

Executive Summary

Town of Lyons Housing Needs Assessment

The purpose of this report, which was funded and coordinated by the Boulder County Housing Authority, is to provide information regarding housing needs and preferences of current and former (pre-flood) Lyons area residents that will help inform development, site selection and the creation of a housing replacement strategy that is responsive to needs in terms of housing types, amenities and price points and compatible with Lyons.

Much of the information for this study came from a survey conducted in January 2014, through which 742 non-duplicative responses were received from households that resided in or within 10 miles of Lyons prior to the flood including about 58% of all households that resided within the town before the flood.

Key Findings

Lyons is facing multiple housing problems, both due to the impacts of the September 2013 flood and high housing costs relative to incomes. The flood fundamentally affected the community in many ways, including the long-term displacement of 185 households from the homes they occupied prior to the flood due to:

- Destruction of approximately 70 homes, including 43 mobile homes that provided affordable options for low income households;
- Damage to many other homes, some of which are unsuitable for occupancy, requiring repairs to be made before residents can return;
- Being forced by landlords to leave;
- Being required to sign long-term leases for housing elsewhere upon being displaced by the flood; and
- Finding homes that better met their needs elsewhere (20% of still displaced households do not want to return to Lyons).

With the destruction of two mobile home parks and much of the Confluence neighborhood, the low income population in Lyons was particularly hard hit:

- 133 of the still displaced households have low incomes (less than 80% AMI), including 72 that have extremely low incomes (equal to or less than 30% AMI); and
- Households that have been unable to return earn much lower household incomes than Lyons households as a whole – *about 50% less on average*. The median household income for still-displaced households is only \$35,000, compared to about \$70,000 for all Lyons households.

The market is not providing affordable replacement/alternative housing options for households that are still displaced by the flood, preventing many households from being able to return to Lyons.

- Ownership options are very limited. Homes prices start around \$300,000, which is affordable to a household earning about \$75,000 per year – much higher than what most of the residents who lost their homes can afford. A household would need to earn about \$125,000 per year, or about 160% of the area median income (AMI) for a two-person household, to afford the average priced home for sale in Lyons (\$513,470).
- The rental market is tight with limited availability and rising rents which are no longer affordable to low income households. The average rent for units advertised in January was \$1,520 per month, which is affordable for a two-person household earning about \$60,800 per year (90% AMI). Renters are having an especially difficult time returning to Lyons, and more than half had an increase in their rent payment following displacement.

Lyons had housing affordability and availability problems prior to the flood, which were exacerbated by the flood due to reductions in income and increases in housing payments since the flood. Of low-income renters earning under 80% AMI, 52% are cost burdened by rent payments that exceed 30% of household income.

Recommendations for New Units

To preserve the character of the community and to respond to the needs and preferences of its residents, the following recommendations provide general targets within which there is flexibility; there is no single solution.

Number of Units

To provide replacement housing for destroyed homes and address the need for additional units for other households which are still displaced, approximately 100 units are needed. A one-for-one replacement of only the homes destroyed by the flood will not enable all former residents who want to live in Lyons to return.

	Households
Still Displaced from Pre-Flood Homes	185
Have returned to Lyons (22%)	<u>-40</u>
Still displaced elsewhere	145
Do not want to return to Lyons (20%)	<u>-30</u>
Want to return to Lyons (80%)	115
Can likely repair homes	<u>-15</u>
Need replacement homes	100
Households whose homes were destroyed	70
Other still-displaced households	30

To address affordability problems of renters that existed prior to the flood (and continue to exist), the town should explore building around 25 to 30 additional rental units affordable for low income households. Development of 130 units would result in a net increase of only 60 units in the town after the 70 that were lost in the flood are replaced.

Own/Rent Mix

The ownership and rental mix is influenced by:

- The preferences of displaced households (71% want to own, 12% want to rent and 17% want to lease to own),
- Down payment availability, and
- The fact that 90% of the 70 homes that were destroyed were owner occupied, yet 32% of still-displaced households now rent their replacement homes.

Because of these factors, the unit mix should be roughly 1/3 rentals, 1/3 lease to own and 1/3 for sale.

Unit Pricing

- Approximately 80% of the ownership units built to house still-displaced households should be priced to be affordable for low income households (at or below \$220,000).
- About 25 to 30 rental units should be priced for households earning under 60% AMI to serve currently cost-burdened residents and help some still-displaced residents return to the town (under \$1,154 per month for a 2-person household).

Unit Type

Given the preferences of still displaced households that want to live in Lyons and the types of homes that were destroyed, a variety of unit types are needed. The following are suggested parameters:

- 30% - 40% single family homes;
- 10% - 12% mobile homes;
- 15% - 20% single-story units for seniors;
- 20% - 30% apartments; and
- 20% - 30% other multi-family/attached product.

Bedrooms

Given that most of the homes destroyed had two or three bedrooms, combined with the household composition of still displaced households and the needs they indicated, the overall bedroom mix should be roughly:

- 25% - 30% one bedroom;
- 40% - 50% two bedrooms; and
- 25% - 30% three+ bedrooms.

Location

The following are the most important considerations when selecting locations for replacement housing:

- Site not in the flood plain;
- Proximity to the former neighborhood;

- Being within the Town Planning Area; and
- Being within walking distance of schools and transit stops.

Design/Amenities

Based on survey input, the following should be considered:

- Private outdoor space for almost all units; common outdoor areas would be less desirable for most residents who are in need of housing.
- Energy efficiency and incorporation of renewable energy sources like solar panels;
- Single-story designs – two-story options rated far lower;
- A size/scale that is compatible with existing buildings in Lyons;
- Designs with flex/multi-use space that could function as an additional bedroom;
- Universal design features so that some units could be easily converted to full ADA accessibility in the future.