination had occurred in Arapahoe County (i.e., Aurora, Centennial, Englewood and Littleton) and additional 18 percent occurred in Denver. Of those survey respondents who were renters, 7 percent had felt they had experienced housing discrimination, compared to 2 percent of owners.

Exhibit IV-14 below displays the reasons cited by survey respondents as the cause of the discrimination.

**Exhibit IV-14.
Reasons for
Discrimination,
Arapahoe County**

Source:
Arapahoe County Resident Survey, August
and September 2008.

	Survey Reponses
Race	2
I have children	1
My partner and I are not married	1
I'm mentally/developmentally disabled	1
I have a low income	1
I have bad credit/bankruptcy/debts	1
Other	3
Refused/Don't Know	1
Total Responses	11

As shown above, the most common cause of discrimination was race. When asked what they did about the discrimination, the vast majority (73 percent) did nothing. One survey respondent called a housing authority, one respondent filed a complaint and one did not remember what they did. The respondent who called the housing authority also talked to a lawyer/Legal Aid/ACLU/Attorney General's Office.

Survey respondents were also asked how they would get information about their fair housing rights. The internet was the most popular response, earning just over one-third of the responses. The next place the respondents would go for information would be their local government information source/officials, followed by calling a lawyer/ACLU/Legal Aid, going to the HUD website and library. Eighteen percent of the responses were from respondents who did not know where to go to know more about their fair housing rights.

**Exhibit IV-15.
If you wanted to know more about your fair housing rights, how would you get information?, Arapahoe County**

Source:
Arapahoe County Resident Survey, August and September 2008.

	Survey Responses
Internet search	34%
Local government information source/officials	16%
Public housing authority	9%
Call a lawyer/ACLU/Legal Aid	5%
HUD website	3%
Library	2%
Call the Colorado Civil Rights office	2%
Ask friends/family	2%
TV	1%
Telephone book	1%
Attorney General's office	1%
Lease company/developer	1%
Radio	1%
Other	2%
Refused/Don't Know	18%
Total Responses	100%

Community meetings, focus groups and key person interviews. In conjunction with the preparation of a Housing Needs Assessment and Consolidated Plan, to elicit input regarding fair housing and housing and community development needs BBC conducted a series of community meetings, focus groups and key person interviews with individuals from organizations and the community representing a diverse set of interests.

The community meetings were open to the public and were held in two different sites in Arapahoe County. Focus group attendees fell into one of the following categories: Public Housing residents residing in Arapahoe County and Community Development staff, affordable housing developers and affordable housing providers. Key person interviews were conducted of County and city staff within Arapahoe County, the public housing authorities and others involved with housing and community development.

Exhibit IV-16 displays the organizations represented during the focus groups and interview process.

**Exhibit IV-16.
Organizations/Agencies Consulted**

Organization	Organization (cont'd)
Arapahoe County	Community Housing Services Agency
Arapahoe/Douglas Mental Health Network	Developmental Pathways
Brothers Redevelopment	Englewood Housing Authority
Catholic Charities	Family Tree, Inc. / House of Hope
City of Centennial	Habitat for Humanity of Metro Denver
City of Englewood	Interfaith Community Services
City of Greenwood Village	Littleton Housing Authority
City of Littleton	Management Service, LLC
City of Sheridan	Mercy Housing Colorado
Colorado Center for the Blind	Metro Brokers, A Step Above
Colorado Housing Assistance Corporation	Rebuilding Together
Community Housing Development Association	Rocky Mountain Housing Development Corporation

Source: Key informant interviews and focus group.

In addition to discussing overall housing needs in the County, the meetings included discussions about barriers to affordable housing and fair housing issues. The following section outlines the input BBC received from participants with regards to these topics.

Barriers to affordable housing. When asked about community barriers to providing housing affordable to residents at lower income levels, the following problems were identified:

- Appraisals of HUD homes are dropping, but bids have gone up. These homes are in need of rehabilitation. The moderate-income households can qualify for a mortgage, but may be afraid to buy because of real estate market and job security.
- High construction costs and material costs.
- High cost of water and sewer tap fees. Sometimes with infill housing there are no water and sewer lines next to the lots, and it is expensive to replace, roads and curb/gutter drainage. The average price of fees (such building permits, impact fees, use tax, etc.) for a single family home in Castle Rock is approximately \$35,000 and \$21,000-25,000 is the water tap fee.
- Households would buy affordable condominiums, but HOA dues are high and HOAs are weak.
- Land costs are high in Arapahoe County. Even with the current market slow down, prices are not dropping and developers are holding onto land for the moment.
- NIMBY in Arapahoe County, not including Aurora. The community may not understand what affordable housing is actually all about.
- There is little or no land available in Arapahoe County to develop housing, especially for infill development.
- The Low Income Housing Tax Credit market is at an all time low and is not profitable for investors.
- High land cost.
- It is difficult finding available affordable rentals.

Fair housing:

- Greed is the main driver of discrimination.
- Credit problems can be helped with financial counseling.
- Do not know of any fair housing concerns in the County, but that does not mean there is not discrimination going on.
- Persons with mental health and/or criminal backgrounds may have a difficult time finding housing.

Solutions to affordable housing. The following solutions were offered to help the counties provide more affordable housing to its residents:

- Affordable housing providers would like to have an inventory of available land in both counties.
- In this current market, they are not looking at building. They would like to get help to the providers for things such as downpayment assistance.
- Provide a “fast track” in the affordable housing development process in city and County government.
- Reduced or waived fees (e.g., bridge fees, road fees, planning fees, etc.) would help make the development of affordable housing easier. Brighton does a nice matrix of reduced and waived fees.
- Some private developers may move more quickly when developing housing. They do tax credit developments well, but may not be providing the additional services that are needed.
- Would like to see Inclusionary Zoning outside of Denver, but they are not sure how it would work.

SECTION V.
**Identification of Impediments to Fair
Housing Choice and Fair Housing Action Plan**

SECTION V.

Identification of Impediments to Fair Housing Choice and Fair Housing Action Plan

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI and recommends an Action Plan for the County and the participating jurisdictions.

Summary of AI

This report is the Analysis of Impediments to Fair Housing Choice (AI) for Arapahoe County. The following research was conducted in developing the AI:

- Affordability in Arapahoe County was analyzed. Section II contains the results of this analysis which examined rental affordability, the ability of residents to buy a home, the availability of subsidized/assisted housing especially for special needs populations, and the location of affordable housing.
- A special analysis was conducted to detect concentration of residents by race/ethnicity, income/poverty, disability and familial status.
- A review of land use, zoning and development fees was conducted to detect any barriers to affordable housing development (beyond market barriers).
- Legal cases and complaint data were reviewed to better understand that types of violations that have occurred and determine any trends in discriminatory activities. A fair lending review was also conducted.
- A resident telephone survey, community meetings, stakeholder focus groups and key person interviews were conducted.

The research revealed the following.

Affordability. About half of the County's renters earned enough to afford to pay the median rent of \$794. The County's rents are lower than the seven-county and City and County of Denver average. Affordability varies by location, however, with the most affordable units located in Glendale and Aurora.

The vast majority of for sale units that are affordable to households earning less than the median income are located in the Sheridan/Englewood/north Littleton area or Aurora. Aurora and Englewood provide Arapahoe County with a substantial portion of the County's for sale affordable housing options. Of the single family units affordable to households earning 80 percent or less of the AMI (\$57,440) in the 13 communities in Arapahoe County, 92 percent of those units were located in Aurora and Englewood.

The County's subsidized/assisted housing is mostly located in the west central portion of the County and the Four Square Mile area. Fewer units are available in the central and eastern portions of the County.

Concentrations. The Census block groups that have the highest percentages of persons with disabilities are located in the Sheridan/Englewood/north Littleton area and parts of Aurora. The County's African American population is almost entirely located in Aurora; the County's Hispanic population is very concentrated in portions of central Aurora and some parts of Sheridan, Englewood and north Littleton. The County has fewer concentrations of single parents and large households.

Residents are less concentrated by income than by race and ethnicity. Lower income households and persons living in poverty reside in many areas of the County.

Zoning and land use. In general, most of the communities in Arapahoe County address the need for affordable housing, but some (Englewood and Littleton) do this much better than others.

Most communities have very strict regulations governing the permitting and location of group homes and, combined with NIMBYism against such developments, make it challenging to have group homes built.

Arapahoe County and its communities are fairly restrictive in their required minimum lot sizes for single family dwellings in "high density" zones. The smallest is in Englewood at 4,500 square feet; the largest, in Greenwood Village is 10,000 square feet. Greenwood Village requires that dense, multifamily developments be in very close proximity to major employment centers, restricting their location and development. Greenwood Village also has a restrictive definition of family that could prevent extended family members from residing the same homes.

Finally, the County's development fees are some of the highest in the metro area.

Fair lending. African Americans, and to a lesser extent, Hispanics, who apply for mortgage loans have much lower probability of getting their application accepted than white applicants. Loans to African Americans were denied 15 percent of the time; for Hispanics, 11 percent of the time. This compares to 7 percent for whites. In general, Arapahoe County residents may fare better with local institutions since local institutions have much higher loan acceptance rates on mortgage loans. However, local lending institutions are less likely to receive applications from minority borrowers and the minority/white disparity in denials is no better with local institutions.

In addition, African Americans and Hispanics were twice as likely to get subprime mortgage loans than whites. Subprime lending activity in the County in 2006 was very much concentrated in parts of Englewood and Sheridan.

Legal cases and complaints. Between 2002 and 2007, there were 89 fair housing complaint cases in Arapahoe County. The most common fair housing complaints in Arapahoe County involved the following:

- Predominantly in Aurora, failure to rent or offering unequal rent terms and conditions because of race and/or national origin.
- Homeowners associations (HOAs) refusing to make reasonable accommodations for persons with disabilities.
- HOAs refusing to let children play in common areas and/or use the community pool during certain hours.
- Neighbor harassment—e.g., calls because a neighbor is alleging making too much noise. The neighbor feels that call was motivated by discrimination based on race/national origin rather than actual noise.

Community input. Just 5 percent of Arapahoe County residents say they have faced some type of housing discrimination. Those who say they have experienced discrimination report that it is mostly race-based. Residents who have experienced discrimination usually do nothing about the occurrence.

Fair Housing Activities

The bulk of the County’s current fair housing activities exist to address one of the largest problems in the County—lack of affordable housing. As discussed in Section III, the County emphasizes and encourages affordable housing residential development. The Arapahoe County Comprehensive Plan 2001 includes a lengthy discussion of affordable housing needs found within the County, as well as policies. Key points of the document include a focus on a diversity of housing types and a reduction in low-density housing patterns. Despite the goals, the County has not seen the development of many high-density, housing units targeted to workforce. According to County planners, developers are not taking advantage of the allowances for density.

The County’s recently released Action Plan proposes that CDBG funds be used for several key affordable housing activities: downpayment assistance for homebuyers, acquisition of land for affordable-housing development; support of owner occupied rehabilitation programs; and assistance in the acquisition of homes to be used as group homes for the developmentally disabled. In addition, the Action Plan proposes to allocate funds to provide foreclosure counseling and emergency assistance for persons at risk of homelessness and to others in need, and landlord/tenant counseling associated with renters’ rights and fair housing issues.

Summary of Impediments to Fair Housing Choice

Section II through IV presented the research and public outreach processes as part of the Arapahoe County AI. The sections examined data from a variety of sources including key informant interviews; community and focus group meetings; review and analysis of data on fair housing complaints, legal cases, mortgage lending data, foreclosure data and subprime lending data; as well as a review of land use and housing policy for the county and participating jurisdictions.

The following impediments to fair housing choice were identified through this research:

Complaint evidence suggests some real estate companies are ignorant of and/or do not comply with fair housing laws. The majority of the fair housing complaints filed with HUD between 2002 and 2007 were filed against real estate companies—such as homeowners associations, condominium or apartment complexes, property management agencies and real estate agents. The top violations that the complaints alleged included discrimination in the terms, conditions, services or privileges related to the rental or sale of property (37 percent); failure to make reasonable accommodations (18 percent); coercion (15 percent); and refusal to rent (11 percent).

In addition, the Colorado Civil Rights Division (CCRD) mentioned that complaints in Arapahoe County often concern homeowners associations refusing to make reasonable accommodations for persons with disabilities, in addition to refusing to let children play in common areas and/or use the community pool during certain hours.

Residents experiencing discrimination in housing “do nothing.” Five percent of respondents to the resident telephone survey said they have experienced housing discrimination at some point. These data suggest that about 24,000 people in the County have experienced discrimination. Although this proportion is relatively low (Denver is 10 percent), discrimination should be a concern if it is experienced at all.

When County residents experience discrimination, most do nothing about it and few take action to report it. Of the Arapahoe County residents surveyed who felt they had experienced discrimination, the majority “did nothing” about it (73 percent). Only 2 respondents took some type of action either to obtain information or to report their situation, and one respondent did not know or remember what they did about the discrimination.

Key persons interviewed for this study did not express much concern about housing discrimination, although stakeholders believe that violations probably do occur. It is important that citizen education, outreach and systems to file complaints are in place to help citizens identify and make complaints about fair housing violations, should they occur.

Lack of easily accessible information about fair housing. Fair housing information could be made more accessible by providing information on County, municipality and/or housing authority websites. The lack of known discriminatory activities in the County may not have necessitated fair housing informational campaigns in the past, but such information should be available to people who feel they have been discriminated against and are seeking assistance. When asked “If you wanted to know more about your fair housing rights, how would you get information?”, most survey respondents said they would consult the Internet, followed by local government sources—suggesting that information about fair housing rights in the County should at least be disseminated through websites and available at government offices.

NIMBYism. Housing providers who participated in the focus group and other interviewed for the AI mentioned “Not in My Back Yard Syndrome” as being a potential impediment to fair and affordable housing. Citizen opposition to affordable housing and housing for special needs populations may discourage developers from pursuing such developments.

Barriers to affordable housing development. Developers and housing advocates pointed to the high cost of land and the lack of developable land in Arapahoe County as being a primary barrier to affordable housing development. Aging or nonexistent infrastructure in the County was also cited as a barrier.

In our land use and zoning review, we found a number of ways to encourage more affordable and workforce housing in the City, broadening the opportunity for the workers in the County to also be residents. These include:

- Allowing more variety in development types including small lot single family detached units and mixed income communities.
- Expanding the location of affordable housing beyond the Sheridan/Englewood/north Littleton area and Aurora through infill and new development. Allowing high density in other portions of Greenwood Village (other than near employment centers) and actively encouraging mixed income communities in undeveloped portions of the County.
- Ensuring that requirements for public hearings and special permitting processes do not prohibit the development of group homes, especially as the County's residents age and demand more nursing and rehabilitation services.

Recommended Fair Housing Action Plan

To address the impediments identified above, we recommend that Arapahoe County undertake the following fair housing activities during 2009 to 2013.

Action Item 1. Raise the visibility of fair housing and the complaint process. As mentioned previously, when asked what they did when discriminated against, most survey respondents said they “did nothing” about the discrimination. Few took some type of action either to obtain information or to report their situation. When asked where people would go to know more about their fair housing rights, the top three responses included: the internet, a local government information sources or official, and public housing authorities.

A review of Arapahoe County, the participating municipalities and the public housing authorities websites found very little information about fair housing. There are many ways to create a website to improve the County's ability to communicate fair housing information. In addition, the County's point person to take fair housing inquiries should be known to all municipalities. The following are suggestions to help make an effective and user-friendly website.

- **Define fair housing.** Discuss what fair housing is and provide the basics of the federal Fair Housing Act and Colorado's Fair Housing Act, including a list of the protected classes. Web links to each of these Acts are also recommended.
- **Fair housing information packet.** Provide information to assist the visitor with fair housing issues and make available, upon request, a packet of information concerning fair housing.

- **Links to other important websites.** Provide links that residents could click on for more information and with contact information if residents believe they have been discriminated against. We recommend, at a minimum, providing links to:
 - The Colorado Civil Rights Division webpage at <http://www.dora.state.co.us/civil-rights/>, which contains information about the intake process for filing a fair housing complaint; and
 - HUD's fair housing information page at <http://www.hud.gov/offices/fheo/FHLaws/index.cfm> and HUD's webpage that contains information and a form to file a fair housing complaint (<http://www.hud.gov/complaints/housediscrim.cfm>).

We also recommend that the County have a link on its website to the State Division of Housing's searchable database for affordable housing: <http://www.coloradohousingsearch.com/?content=Search>.

Action Item 2. Provide outreach and education to real estate companies, government staff and officials and the community. Arapahoe County should create a plan to raise its fair housing visibility through public outreach and education. The County and the Colorado Civil Rights Division (CCRD) should conduct presentations and distribute information about fair housing at first targeting Homeowners Associations (HOAs) and government staff and officials.

We recommend that the County coordinate with CCRD to develop a presentation and brochure targeted to HOAs and real estate professionals that gives information about fair housing laws and provides examples of how HOAs might create impediments to fair housing choice and violate fair housing law in their activities. The brochures should be distributed to all HOAs, units of local governments, and real estate professionals who are active in the County. New HOAs throughout the County that are formed as subdivisions are developed should receive a presentation on fair housing laws.

We also recommend that the County sponsor two training sessions, one targeted to HOAs, and another targeted to planning staff who review development applications and development covenants (CC&Rs). The training can be provided through CCRD. The training should review the basics of fair housing, identify the most common types of violations in Arapahoe County and how they can be prevented.

Action item 3. Modify zoning and land use regulations and offer incentives to create more mixed income communities for workforce, seniors and other with affordable housing needs.

Currently, incentives for affordable housing creation are provided to developers on a case by case basis. We recommend that the County take the lead in standardizing these incentives and encourage the communities within the County to follow suit. These incentives could include:

- *Waiver of fees and other assistance.* Housing providers need help paying for the gap between development costs and affordable housing sales price requirements. Ways in which the County and cities could assist in providing subsidies include reduced or waived fees of

planning fees and impact fees (such as water and sewer fees) for affordable developments.

- *Fast Track development approval process.* An expedited review process also called “fast track approval,” would help to reduce development costs. The idea is that developments with an affordable component go to the top of the development review pile, and the review process is guaranteed to occur within a number of days and be transparent as possible. Expedited review works best in communities where the review process is lengthy.
- *Energy efficiency rebate.* Housing developers would like to see a replacement of the Energy Efficiency Rebate through the State and Xcel. Several of the developers are improving the energy efficiency of the homes through improved insulation, windows, doors, etc. They see it is a future cost saving method for the homeowners.
- *Assistance from the County and Cities within the County in obtaining funds from agencies.* To make the economics of affordable housing work, developers must bundle several sources of development subsidies. Continued support and assistance from Arapahoe County and its communities in securing the various types of funding would help facilitate affordable housing development and attainment. Although the current market is not looking to build, direct assistance with downpayments would benefit households finding affordable housing.

The incentives should be targeted to developers who are providing deeply subsidized housing (0-50 percent of AMI); mixed income communities that provide a variety of housing types; and infill development in areas where little affordable housing exists.

In addition, the County and its cities—particularly those with the largest minimum lot sizes—should reduce their minimum densities and expand high density zones to allow a greater diversity of housing types throughout the County.

Action item 4. Continue leading affordable housing development efforts. Arapahoe County has set numerous goals and objectives around affordable housing and special-needs housing in its Comprehensive Plan 2001, and also supports affordable housing through the Consolidated Plan. Its targeted areas through its Consolidated Plan appropriately focus on the greatest areas of need in the County—rehabilitation, creation of affordable housing and assisting its special needs populations with services and housing.

APPENDIX A.
Affordable Housing Incentives

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Affordable Housing Incentives

The following describes some successful affordable housing programs used in other municipalities around the country. These programs provide incentives to developers for the construction of affordable housing units.

Austin, Texas

Austin has implemented its S.M.A.R.T. program to encourage the development of affordable housing units in the City. The three basic incentives of this program are: fee waivers, expedited review and an advocacy to resolve development-related issues with other city departments. For a new development to qualify for the S.M.A.R.T. program, it must conform to the following characteristics:

- **Safe** – Compliance with the city’s land development and building codes;
- **Mixed Income/Reasonably Priced** – A portion of the development must be affordable to households making up to 80 percent of AMI and spending no more than 30 percent of their family income on housing;
- **Accessible** – Compliance with federal, state and local accessibility standards, some of which are specific to the S.M.A.R.T. Housing program;
- **Transit** – Location of new development either on a major bus line or a proposed light-rail line; and,
- **Green** – Conformance to a minimum level of Austin’s green building standards.

Fee waivers (for the city’s capital recovery fee, development review and inspection fee, and other construction inspection fees) are linked to the percentage of reasonably priced units. For example, if a builder dedicates 20 percent of the new development to S.M.A.R.T. reasonably priced units, the City provides a 50 percent waiver on all fees. 40 percent S.M.A.R.T. reasonably priced units earns a full 100 percent fee waiver.

In addition to fee waivers, developments that meet S.M.A.R.T. housing standards receive an expedited review process performed by a special S.M.A.R.T. Housing review team. This leads to a much faster approval time for S.M.A.R.T. developments, with the average completion time for plan reviews almost twice as fast as conventional reviews. The S.M.A.R.T. Housing staff also acts as a mediator to resolve issues with other city departments regarding potential S.M.A.R.T. developments. This facilitates a faster approval process as well.

The results of the S.M.A.R.T. program have been very encouraging. In the first year of the program, the housing staff expected around 600 applications to build S.M.A.R.T. units. Instead, they received over 6,000. In the three years before the program was implemented, only 325 units were built that met S.M.A.R.T. standards. In the three years after the program was implemented, over 4,000

S.M.A.R.T. units were built. An internal review has also concluded that the fee waivers and expedited reviews are self-funding: “Since the projects are completed more quickly, completed housing units get into the tax base earlier than with slower, conventional review and associated revenue for the city-owned utilizes is received earlier as well.”

Santa Clara County, California

Santa Clara County is home to the epicenter of the American technology industry, the Silicon Valley. As technology became a larger piece of our economy over the last 30 years and more people moved to Silicon Valley for employment, a housing crisis developed with Santa Clara County. To combat this crisis, the County created the Housing Trust of Santa Clara.

The purpose of the Housing Trust of Santa Clara (Trust) is to administer three programs, each of which is targeted at different groups:

- First-Time Homebuyer Program – offers zero-interest loans to help cover closing costs;
- Multifamily Rental Program – provides short and long-term loans at low interest rates to nonprofit developers of affordable rental housing; and,
- Homeless and Special Needs Program – similar to Multifamily Rental Program, but loans designed for construction of developments targeted toward specific groups in need.

Funding from the Trust comes from both public grants and private donations. In fact, the Trust is unique in that over 50 percent of its funding comes from private sector sources, such as Hewlett Packard and Adobe Systems, both large employers in the Silicon Valley. Individual donors typically give small donations of \$20 and up. Approximately 30 percent of the Trust’s funding comes from local government grants. However, there is no dedicated funding source for the Trust and donations do not renew annually.

The Trust’s Multifamily Program provide the largest “developer incentives” of the trio. Funding has been designated for four types of loans: land or property acquisition, predevelopment loans, bridge loans and debt service coverage guarantees. Priority for these loans is given to projects located in areas that are underserved by affordable rental housing and the maximum loan that can be issued is \$500,000.

All developments eligible for this program must be sponsored by a nonprofit or government organization and developers must have local public and government support for the project. In addition, each developer must reserve 25 percent of all units for those families earning 50 percent or less of the AMI. Finally, the development must comply with four smart growth criteria, similar to Austin’s S.M.A.R.T. program:

- An average density of 14 units per acre;
- Located within a municipality’s urban service area;
- Located no more than a half mile from a commercial center and transit service; and,
- Designed to complement existing neighborhoods with pedestrian-friendly design and the capacity for mixed use.

The Homeless and Special Needs program is very similar to the Multifamily Program but targets its loans for at-risk groups such as victims of domestic violence, homeless persons, the elderly and the physically disabled.

The three programs that make up the Trust have helped create 5,310 housing opportunities for county residents. The Multifamily Program has lent \$6.1 million to developers of rental housing, which has led to the construction of 1,275 housing units. In addition to the increase in the County's affordable housing stock, the program has also fostered a stable workforce.

Montgomery County, Maryland

Montgomery County has one of the more successful inclusionary zoning ordinances in the country with its Moderately Priced Dwelling Unit Program. In addition, the County has just released a summary of recommendations from its Affordable Housing Task Force that presents many innovative methods by which the County could provide incentives for developers to build affordable housing:

- Assess an affordable housing impact fee on all new non-residential development;
- Reduce parking requirements for housing developments in order to reduce homeowner costs, encourage use of mass transit and promote more environmentally friendly patterns of development;
- Create a more attractive planning and economic environment for the development of affordable housing;
 - Increased heights, densities, floor area ratio and flexibility in meeting public amenity/open space requirements for developers;
 - Expansion of waiver to include all units less than 60 percent of average monthly income for taxes and fees that contribute to increased costs of developing affordable housing;
- Develop a comprehensive inventory of all publicly owned sites and properties and make appropriate sites available for affordable housing developments;
 - Provide no-cost or low-cost sites that promote the affordability of residential development;
- Expedite regulatory reviews; and,
- Permit accessory apartments without requiring special exemption permits.

Each of these recommendations could provide developers the incentive they need to construct more affordable housing in the County.

Seattle, Washington

Seattle also provides a variety of financial incentives for developers to construct affordable housing units. Below is a list of a few of those programs:

- **Homes Within Reach Program** – This program encourages and stimulates the construction of new multifamily, affordable housing units in the City by providing a property tax exemption for a maximum of ten years for all residential units in the development. This tax exemption is transferable to a new property owner as long as they continue to meet compliance requirements. Affordability requirements are based on the AMI and FHA mortgage limits for Seattle.
- **Downtown Residential Bonus Program** – The Downtown Residential Bonus Program allows additional residential gross floor area and height in developments in exchange for affordable housing. This affordable housing can be located either in the same building (I believe they are referring to large high-rise buildings) or adjacent to the property. These for-rent units must be affordable to families earning less than 80 percent of the AMI and for-sale units must be affordable to families earning less than 100 percent of the AMI. By allowing for additional FAR and height, developers can theoretically fit more units into a building and therefore earn more revenue.