2023 Westminster Housing Needs Assessment

Prepared for:

WESTMINSTER
COLORADO

Prepared by:

Matrix
Excellence by Design
707 17th Street
Suite 3150
Denver, CO 80202

Contact: Christian Caron, PhD

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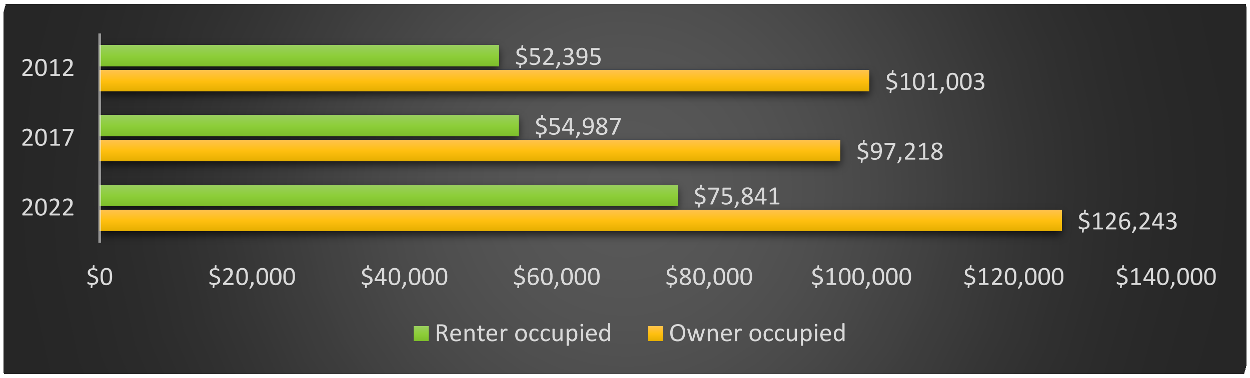
Executive Summary

In September 2023, the City of Westminster commissioned Matrix Design Group (Matrix) to update its 2016 Housing Needs Assessment**.** The primary objective of the update is to assess the extent to which conditions have changed amid pandemic-induced increases in rents, home prices, and interest rates. To that end, Matrix employed a rigorous, quantitative-intensive approach that leveraged the premier sources of demographic, economic, and housing data. The updated data will inform city leaders as they implement the recently enacted 2040 Comprehensive Plan, which aspires to promote a diverse housing stock that accommodates all residents regardless of age, socioeconomic status, or disability; maintains and enhances residential neighborhoods' aesthetic and character; and fosters sustainability, particularly as it relates to water resources. Additionally, Matrix was tasked with identifying potential funding, policy, and other opportunities for the city to pursue as it works to achieve the housing-related goals of the new Comprehensive Plan.

How much does the typical Westminster household earn in income?

Over the last several years, real household incomes have increased sharply in Westminster. Between 2017 and 2022, median renter household income grew by 38%, from $54,987 to $75,841 (see Figure 1). Homeowners witnessed a similar increase in earnings during this period, as evidenced by the rise in median owner household income from $97,218 to $126,243. While these trends can partly be attributed to economic growth, migration patterns stemming from the relatively high cost of living in Westminster, and the Denver metro area as a whole, have played a significant role as well.

Figure 1. Real Median Household Income in Westminster, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

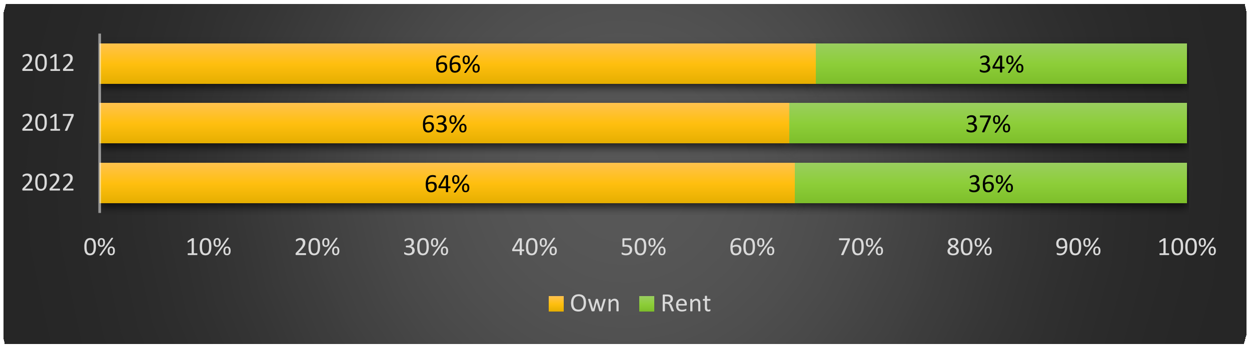
Note: Dollar values adjusted for inflation to constant 2022 dollars.

What percentage of Westminster households own their homes?

Figure 2 demonstrates that Westminster's homeownership rate shifted only marginally between 2012 and 2022. In fact, the 2012, 2017, and 2022 rates are so close as to be statistically indistinguishable from one another. **The most recent data, from 2022,**

indicate that 64% of Westminster households own their homes—a slight increase from the 2017 rate of 63%.

Figure 2. Tenure Status in Westminster, 2012, 2017, and 2022

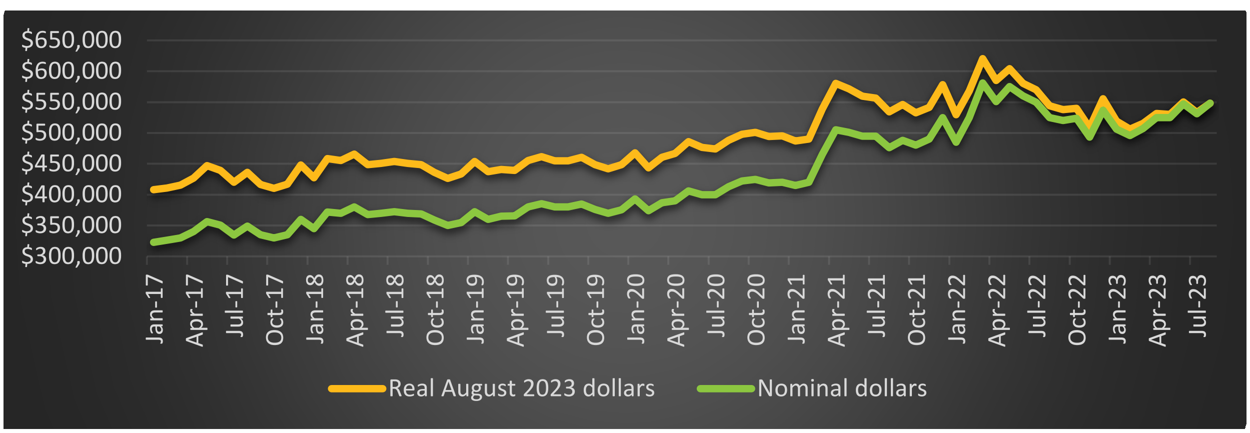


Source: One-Year American Community Survey; Matrix Design Group, Inc.

How much does it typically cost to buy a home in Westminster?

Even when controlling for inflation, home prices have increased dramatically over the last several years (see Figure 3). **As of August 2023, the median home in Westminster sold for $548,000.** This sum represented a 12% decline from the inflation-adjusted, March 2022 peak of $620,451. Home prices rose precipitously starting in March 2021, when the real median sale price reached $538,994—a nearly $50,000 increase over the prior month. For the entirety of the period from 2017 to 2020, the median monthly sale price hovered between $400,000 and $500,000. By contrast, in no month between March 2021 and August 2023 did the median home ever sell for less than $500,000.

Figure 3. Median Home Sale Price in Westminster, January 2017-August 2023



Source: Redfin; Matrix Design Group, Inc.

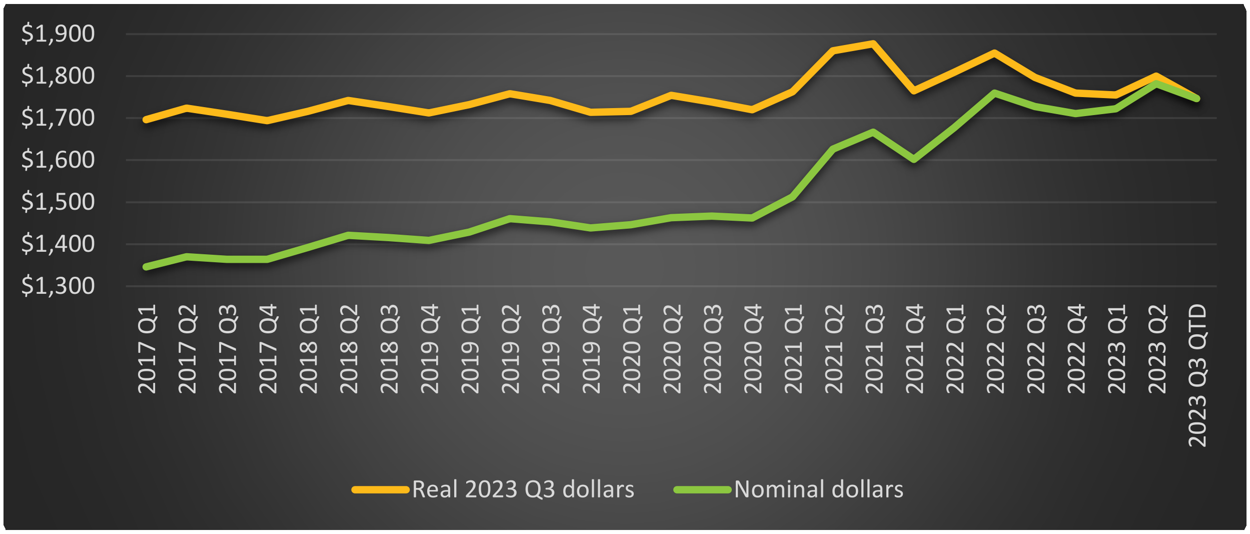
Note: Dollar values adjusted for inflation to constant August 2023 dollars.

What is average rent in Westminster?

As Figure 4 shows, rents have also been on the rise in Westminster. However, the increases have largely been an artifact of inflation, as evidenced by the relative stability of real average apartment rent for most of the period from 2017 to 2023. **Currently, the**

average Westminster unit rents out for $1,747. Real average rent has been on a general downward trend since 2021 Q3, when it reached $1,877. Over the past three years or so, the rental market has been unusually volatile, marked by sharp shifts from quarter to quarter.

Figure 4. Average Apartment Asking Rent in Westminster, 2017 Q1-2023 Q3 QTD



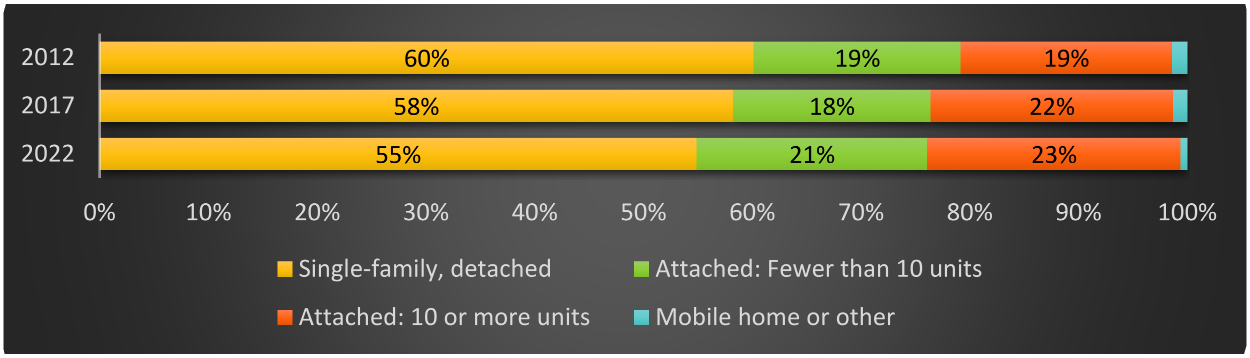
Source: CoStar

Note: Data are current as of September 20, 2023. Estimates do not include utility costs.

How diverse is Westminster's housing stock?

Figure 5 documents the change in the physical composition of Westminster's housing stock over time. **Between 2012 and 2022, the housing stock became more diverse, with the percentage of detached single-family homes decreasing from 60% to 55%.** At the same time, attached housing grew from 38% to 44% of the inventory. Apartments, as opposed to townhomes, duplexes, triplexes, and other types of "missing middle" housing, accounted for most of the new attached units. Examples of newly developed apartment properties include St. Mark Village, Eaton Street Apartments, and Alto at Westminster.

Figure 5. Physical Composition of Westminster's Total Housing Stock, 2012, 2017, and 2022



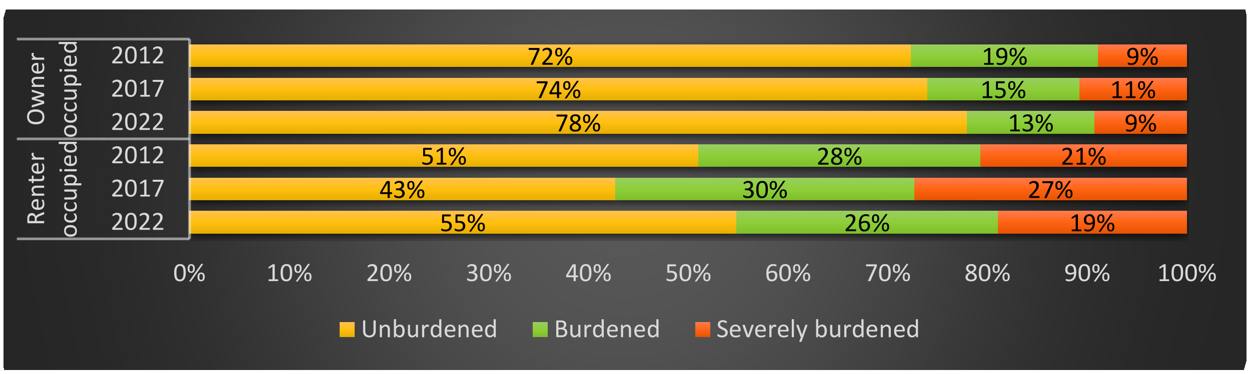
Source: One-Year American Community Survey; Matrix Design Group, Inc.

What percentage of Westminster households are burdened by housing costs?

Despite rising rents and home prices, Westminster residents were less burdened by housing costs in 2022 than in 2012 or 2017 (see Figure 6). **In 2022, 13% of Westminster owner households qualified as "burdened," spending between 30% and 49.9% of monthly income on total housing costs, including the mortgage payment, property taxes, insurance, and other fees. An additional 9% of households spent 50% or more of monthly income on these costs, thereby meeting the definition of "severely burdened."** Homeowners were four and six percentage points more likely to be "burdened" or "severely burdened" by housing costs in 2017 and 2012, respectively. However, the shift was largely confined to the "burdened" range.

Among renters, the long-term trend has been for the cost-burdened rate to decline, although it has not been linear in nature. In 2012, 49% of renter households were considered "burdened" or "severely burdened." Five years later, this figure reached 57%. **The cost-burdened rate decreased markedly through 2022, when 45% of renter households reported spending 30% or more of income on housing.** But compared to 2012, a similar share of renter households were "severely burdened" (19%). Collectively, the findings suggest that increases in household income have been large enough to offset the drastic rise in housing costs.

Figure 6. Cost-Burdened Status of Westminster Households, 2012, 2017, and 2022

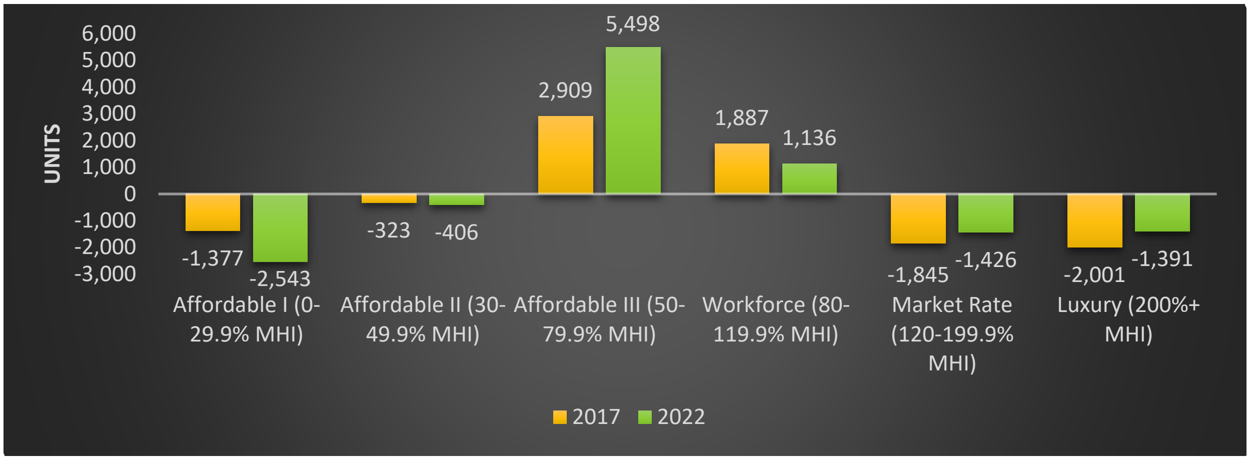


Source: One-Year American Community Survey; Matrix Design Group, Inc.

What are the gaps in Westminster's rental and owner inventories?

Figure 7 displays the gaps in Westminster's rental inventory by affordability tier. The tiers, which range from *Affordable I* to *Luxury*, are based on nominal median household income (MHI) for Westminster, which grew from $64,214 in 2017 to $101,529 in 2022. The values represent the difference between the number of affordable rental units and the actual number of households in each tier. **In 2022, the largest deficit existed in the *Affordable I* range, which consisted of the 3,430 renter households that earned $30,459 or less.** Just 887 units were available at rates that these households could afford, leaving a deficit of 2,543 units—over 1,000 units higher than the 2017 deficit. Significantly smaller deficits existed at the *Market Rate* and *Luxury* tiers, which consisted of households earning $121,835 or more in 2022. While higher-income households typically do not struggle to locate housing, these shortages lead to rent increases by intensifying competition for more moderately priced units. On the other hand, Westminster has consistently had surpluses of *Affordable III* and *Workforce* rental units, which were suitable for households earning between $50,765 and $121,835 in 2022. At the *Affordable II* segment of the market, supply and demand were nearly at equilibrium in both 2017 and 2022.

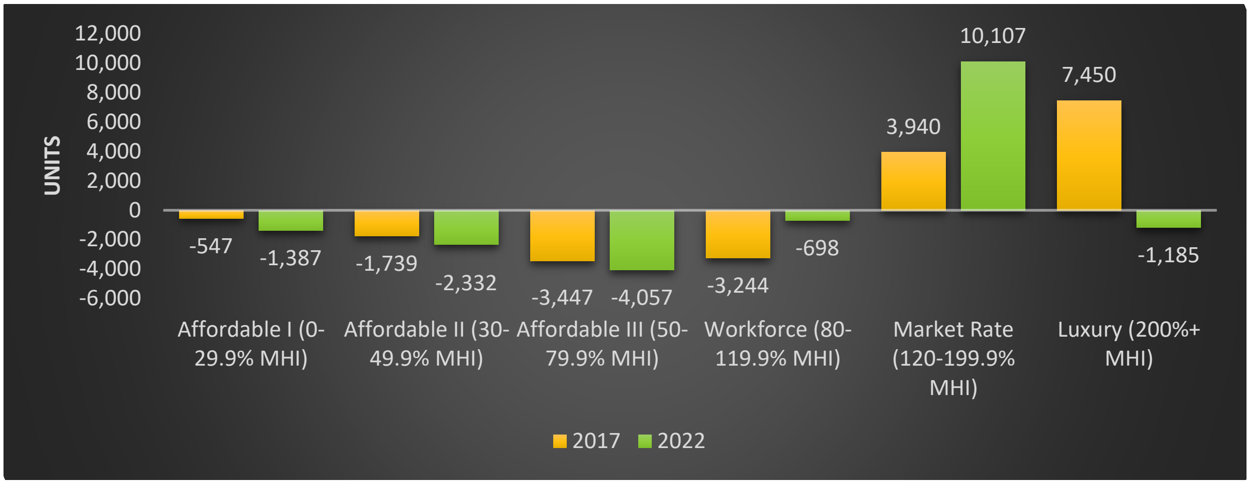
Figure 7. Rental Housing Gaps in Westminster, 2017 and 2022



Source: One- and Five-Year American Community Survey; Matrix Design Group, Inc.
Note: Nominal MHI was $64,214 in 2017 and $101,529 in 2022.

Based on a similar methodology, Figure 8 presents the gaps in Westminster's owner market. **In recent years, the city has had a severe shortage of homes in the three bottom tiers, which are affordable to homes earning below 80% of MHI ($81,223 in 2022).** Between 2017 and 2022, the shortfall grew from 5,733 to 7,776 units. Meanwhile, the city's deficit of *Workforce* homes nearly vanished, whereas a new shortage emerged in the *Luxury* tier. The city also experienced a dramatic increase in the surplus of *Market Rate* homes during this period.

Figure 8. Owner Housing Gaps in Westminster, 2017 and 2022



Source: One- and Five-Year American Community Survey; Matrix Design Group, Inc.
Note: Nominal MHI was $64,214 in 2017 and $101,529 in 2022.

How do Westminster residents feel about housing conditions in their community?

Matrix solicited resident input through a 22-question survey, which the city then administered via social media, newspaper advertisements, and other channels. Despite the higher-income orientation of the sample, residents broadly expressed concern about the impacts of rising rents and home prices in their community. **Additionally, there was widespread agreement that the city should prioritize detached single-family homes, townhomes, duplexes, and triplexes over apartments, condos, and alternative housing types (e.g., tiny homes).** While many respondents acknowledged the role that medium- and high-density housing can play in making Westminster more accessible to lower- and moderate-income families, others voiced vehement opposition to anything besides detached single-family homes, arguing that the newer high-rise apartments and other multi-family developments have harmed the city's suburban character while exacerbating traffic challenges.

What can Westminster do to improve existing conditions?

Our community engagements and quantitative analyses armed us with key insights on the city's housing-related challenges, barriers, and opportunities. Our research uncovered several policy, funding, and other options for the city to consider as it seeks fill its housing gaps.

1. Accessory Dwelling Unit Reform
2. Infill and Adaptive Reuse
3. "Missing Middle" Housing Expansion
4. Short-Term Rental Incentives
5. Senior Housing Expansion
6. Tiny Homes
7. Affordable Housing Trust Fund
8. U.S. Department of Housing and Urban Development (HUD) Funding Sources
    a. PRO Housing
    b. Fair Housing Initiatives Program
    c. The Self-Help Homeownership Program
    d. Older Adult Home Modification Grant Program
9. Colorado Department of Local Affairs (DOLA) Funding Sources
    a. Innovative Affordable Housing Strategies Incentives Grant Program
    b. Creation of Supportive Housing Program
    c. Proposition 123
    d. Housing Development Grant Funds

Introduction

In September 2023, the City of Westminster consulted Matrix Design Group (Matrix) to update its 2017 Housing Needs Assessment (HNA). Among other findings, the 2017 HNA revealed that the city had a dearth of affordable homes on the for-sale market for "extremely low" and "very low" income households and large deficits of rental housing suitable for the lowest- and highest-income households. As a result of these shortages, a significant share of the city's households were burdened or severely burdened by housing costs. The main purpose of the update is to assess how conditions have changed as a result of the COVID-19 pandemic and other developments that have impacted housing affordability and availability over the last several years. Additionally, the new HNA follows the enactment of the 2040 Comprehensive Plan, in which the city committed to fostering a housing stock that meets a diverse array of resident needs, makes responsible use of its finite water resources, and maintains the distinct identities of its neighborhoods.

Methodology

To provide a comprehensive picture of housing conditions in Westminster, Matrix employed a rigorous, mixed-methods approach that combined data analysis with a robust community engagement campaign. Furthermore, we add important context to the results by comparing Westminster to Adams and Jefferson Counties in their entirety. Our analyses leverage the premier sources of economic, demographic, and housing data, which are described below.

- **American Community Survey:** Administered by the U.S. Census Bureau on an ongoing basis, the American Community Survey (ACS) is the leading source of demographic, socioeconomic, and housing data. Its unmatched validity is the result of its reliance on random sampling. This report leverages both the one- and five-year versions of the ACS.
- **Redfin:** The Redfin Real Estate Data Center compiles data from multiple listing service (MLS) databases, which track real estate transactions in nearly real time, in every locale across the country. A variety of indicators that, collectively, shed light on the state of the for-sale housing market are available.
- **CoStar:** This commercially available data source provides detailed information on apartment rents and vacancies. In order to be included in the database, a property must have at least five units. CoStar offers two advantages over the ACS: First, the data cover the period through the present; second, because the database aims to include all commercial multi-family properties, the estimates are virtually free of sampling error.
- **AirDNA:** By gathering and consolidating listing information from popular vacation rental platforms like Airbnb and Vrbo, AirDNA offers a comprehensive and accurate overview of the short-term rental market.
- **Colorado Division of Real Estate:** Through its HOA Center, the Colorado Division of Real Estate provides detailed information on the homeowners associations operating within the state.

- **American Housing Survey:** A project of the U.S. Census Bureau, the American Housing Survey (AHS) is conducted biennially to assess the physical condition of homes and neighborhoods, housing costs, and the characteristics of occupants. Because metropolitan areas are the smallest geographic unit for which data are available, the ACS is the preferred data source. Data on certain housing factors, however, are only collected by the AHS.
- **Esri:** The Updated Demographics datasets produced by Esri's demographers provide current-year and five-year demographic, economic, and housing projections.

At the core of the HNA is a housing gap analysis that estimates the difference between the number of housing units and the number of households by affordability tier. These tiers, which appear in Table 1, are based on 2022 median household income for Westminster, which equaled $101,529. The gap analysis employs a widely used methodology, developed by the Metropolitan Center at Florida International University and refined by Matrix, that allows for standardized comparisons from year to year. **Crucially, the analysis only measures the housing gaps facing *existing* households in Westminster, not hypothetical ones.**

Table 1. Westminster Housing Affordability Tiers, 2022

Affordability Tier	Lower Income Limit
Affordable I (0-29.9% MHI)	$0
Affordable II (30-49.9% MHI)	$30,459
Affordable III (50-79.9% MHI)	$50,765
Workforce (80-119.9% MHI)	$81,223
Market Rate (120-199.9% MHI)	$121,835
Luxury (200%+ MHI)	$203,058

Source: Five-Year American Community Survey; Matrix Design Group, Inc

Note: The values represent the minimum income required to afford housing in a given tier.

Matrix utilized a three-pronged approach to community engagement. First, we conducted a series of one-on-one interviews with key stakeholders. Second, we designed a 22-question survey that queried residents on their own housing situations, their perceptions of existing conditions, and the housing types and issue areas they would like to see city leaders prioritize. Third, Matrix facilitated two community workshops in which residents and local leaders were presented with data and given the opportunity to provide feedback.

Demographics

This section provides a demographic overview of Westminster. It analyzes various key housing-related characteristics of the population and households. In addition, because anecdotal accounts suggest Westminster has a large in-commuter population, we present a profile of the city's workforce.

Population

Table 2 documents actual and projected population shifts in Westminster, Adams County, and Jefferson County over time. **Between 2017 and 2022, Westminster added fewer than 2,000 residents on net as its population grew to 114,539.** The city's 1.5% population increase was dwarfed by Adams County's five percent increase. Growth was even more modest in Jefferson County, whose population increased by just 0.3% over the same period. According to Esri, Westminster's population is projected to reach 120,665 in 2027. This would represent an over five percent increase from the 2022 figure—a growth rate rivaled by that of Adams County as a whole. Likewise, Jefferson County is projected to add approximately 15,000 residents between 2022 and 2027, surpassing its 2017-to-2022 growth rate by a substantial margin.

Table 2. Population, 2017, 2022, and 2027

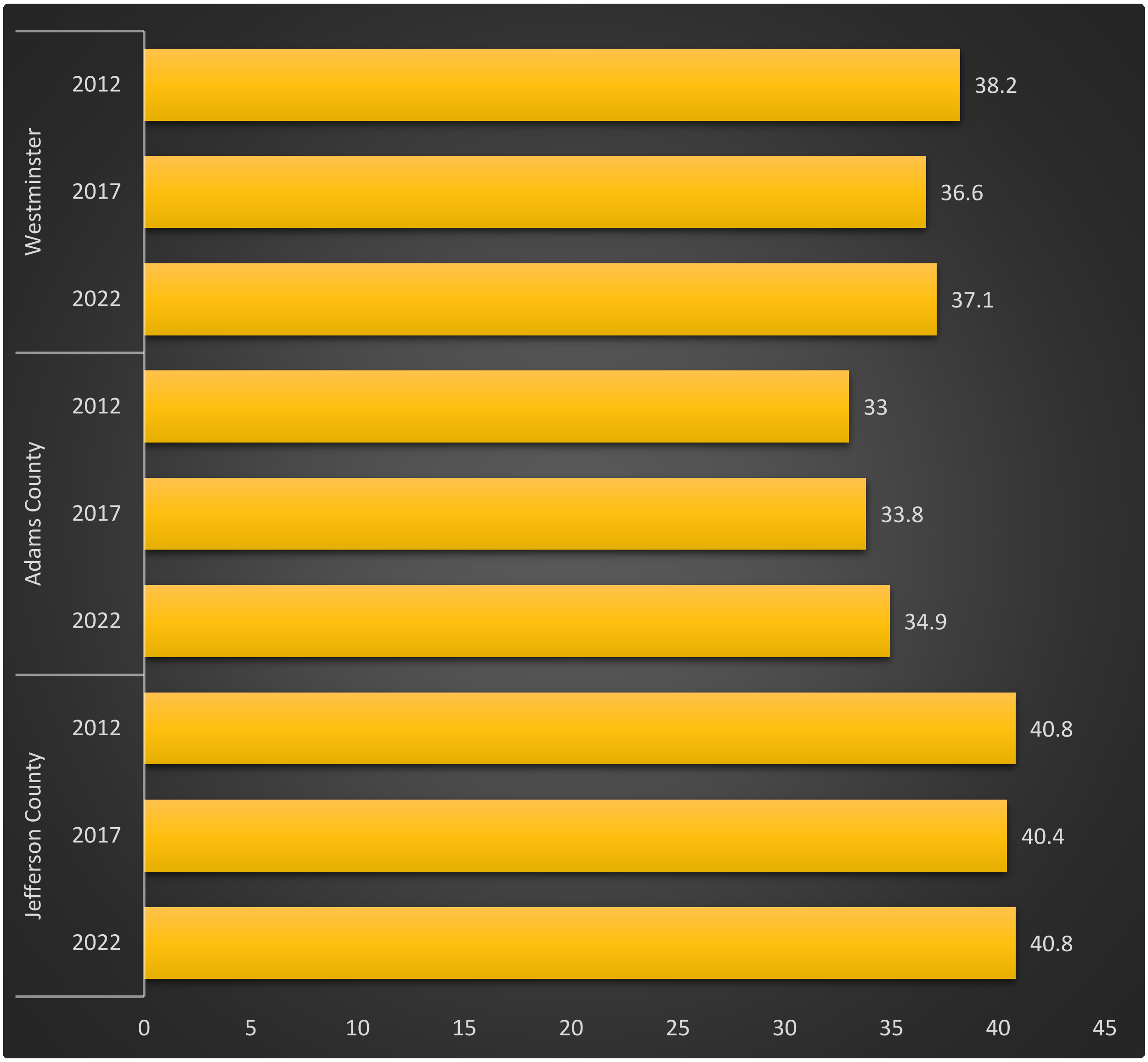
Jurisdiction	Total Population			Percent Change	
	2017	2022	2027 (Est.)	2017-2022	2022-2027 (Est.)
Westminster	112,814	114,539	120,665	1.5%	5.3%
Adams County	503,167	527,575	557,275	4.9%	5.6%
Jefferson County	574,613	576,143	591,388	0.3%	2.6%

Source: One-Year American Community Survey; Esri; Matrix Design Group, Inc.

Population Age

As Figure 9 shows, the age of the median Westminster resident has fluctuated over time. In 2012, the city's median age was just over 38 years old. It declined to 36.6 in 2017, before rising to 37.1 in 2022. Consistently throughout the period, Westminster's median age fell between those of Adams County and Jefferson County. In 2022, the median Adams County resident was 34.9 years old—nearly six years younger than their Jefferson County counterpart.

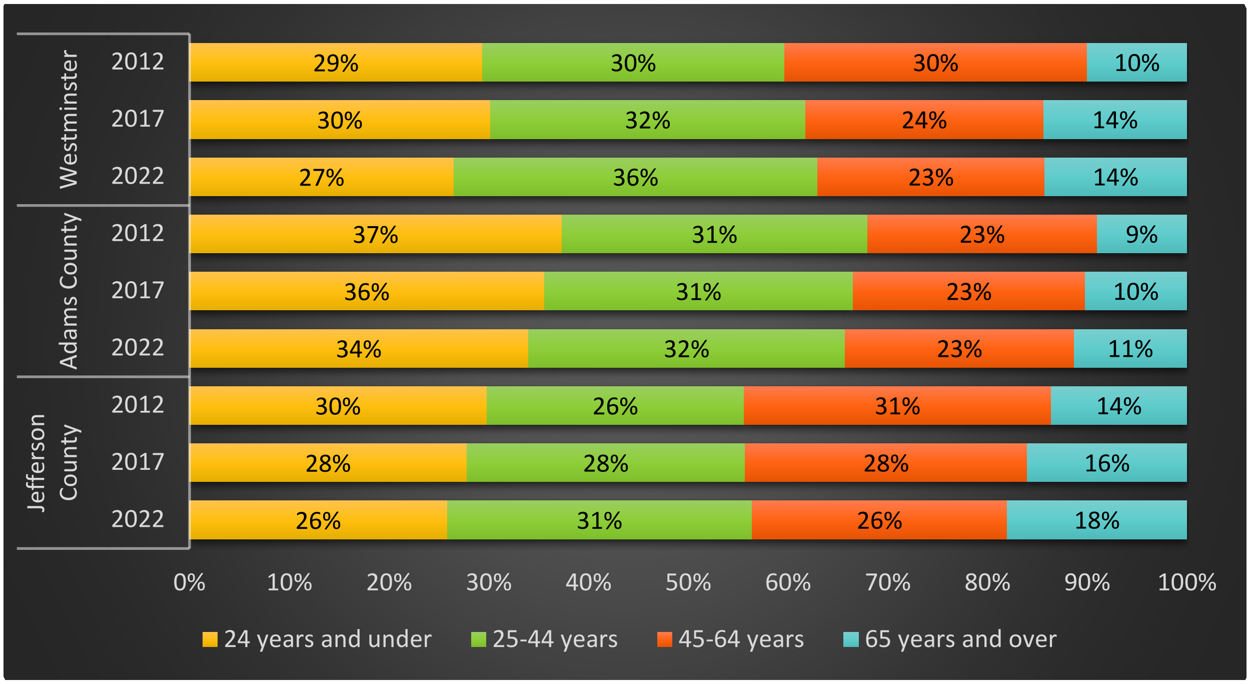
Figure 9. Median Age, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Figure 10 categorizes residents into one of four age brackets. In 2022, the 25-to-44-year-old range constituted a plurality (36%) of Westminster's population. The 24 years-and-under range represented the next largest category (27%), followed closely by the 45-to-64-year-old range (23%). The remaining 14% of the population was at least 65 years old. Over time, the percentage of residents between the ages of 45 and 64 declined significantly, a trend that coincided with rises in the 25-to-44-year-old and 65-and-over populations. Westminster's growing senior population underscores the need for the city to provide ample accessible housing for people with disabilities, which is integral to helping seniors "age in place," as well as a wide array of independent living, assisted living, and memory care options. Whereas the age composition of Adams County's population has largely remained stagnant, the trends observed in Westminster were mirrored in Jefferson County.

Figure 10. Age Composition of the Population, 2012, 2017, and 2022

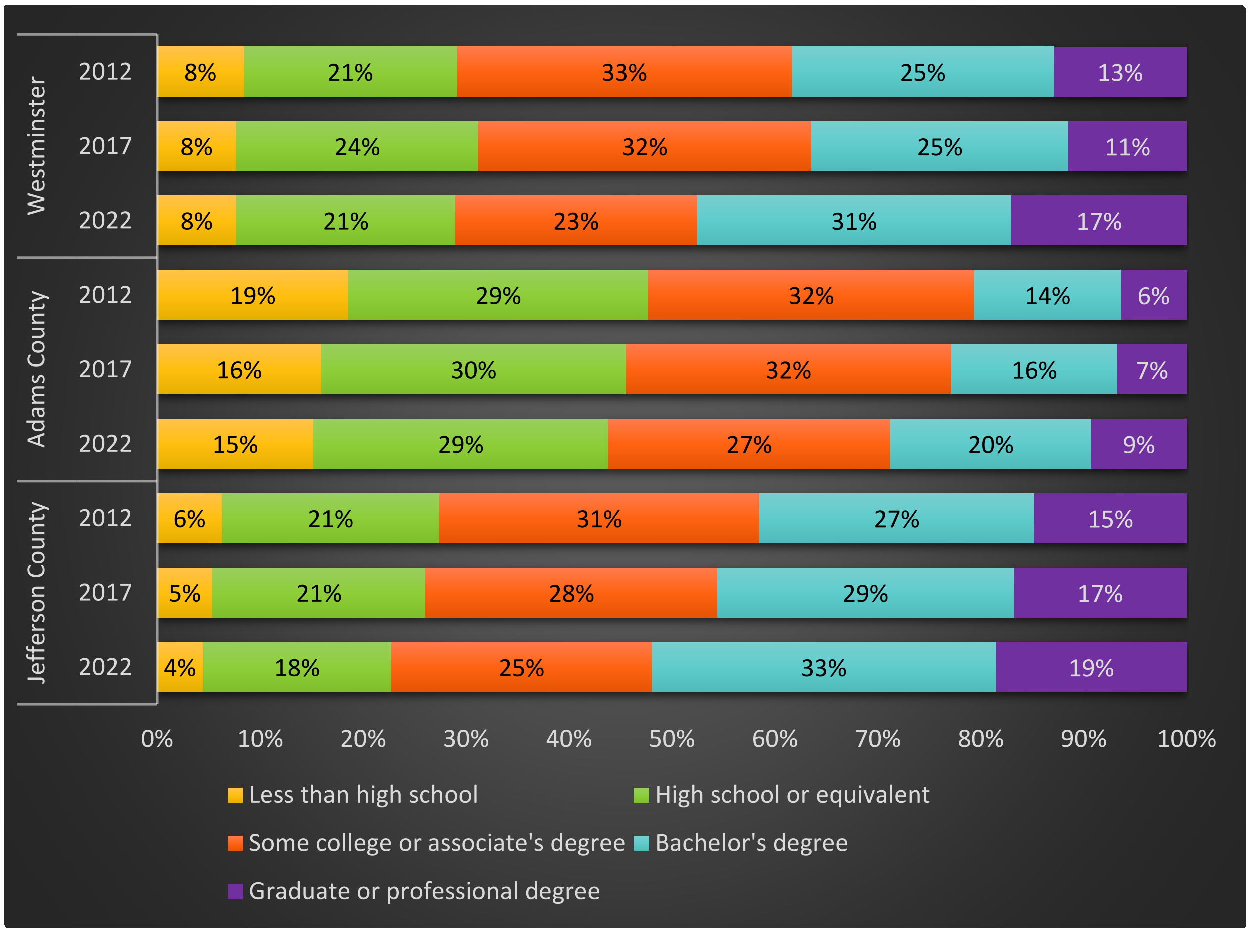


Source: One-Year American Community Survey; Matrix Design Group, Inc.

Educational Attainment

Particularly in recent years, the educational attainment of Westminster's population has increased markedly (see Figure 11). **From 2017 to 2022, the share of residents with a bachelor's degree or higher rose from 36% to 48%—a dramatic turnaround from the two percentage point decline in this figure over the previous five-year period.** For context, both Adams and Jefferson Counties experienced a six percentage point increase in the share of the population with at least a bachelor's degree between 2017 and 2022.

Figure 11. Educational Attainment of the 25 Years-and-Over Population, 2012, 2017, and 2022



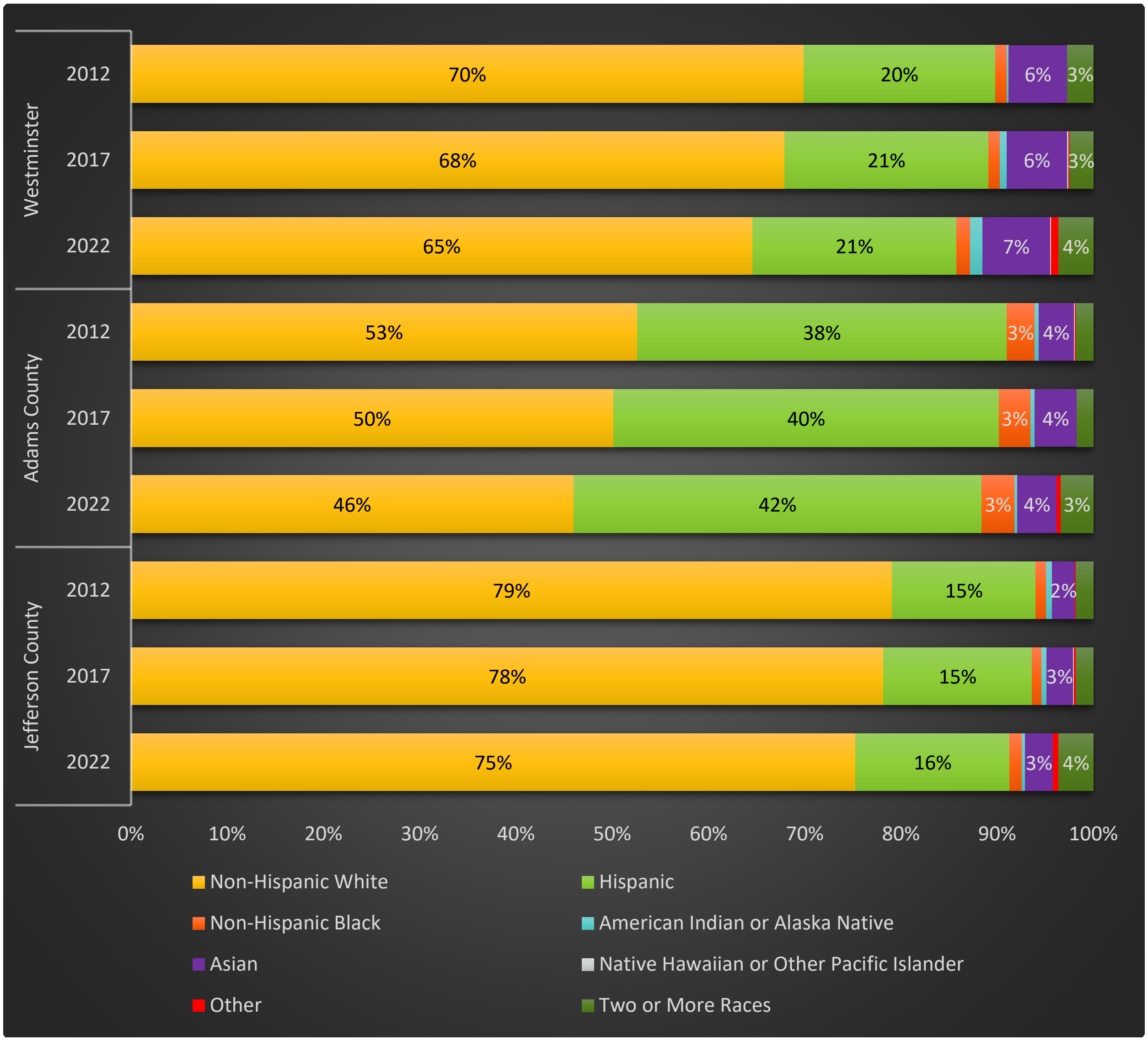
Source: One-Year American Community Survey; Matrix Design Group, Inc.

Racial/Ethnic Composition

Like the region as a whole, Westminster has become more racially and ethnically diverse in recent years (see Figure 12). Between 2012 and 2022, the non-Hispanic white share of the population declined from 70% to 65%. At the same time, each of the minority groups represented in the figure increased in relative size. Notably, the rise in Hispanic population size was proportionally larger in Adams County than in Westminster and Jefferson County. In the former county, Hispanics grew from 38% to 42% of the population over the course of the decade.

> Between 2012 and 2022, the non-Hispanic white share of the population declined from 70% to 65%.

Figure 12. Racial/Ethnic Composition of the Population, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: "Hispanic" is technically categorized as an ethnicity by the U.S. Census Bureau, but racial breakdowns of the Hispanic and non-Hispanic populations are available

Tenure

Table 3 shifts the unit of analysis from residents to households, displaying the homeownership rate by jurisdiction. Unlike Adams and Jefferson Counties, Westminster witnessed a slight decline in its homeownership rate between 2012 and 2022. **Sixty-six percent of Westminster's nearly 43,000 households owned their homes in 2012—two percentage points higher than the ownership rate for the city's nearly 48,000 households in 2022.** This trend stands in sharp contrast to the seven percentage point increase observed in Adams County over the same period. As of 2022, Westminster had proportionally fewer homeowners than both counties.

Table 3. Tenure Status, 2012, 2017, and 2022

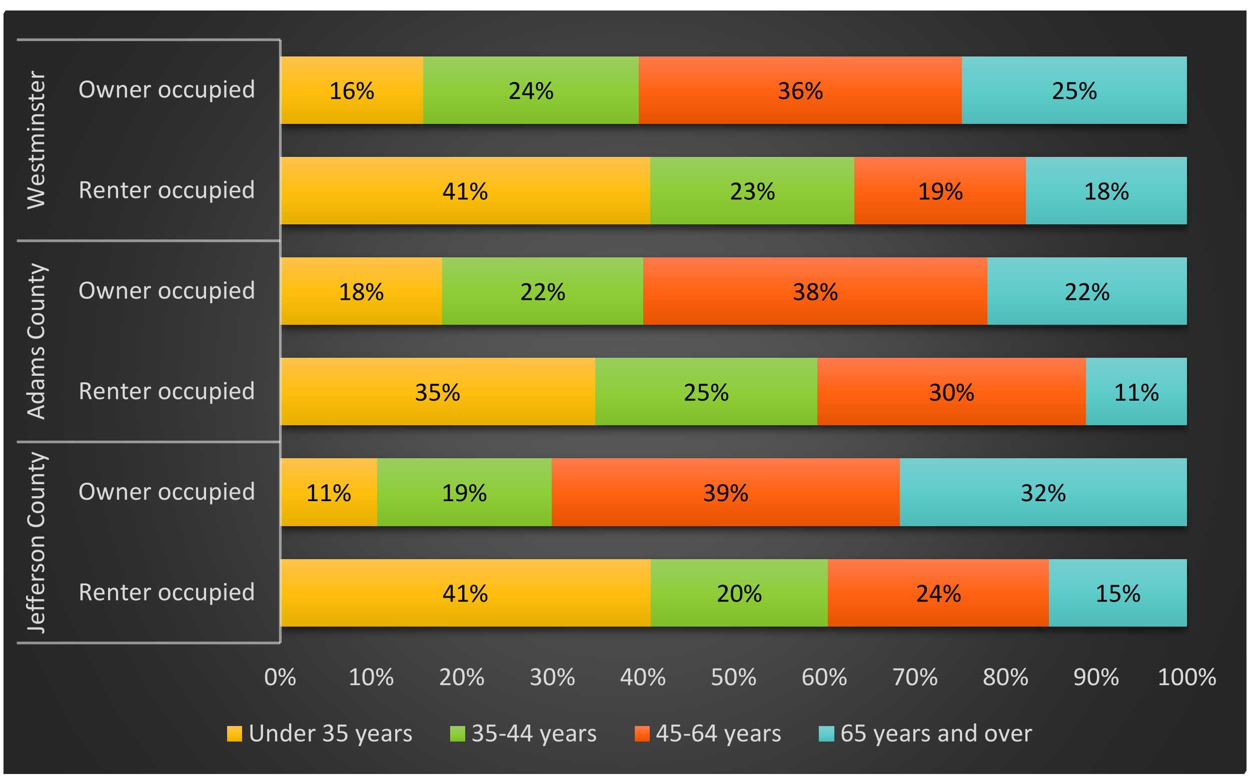
Jurisdiction	2012		2017		2022	
	Total Households	Ownership Rate	Total Households	Ownership Rate	Total Households	Ownership Rate
Westminster	42,981	66%	45,750	63%	47,906	64%
Adams County	153,605	64%	165,730	66%	190,647	71%
Jefferson County	221,457	70%	231,651	71%	241,421	71%

Source: One-Year American Community Survey; Matrix Design Group, Inc.

Householder Age by Tenure

Figure 13 offers evidence of a significant age gap between owners and renters in Westminster. **Overwhelmingly, the largest group of renter householders (41%) fell into the under-35-years-old range. Conversely, the bulk of owner householders (61%) were 45 years old or over.** On average, Adams County's homeowner population was considerably younger than that of Jefferson County.

Figure 13. Householder Age by Tenure, 2022

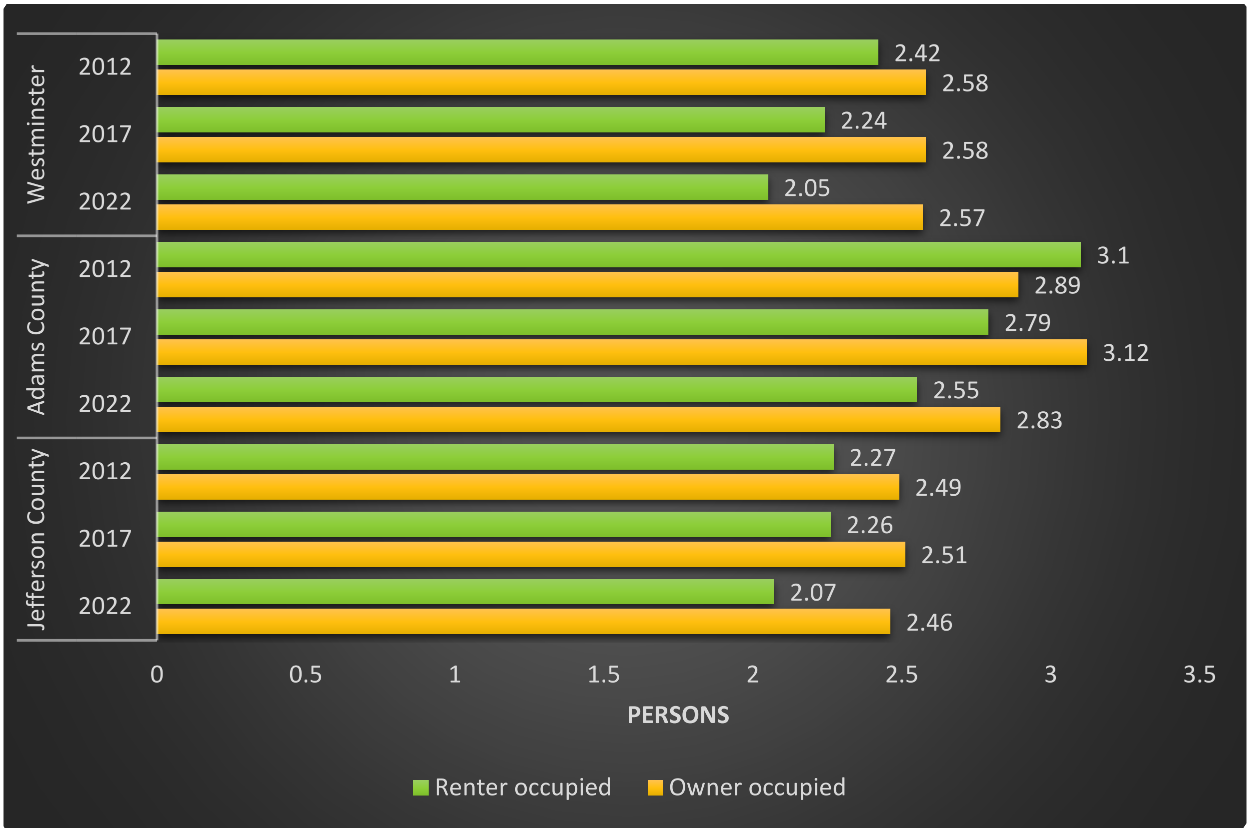


Source: One-Year American Community Survey; Matrix Design Group, Inc.

Household Size by Tenure

Figure 14 presents average household size by tenure. The average owner household size of 2.57 persons for Westminster in 2022 was virtually unchanged from the 2012 and 2017 averages. On the other hand, the average renter household size fell from 2.42 persons in 2012 to 2.24 persons in 2017 and 2.05 persons in 2022. In 2022, Westminster tended to have smaller renter households than Adams and Jefferson Counties. However, its average owner household size of 2.57 persons exceeded the figure for Jefferson County by 0.11 persons. Regardless of tenure, Adams County tended to have the largest households of the three jurisdictions, perhaps due to its more sizable Hispanic population.

Figure 14. Average Household Size by Tenure, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Household Income

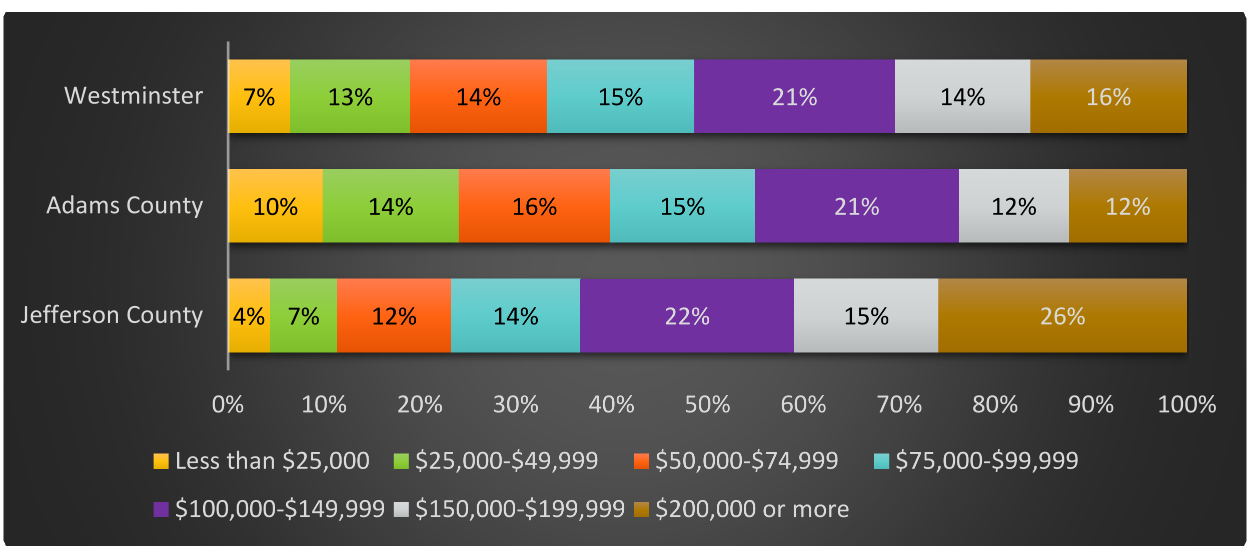
Real median household incomes by jurisdiction are presented in Figure 15. **In Westminster, real median income grew from $83,164 in 2012 to $101,529 in 2022.** Incomes similarly rose in Adams and Jefferson Counties, reaching $91,367 and $102,731 in 2022, respectively. Uniquely, Westminster saw its median household income drop between 2012 and 2017. Overall, however, the data strongly indicate that Westminster and the region as a whole have become considerably more affluent in recent years, in part as a result of the displacement of lower-income households.

Figure 15. Real Median Household Income, 2012, 2017, and 2022

Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Dollar values adjusted for inflation to constant 2022 dollars.

What is the income composition of Westminster's nearly 48,000 households? **According to Figure 16, a plurality of them (21%) fell into the $100,000-to-$149,999 bracket.** The $75,000-to-$99,999 range accounted for a substantial share of households as well (15%). These brackets were similarly sized in Adams and Jefferson Counties. Household incomes of $150,000 or more were more common in Westminster than in Adams County, but not Jefferson County. In Westminster, 14% of households earned between $150,000 and $199,999, while an additional 16% earned $200,000 or more. Conversely, Adams County had the highest percentage of households with incomes below $75,000, at 40%. The interjurisdictional disparity in the share of households earning less than $25,000 is particularly notable.

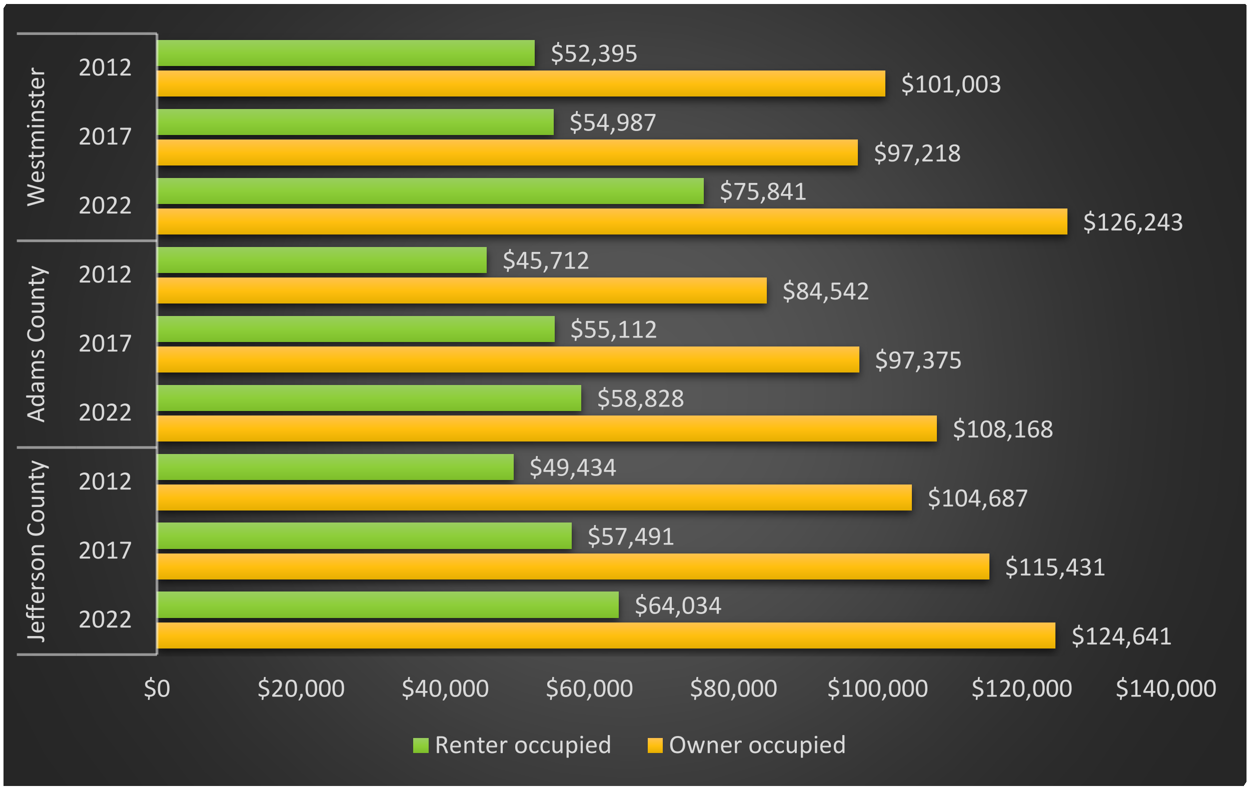
Figure 16. Household Income Distribution, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

The dramatic rise in incomes throughout the region has been driven by not only homeowners but renters as well. In 2012, inflation-adjusted income for the median renter household in Westminster was $52,395 (see Figure 17). **This figure would reach $75,841 in 2022—an over $23,000 increase.** Over the same period, the median owner household experienced an approximately $25,000 rise in income, from $101,003 to $126,243. In relative terms, the income disparity between renters and homeowners shrunk over time: Renter household income represented just 52% of owner household income in 2012, compared to 60% in 2022. Westminster renters have tended to enjoy significantly higher incomes than their Adams and Jefferson County counterparts. Similarly, the median owner household in Westminster outearned its Adams and Jefferson equivalents by $18,075 and $1,602, respectively.

Figure 17. Real Median Household Income by Tenure, 2012, 2017, and 2022

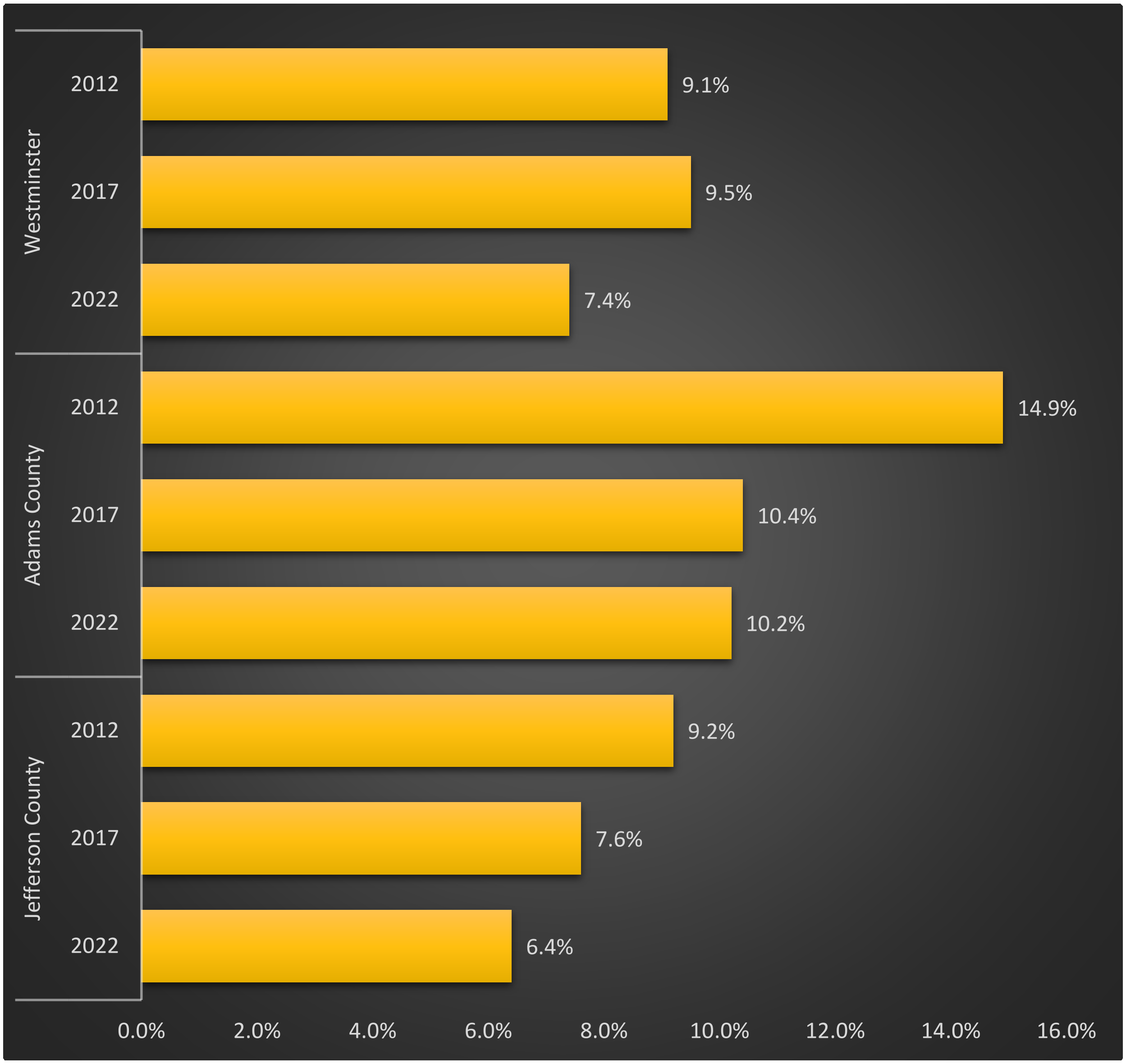


Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Dollar values adjusted for inflation to constant 2022 dollars.

Poverty

Households in poverty are particularly vulnerable to housing insecurity and homelessness, making it imperative to understand the prevalence of poverty in Westminster. **As Figure 18 demonstrates, the poverty rate rose from 9.1% to 9.5% from 2012 to 2017, after which it markedly declined, falling to 7.4% in 2022.** Between 2017 and 2022, poverty fell to a larger extent in Westminster than in Adams and Jefferson Counties. Still, as of 2022, Jefferson County's poverty rate remained lower than Westminster's.

Figure 18. Poverty Rate, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Disability

People living with disabilities also disproportionately experience housing instability and homelessness. Table 4 provides an overview of Westminster's disability population. **Just over 12,000 residents, equal to 11% of the civilian noninstitutionalized population, lived with a disability in 2022.** Not surprisingly, seniors constituted a disproportionate share of residents who reported living with a disability. Ambulatory disabilities were the most common, affecting 17% of seniors. Most relevant for the purposes of this study, independent living, self-care, and cognitive disabilities impacted ten, four, and five percent of seniors, respectively.

Table 4. Westminster Disability Profile, 2022

	Number of Residents	Percent of Civilian Noninstitutionalized Population
Total Residents with a Disability	**12,393**	**11%**
Residents under 18 years	1,531	7%
Residents 18 to 64 years	6,291	8%
Hearing	1,163	2%
Vision	878	1%
Cognitive	3,160	4%
Ambulatory	1,924	3%
Self-care	512	1%
Independent living	2,425	3%
Residents 65 years and over	4,571	29%
Hearing	2,128	13%
Vision	911	6%
Cognitive	806	5%
Ambulatory	2,736	17%
Self-care	563	4%
Independent living	1,669	10%

Source: One-Year American Community Survey; Matrix Design Group, Inc.

Workforce

Table 5 offers an overview of Westminster's workforce, defined as the residents and nonresidents who identified Westminster as their place of work. Between 2012 and 2017, the city's workforce increased from 39,307 to 43,042. However, the share of workers who lived in the city remained largely unchanged. Spurred by the spread of remote work amid the COVID-19 pandemic, Westminster's workforce grew by over 11,000 over the subsequent five-year period. Simultaneously, the percentage of the workforce that reported commuting into the city declined from 71% to 53%.

Table 5. Westminster Workforce Overview, 2012, 2017, and 2022

Year	Workforce Size	Percent In-Commuters
2012	39,307	72%
2017	43,042	71%
2022	54,421	53%

Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Workforce includes residents and nonresidents who reported Westminster as their place of work.

Figure 19 compares median annual earnings among Westminster's residents and workforce. In 2022, the median employed Westminster resident earned $58,522—nearly $3,000 more than the figure for the city's total workforce, which was nearly evenly divided between residents and nonresidents. **The emerging earnings gap between residents and the workforce represents suggestive evidence that Westminster's workforce includes a fair share of in-commuters who have opted to live outside the city for affordability reasons.** Interestingly, though, Westminster residents have not consistently held an economic advantage over the city's workforce. In fact, as recently as 2017, the median member of Westminster's workforce outearned the median resident by $6,265.

Figure 19. Real Median Annual Earnings for Westminster Residents and Workforce, 2012, 2017, and 2022

Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Workforce includes residents and nonresidents who reported Westminster as their place of work. Dollar values adjusted for inflation to constant 2022 dollars. Estimates are for full- and part-time workers.

Commuting Patterns

Table 6 offers insight into Westminster residents' commuting patterns. Between 2012 and 2022, the average commute time remained largely steady, ranging from 25.9 to 27.1 minutes. Largely due to the proliferation of remote work amid the COVID-19 pandemic, the city's out-commuter population fell from 82% in 2012 to 63% in 2022. Another consequence of the spread of remote work was that residents became less likely to report relying on personal automobiles or public transportation to reach work. Of those two transportation methods, the former was by far the more popular choice throughout the period. In fact, by 2022, nearly all residents who did not work from home commuted with a car, truck, or van.

Table 6. Commuting Behavior of Westminster Residents, 2012, 2017, and 2022

	2012	2017	2022
Average Commute Time (Minutes)	26.8	27.1	25.9
Percent Working Outside City	82%	80%	63%
Percent Using Transportation Method			
Car, Truck, or Van	87%	89%	73%
Public Transportation (Excluding Taxicab)	4%	4%	1%
Walked	2%	1%	1%
Bicycle	1%	0%	1%
Taxicab, Motorcycle, or Other Means	1%	1%	1%
Worked From Home	5%	5%	24%

Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Commute time data exclude residents who worked from home. Columns may not sum to 100% due to rounding.

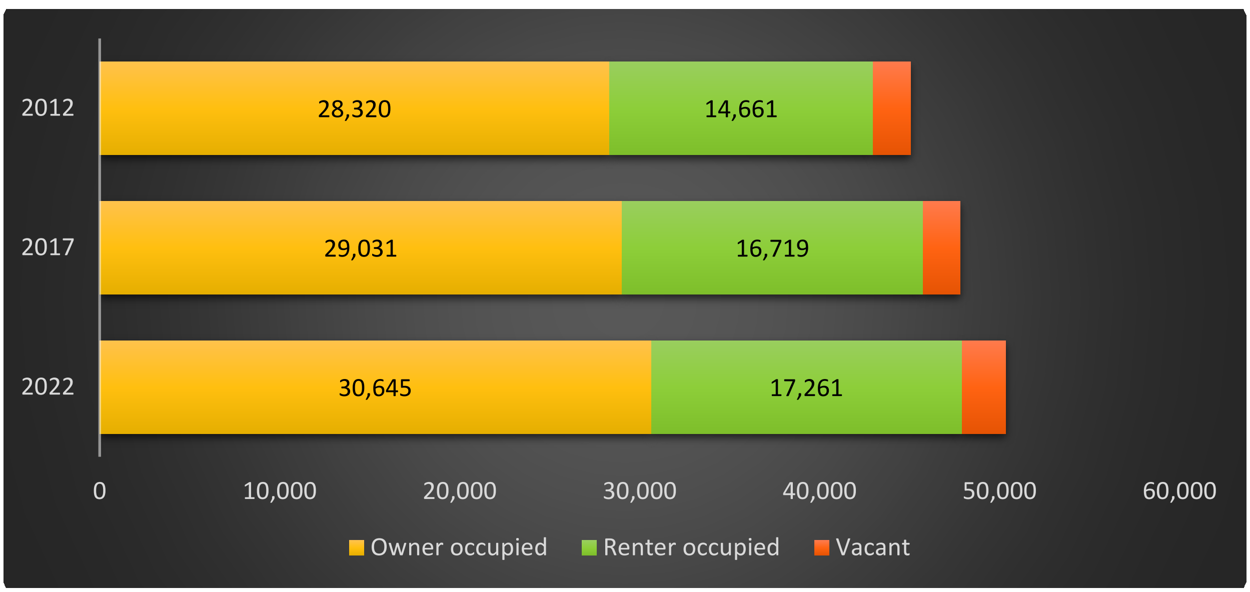
Housing Inventory and Market Analysis

The following section examines Westminster's housing inventory and market. After quantifying the housing stock and vacancies, we break down the stock by its age and condition, physical characteristics, and number of bedrooms. Additionally, we present data on the extent of overcrowding. The section concludes with an analysis of Westminster's rental and homeownership markets. Crucially, as part of this analysis, we investigate the rise of short-term rentals and identify naturally occurring affordable housing in the city.

Owner and Rental Stocks

Figure 20 illustrates the change in the size and composition of Westminster's housing stock over time. In 2012, the city's stock totaled 45,050 units, 63% of which were owned. **Owner-occupied units would come to constitute a smaller share of the stock over time, decreasing to 59% of units by 2022 as renter-occupied units became more prevalent.** Overall, the city added over 5,000 housing units from 2012 to 2022. Nonetheless, vacancies remained largely stagnant at approximately 2,000 units.

Figure 20. Housing Units in Westminster, 2012, 2017, and 2022



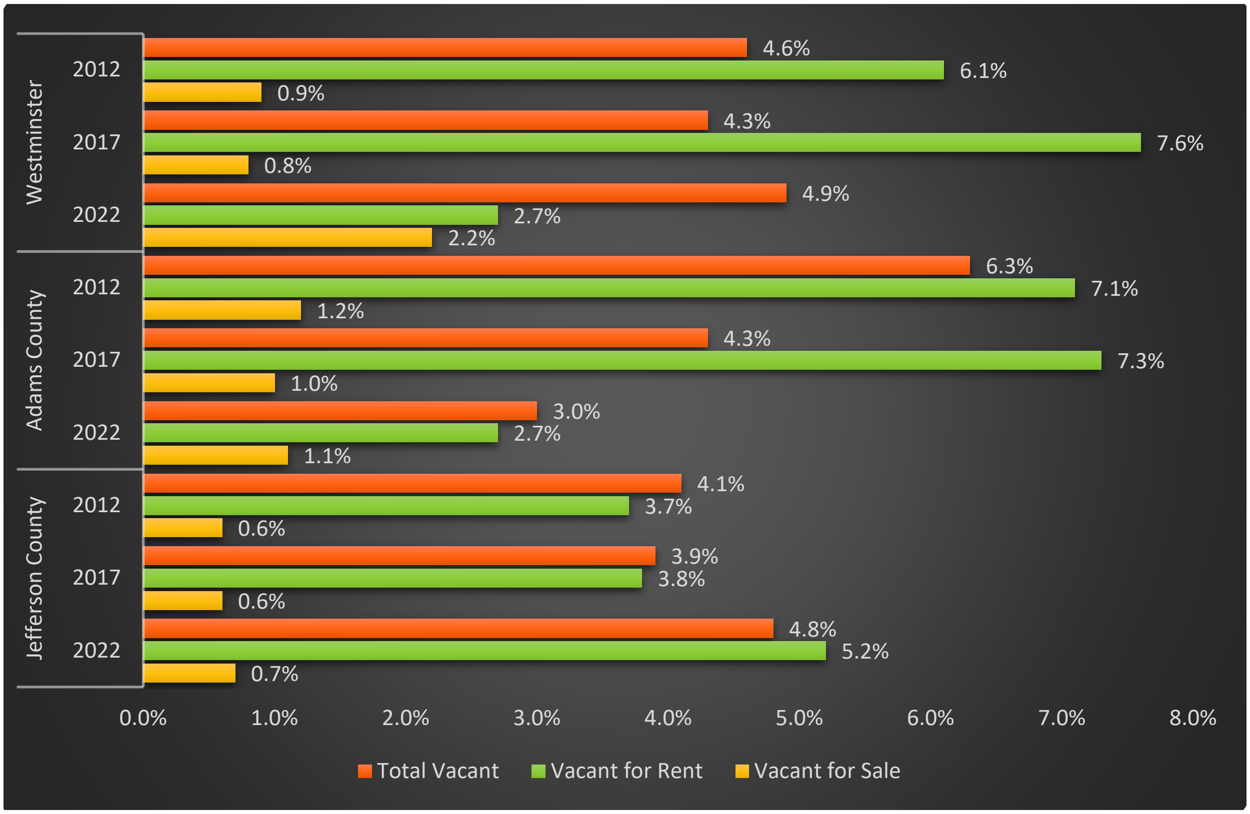
Source: One-Year American Community Survey; Matrix Design Group, Inc.

Vacancy Rate

Since 2012, Westminster's overall vacancy rate has tended to fluctuate between four and five percent (see Figure 21). Importantly, not all vacant homes are available for sale or rent. The ACS, for example, classifies vacation and seasonal homes as vacant if they are unoccupied at the time of survey administration. In 2022, Westminster's total vacancy rate closely resembled Jefferson County's but was higher than Adams County's, which more than halved between 2012 and 2022. For context, the ideal vacancy rate lies somewhere between five and eight percent. A higher vacancy rate could be a sign that the available inventory is too expensive for prospective buyers or renters or that the neighborhood is otherwise undesirable, whereas a lower vacancy rate generates intense competition for the few homes that are available for sale or rent, thereby causing prices to rise.

The figure also displays the percentages of rental and owner units that were on the market. **In recent years, the two rates have diverged.** After rising from 6.1% to 7.6% between 2012 and 2017, the share of the rental inventory that was vacant for rent dropped to 2.7% in 2022. Conversely, the percentage of the owner inventory that was vacant for sale, which has consistently been lower than the equivalent rental rate, increased to 2.2% in 2022—an over one percentage point increase from 2012 and 2017 levels.

Figure 21. Vacancy Rate, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

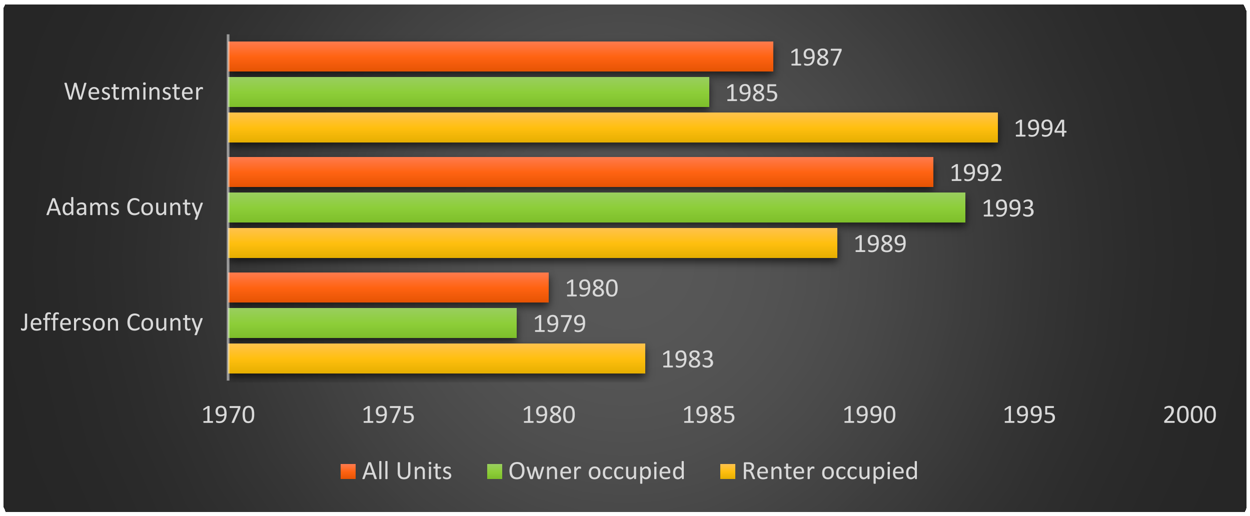
Note: "Total vacant" encompasses all unoccupied homes, including those categorized as seasonal or vacation homes. "Vacant for rent" and "vacant for sale" indicate the percentage of rental and owner units that were on the market, respectively.

Age and Condition of Housing Stock

Figure 22 provides insight into the ages of the respective housing stocks as of 2022. **Among all housing units in Westminster, the median year of construction was**

1987, placing the city squarely between Adams and Jefferson Counties. Westminster's owner-occupied stock is considerably older than its renter-occupied stock. The median owner-occupied unit, which was built in 1985, predates the median renter-occupied unit by nine years.

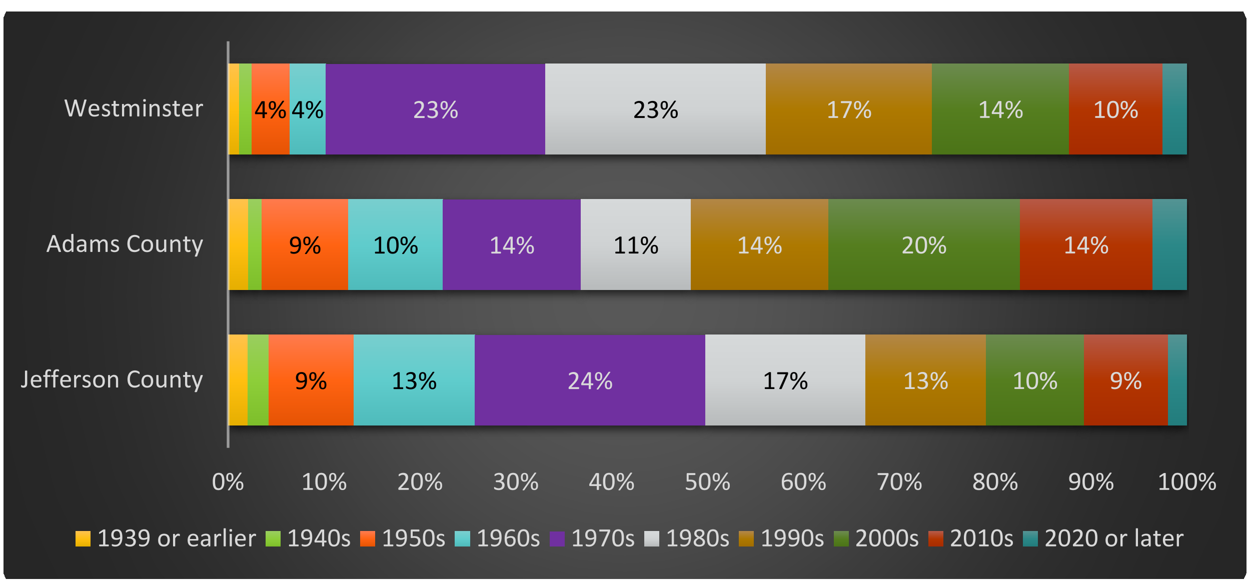
Figure 22. Median Year of Construction for Housing Stock, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Figure 23 classifies housing units according to their year of construction. Nearly half of homes in Westminster were built in the 1970s and 1980s. Building has progressively slowed down over time. For instance, only 10% of homes were built in the 2010s, compared to 23% in the 1980s, 17% in the 1990s, and 14% in the 200s. Three percent of the city's homes were built between 2020 and 2022. In Adams and Jefferson Counties, the 1970s and 2000s saw the most building activity, respectively.

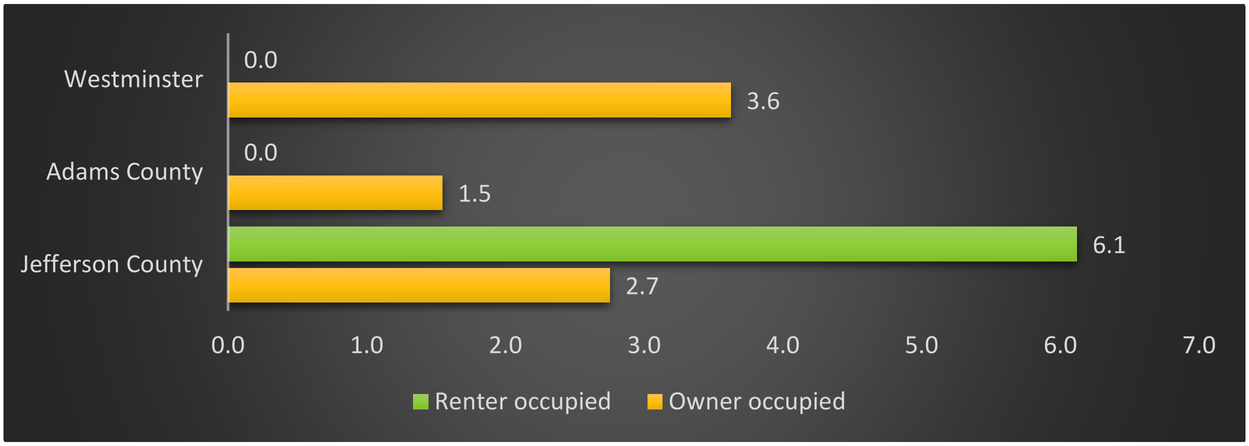
Figure 23. Year of Construction for All Housing Units, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

A home's condition is commonly proxied by the presence or absence of complete plumbing and kitchen facilities. In Westminster, 3.6 per 1,000 owner-occupied units lacked complete plumbing facilities, which exceeded the rates for Adams and Jefferson Counties (see Figure 24). On the other hand, renter-occupied units without complete plumbing facilities were virtually nonexistent in Westminster and Adams County, despite being prevalent in Jefferson County.

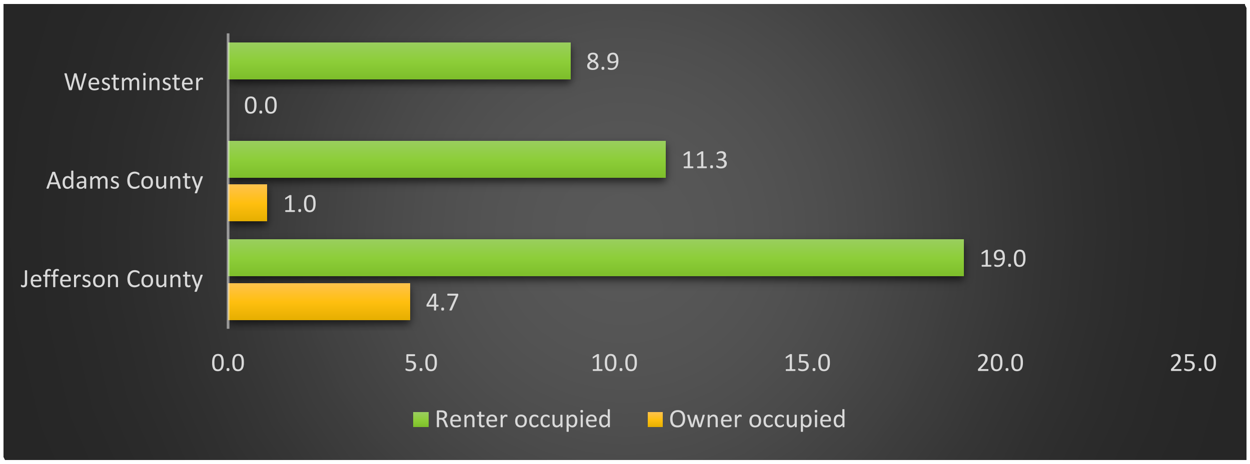
Figure 24. Occupied Units per 1,000 Without Complete Plumbing Facilities by Tenure, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Compared to the rest of Adams and Jefferson Counties, Westminster had few homes with incomplete kitchen facilities (see Figure 25). Out of every 1,000 renter-occupied units, 8.9 lacked complete kitchen facilities in Westminster, compared to 11.3 in Adams County and 19.0 in Jefferson County. Similarly, whereas owner-occupied homes with incomplete kitchen facilities existed at a rate of 1.0 per 1,000 in Adams County and 4.7 per 1,000 in Jefferson County, they were so rare in Westminster as to be undetectable in the ACS sample.

Figure 25. Occupied Units per 1,000 Without Complete Kitchen Facilities by Tenure, 2022

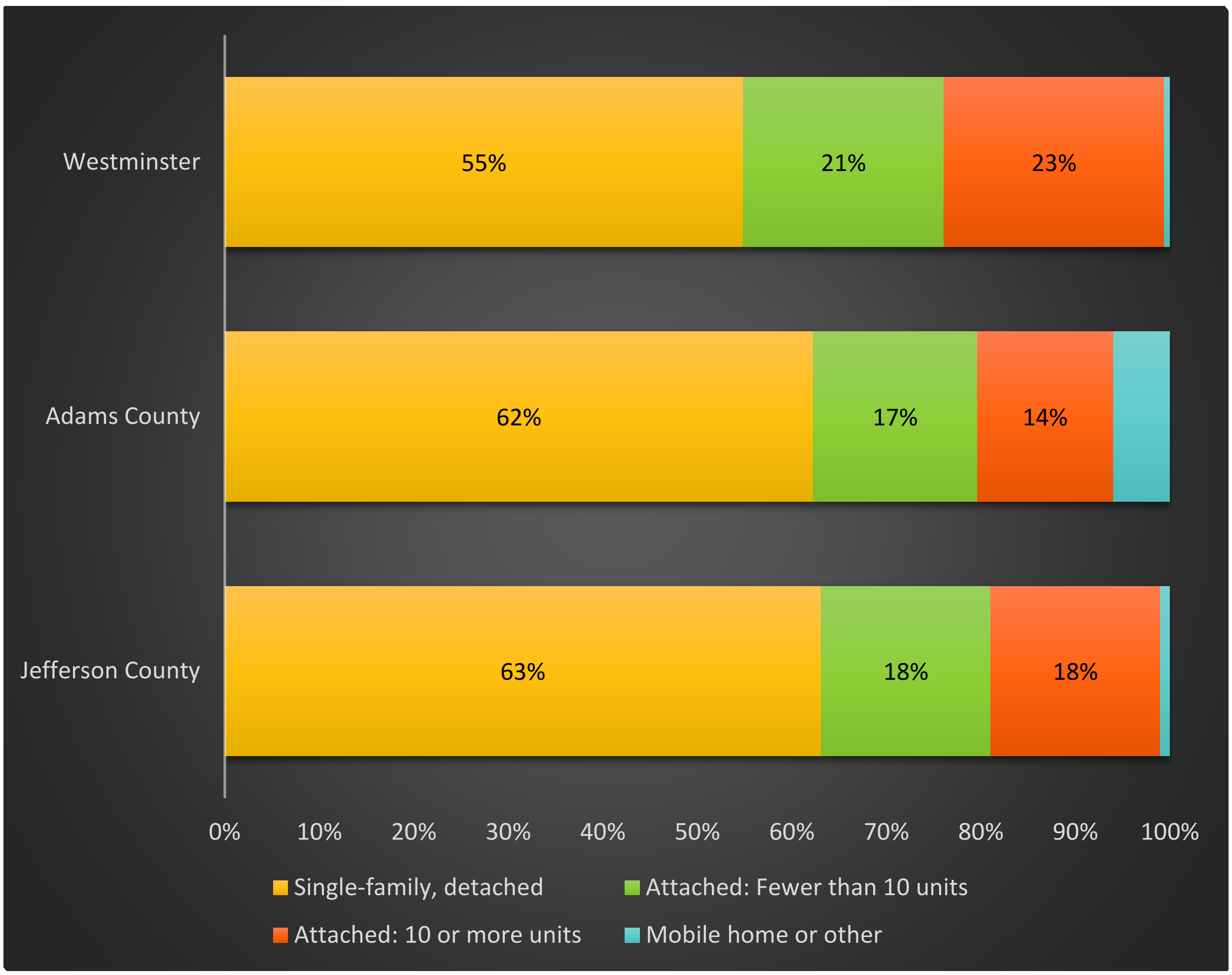


Source: One-Year American Community Survey; Matrix Design Group, Inc.

Physical Characteristics

A diverse housing stock is vital to ensuring all income levels and household types are able to locate suitable housing. **As Figure 26 demonstrates, Westminster had a lower share of single-family detached homes (55%) than Adams and Jefferson Counties.** Attached homes belonging to structures with fewer than 10 units, which represent the "missing middle" that developers often neglect in favor of single-family homes and apartments, accounted for 21% of the stock. The remainder of the stock consisted almost exclusively of multi-family units in larger properties.

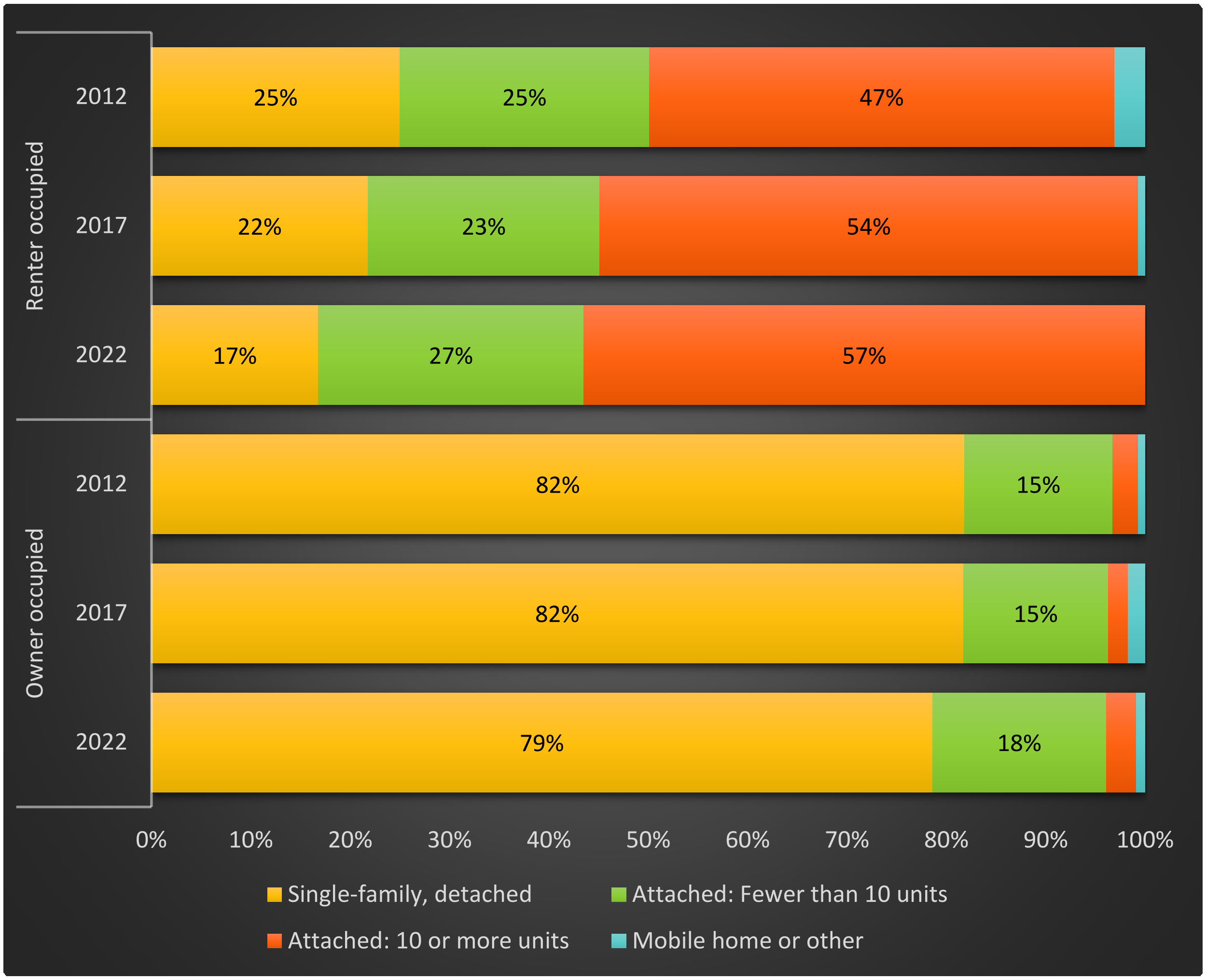
Figure 26. Physical Composition of Total Housing Stock, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Westminster's housing stock has become increasingly diverse over time (see Figure 27). In 2012, single-family detached homes accounted for 82% of the city's owner-occupied housing stock. This figure remained virtually unchanged through at least 2017, but by 2022, it had declined to 79%. In turn, the share of attached homes in general, but especially those belonging to structures with fewer than 10 units, increased. A similar shift occurred in the renter-occupied inventory. Between 2012 and 2022, single-family detached homes fell from 25% to 17% of the renter-occupied stock.

Figure 27. Physical Characteristics of Westminster's Occupied Housing Stock by Tenure, 2012, 2017, and 2022



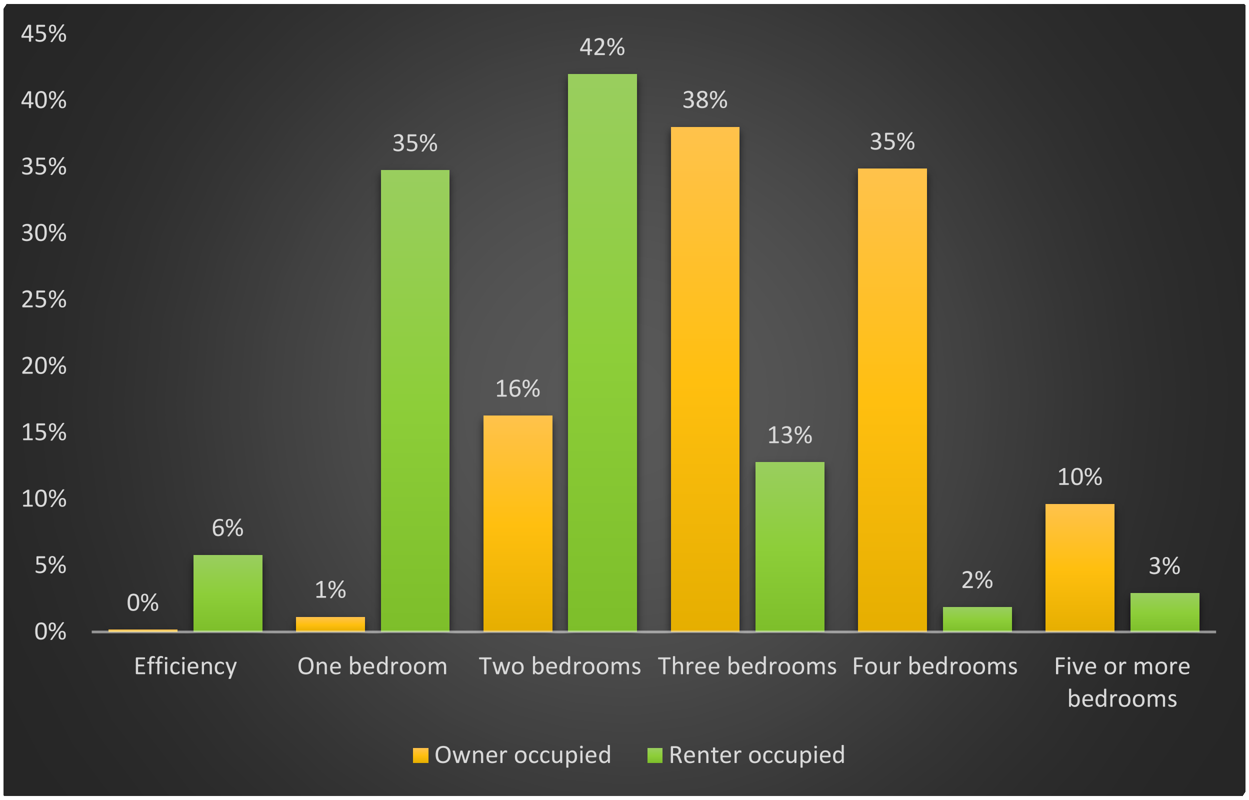
Source: One-Year American Community Survey; Matrix Design Group, Inc.

Bedrooms

Figure 28 breaks down Westminster's owner- and renter-occupied units by size. Overwhelmingly, the city's owner-occupied stock consisted of three- and four-bedroom homes. Two-bedroom homes were the next largest category, representing 16% of units, followed by five-or-more bedroom homes. Only one percent of homes had one or fewer bedrooms. Recall that household size has tended to decline over time. **Should this trend continue, the city's three- and four-bedroom-oriented ownership housing stock and the needs of its residents will become severely mismatched.**

As expected, renter-occupied units had fewer bedrooms than their owner-occupied counterparts. A plurality of these units (42%) had two bedrooms. One- and three-bedroom units were relatively common as well, accounting for a combined 48% of the inventory. Efficiency and four-or-more bedroom units were rare by comparison.

Figure 28. Westminster's Occupied Housing Stock by Number of Bedrooms, 2022



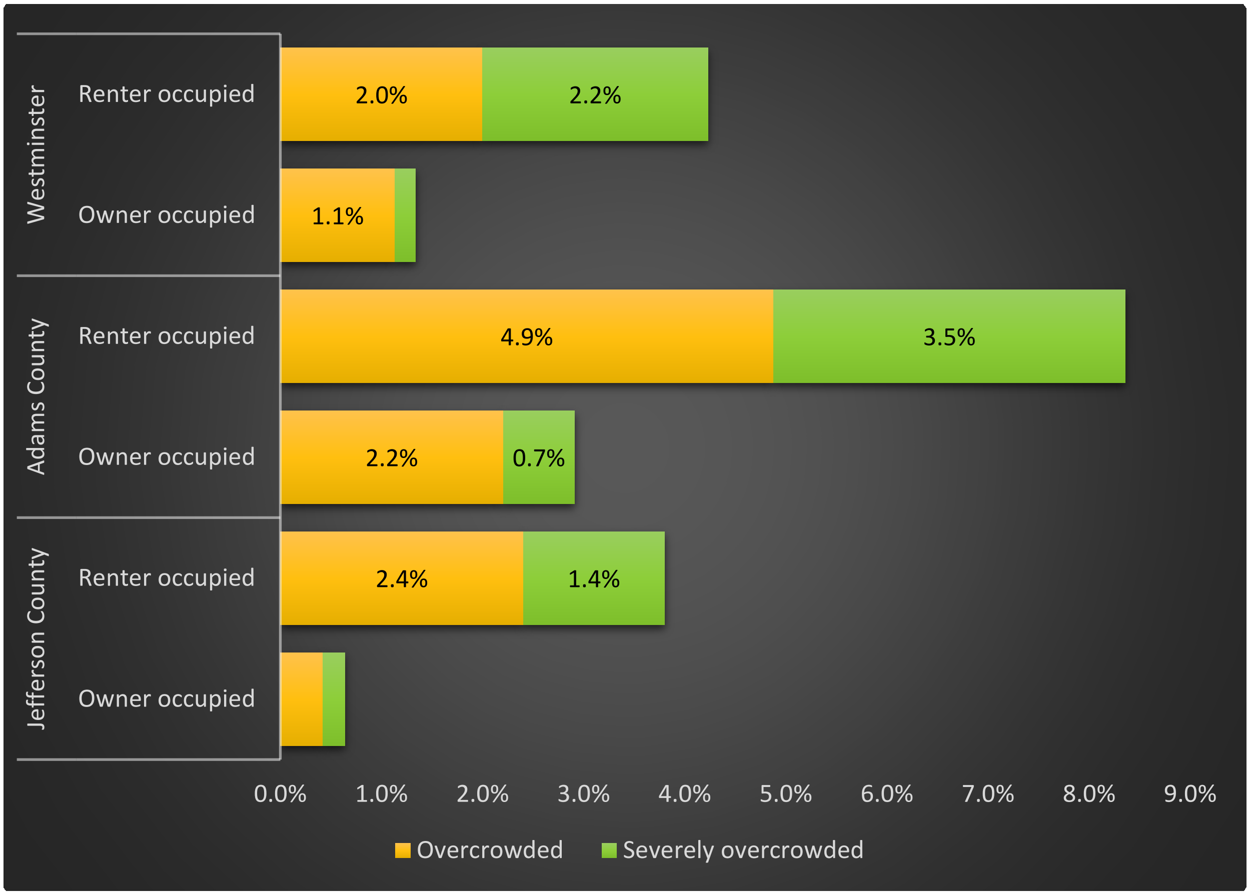
Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Owner- and renter-occupied totals may not sum to 100% due to rounding.

Overcrowding

Overcrowding, which occurs when a home is too small to accommodate the entire household, has been linked to a myriad of negative health and social outcomes. Fortunately, overcrowding was relatively rare in Westminster in 2022 (see Figure 29).

For our purposes, an "overcrowded" home is defined as one with between 1.01 and 1.50 persons per room, while a home with 1.51 or more persons per room qualifies as "severely overcrowded." **Just over four percent of Westminster renter-occupied units were classified as overcrowded or severely overcrowded**. In Adams County, renter overcrowding occurred at nearly twice this rate. Regardless of jurisdiction, overcrowding was far less likely to impact owner households than renter households. In Westminster, 1.1% of owner-occupied units were overcrowded, while an additional 0.2% were severely overcrowded. In Jefferson County as a whole, 0.6% of households had more than one occupant per room, compared to 2.9% for Adams County.

Figure 29. Prevalence of Overcrowding, 2022

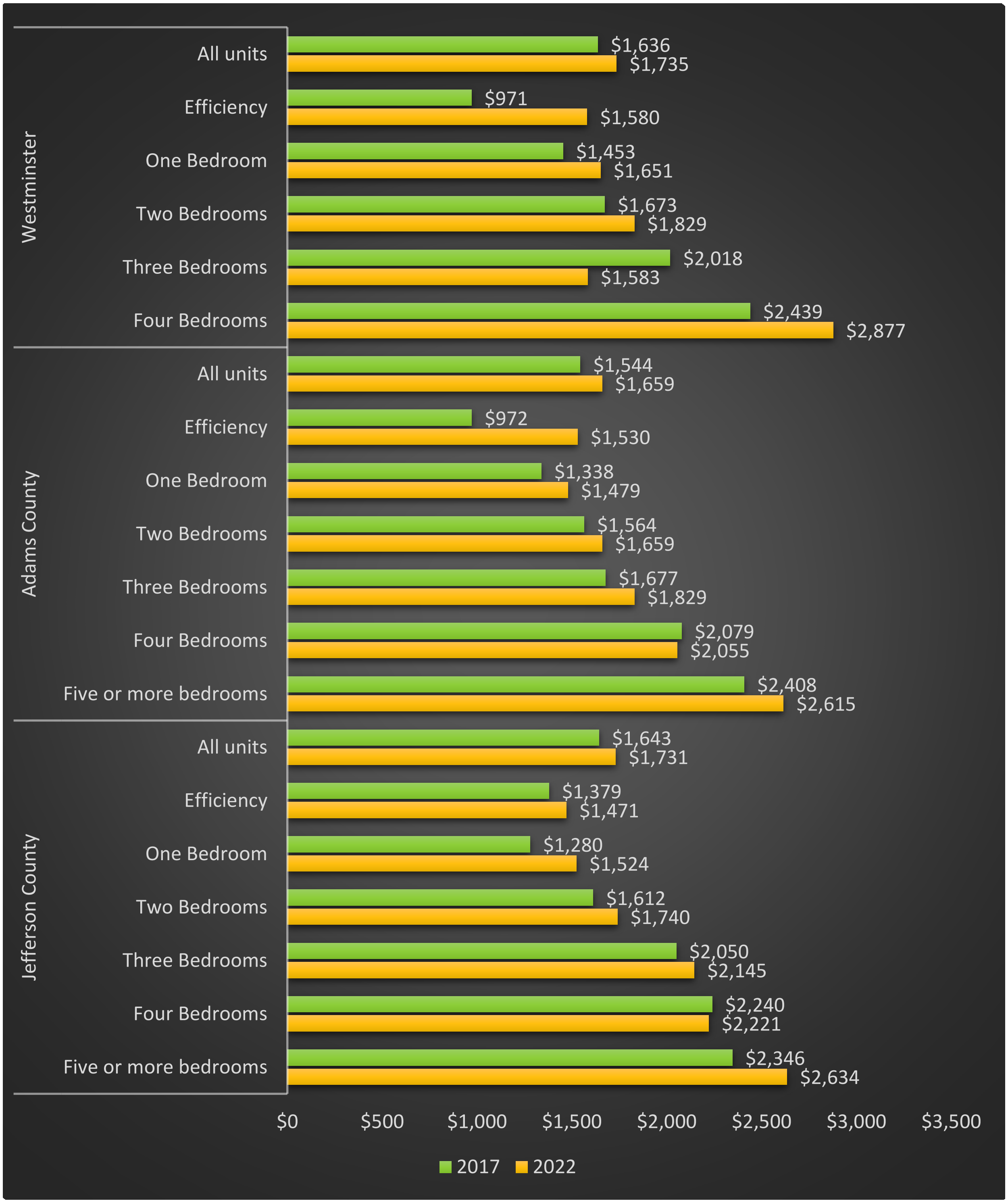


Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Housing units with 1.01 to 1.50 occupants per room are considered overcrowded, while those with 1.51 or more occupants per room are considered severely overcrowded.

Rents

Median gross rents for all unit types ranging from apartments to single-family homes are presented in Figure 30. **Overall, inflation-adjusted median rent in Westminster grew from $1,636 to $1,735 between 2017 and 2022.** The increases in Adams and Jefferson Counties were comparable. Although Westminster's median rent topped both countywide medians in 2022, the $7 gap between Westminster and Jefferson County was too small to be statistically meaningful. The estimates are further disaggregated by unit size. However, due to limited sample sizes, the margins of error surrounding the estimates for efficiency and three-bedroom units were particularly large. As such, these estimates should be interpreted with caution. Median rent for one- and two-bedroom units—the most popular rentals—reached $1,651 and $1,829 in 2022, respectively. As previously alluded to, the estimated 2022 three-bedroom median rent of $1,583, which represented a sharp decline from 2017, is likely a statistical artifact. Four-bedroom units tended to be more expensive in Westminster than in surrounding localities. From 2017 to 2022, rent for the typical such unit in Westminster increased from $2,439 to $2,877.

Figure 30. Real Median Gross Rent for All Renter-Occupied Units, 2017 and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2022 dollars. Estimates include utility costs.

Leveraging data from CoStar's commercial multi-family property database, Figure 31 records the shift in average apartment asking rent in Westminster since early 2017. In nominal terms, average rent was $1,346 in the first quarter of 2017—the equivalent of $1,696 in today's dollars. Nominally, rent has tended to grow measurably from quarter to quarter, peaking at $1,782 in the second quarter of 2023. It was not until early 2021, however, that these increases significantly outpaced inflation. Real rent would remain elevated through the first half of 2022. **Since then, though, it has been on the decline, with the most recent estimate being $1,747.**

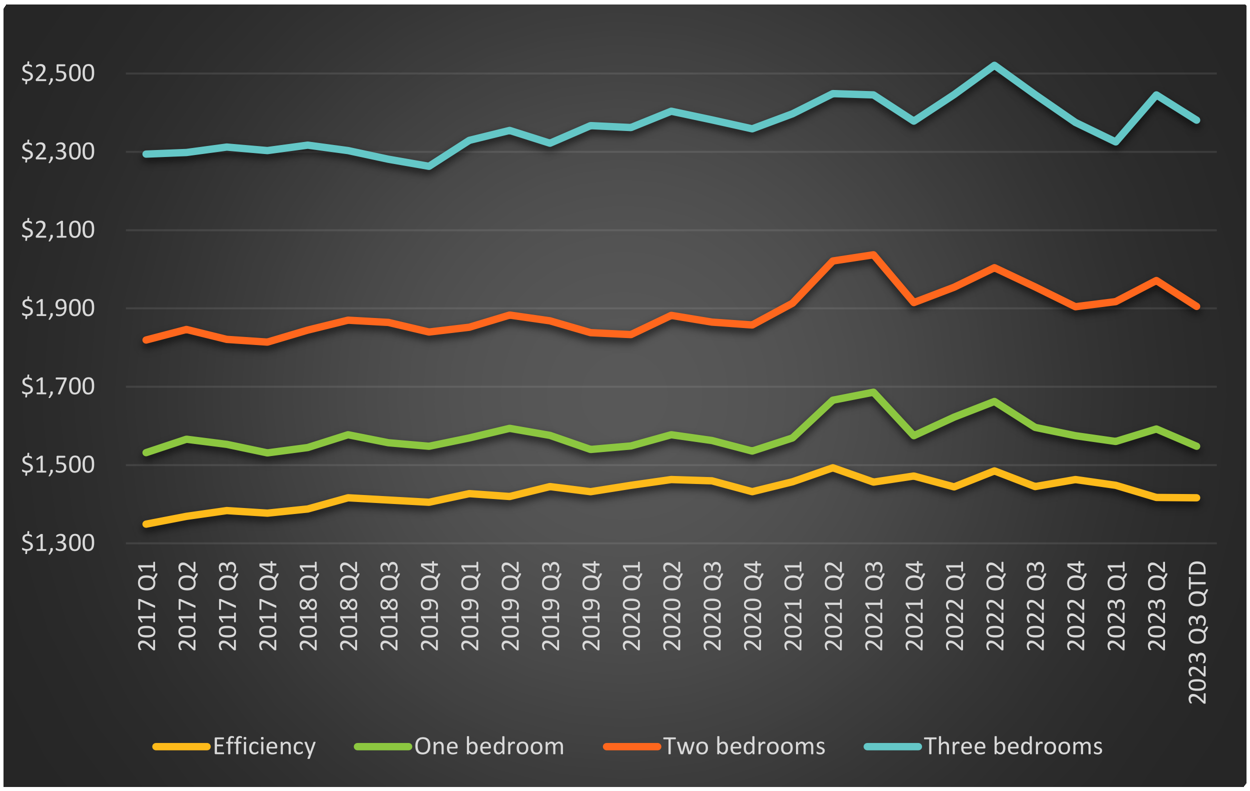
Figure 31. Average Asking Rent for Westminster Apartments, 2017 Q1-2023 Q3 QTD

Source: CoStar; Matrix Design Group, Inc.

Note: Data are current as of September 20, 2023. Estimates do not include utility costs.

Although to different degrees, all unit types have become more expensive over time (see Figure 32). **In early 2017, average real rent ranged from $1,349 for an efficiency unit to $2,294 for a three-bedroom unit. In the second quarter of 2022, those respective averages reached $1,485 and $2,521.** Since then, real rent for the average efficiency unit has fallen by $69, compared to $140 for the average three-bedroom unit. The most recent estimate of average one-bedroom rent is $1,548—a marginal increase from the 2017 Q1 inflation-adjusted estimate of $1,532. Over the same period, real rent for the average two-bedroom apartment rose from $1,819 to $1,905.

Figure 32. Real Average Asking Rent for Westminster Apartments by Number of Bedrooms, 2017 Q1-2023 Q3 QTD



Source: CoStar; Matrix Design Group, Inc.

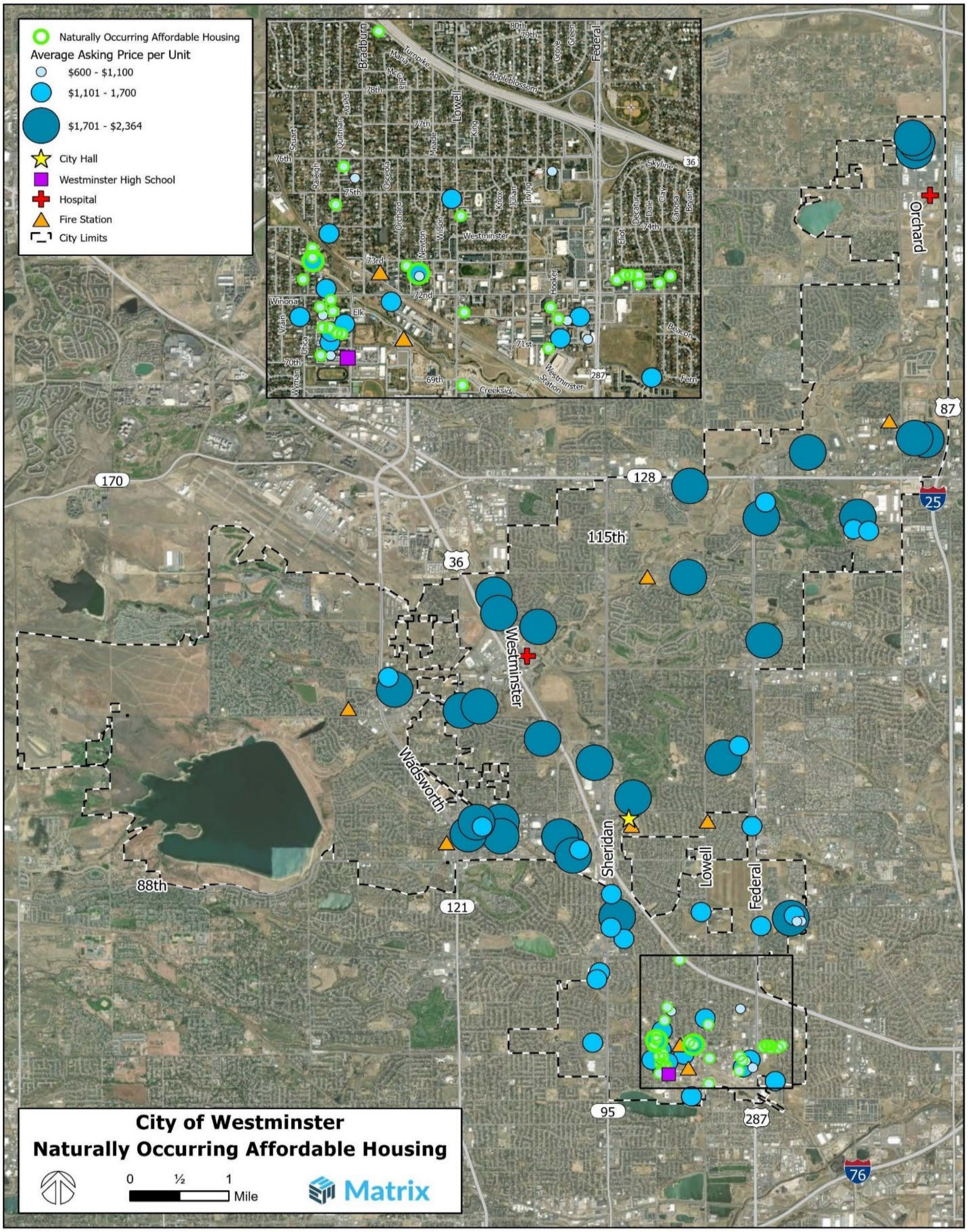
Note: Dollar values adjusted for inflation to constant 2023 Q3 dollars. Data are current as of September 20, 2023. Estimates do not include utility costs.

Naturally Occurring Affordable Housing

Figure 33 indicates the locations of the 99 multi-family properties in Westminster for which rental cost data are available. The size and shade of the circle corresponds with the property's average asking rent per unit. The subset of the circles outlined in light green denote naturally affordable housing (NOAH). In order to be classified as such, a property was required to have an average asking rent below $1,200 and consist exclusively of Class B or C buildings. **As the map shows, the 30 NOAH properties are concentrated in the city's southernmost neighborhoods.** The inset map provides a closer look at these neighborhoods, demonstrating that clusters of NOAH exist to the immediate north of Westminster High School and on Eliot Street. An amalgam of moderately priced market rate and rent-restricted/subsidized properties surrounds Westminster's NOAH inventory. Rents are generally higher in the northern parts of the city, with all but a few properties posting average rents higher than $1,700.

> Nominally, [apartment] rent has tended to grow measurably from quarter to quarter, peaking at $1,782 in the second quarter of 2023.

Figure 33. Naturally Occurring Affordable Housing in Westminster, 2023 Q4



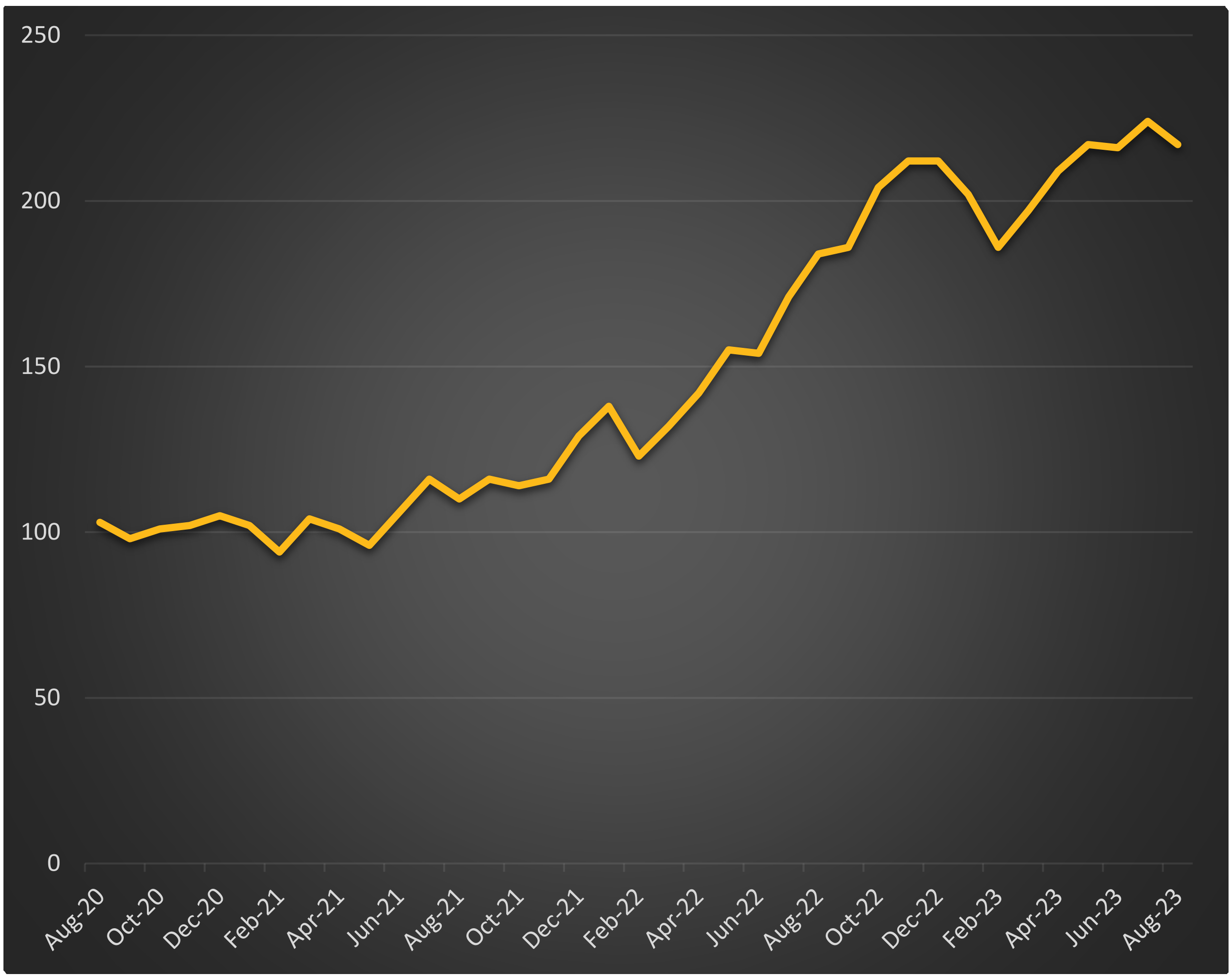
Source: CoStar; Matrix Design Group, Inc.

Note: Rent categories determined using Jenks natural breaks optimization.

Short-Term Rentals

Westminster's short-term rental (STR) market has fully recovered from the lingering effects of the pandemic (see Figure 34). For most of 2020 and 2021, the size of the market shifted only modestly, with the number of units ranging from 94 in February 2021 to 116 in July 2021. Starting in March 2022, however, the STR market experienced a period of accelerated growth, with the number of active listings reaching 212 that November. **After a period of decline in early 2023, the inventory peaked at 224 units in July 2023.**

Figure 34. Active Short-Term Rental Listings, August 2020-August 2023

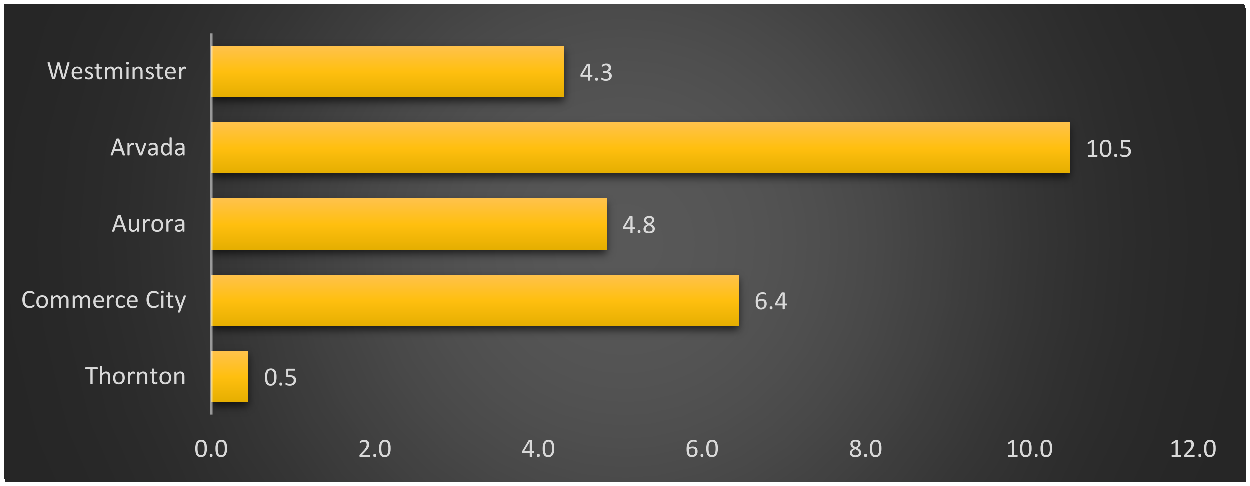


Source: AirDNA; Matrix Design Group, Inc.

Note: Data are current as of October 2, 2023.

How does Westminster's STR market compare to those of neighboring cities? Figure 35 plots the number of STRs per 1,000 housing units as of August 2023. **The data suggest that Westminster had a moderately sized STR market, at 4.3 listings per 1,000 housing units.** By contrast, Arvada had over twice the rate of STRs, at 10.5 listings per 1,000 housing units. STRs were also more widespread in Commerce City and Aurora, although not to nearly the same degree. In Thornton, STRs were virtually nonexistent, accounting for just 0.5 of every 1,000 housing units.

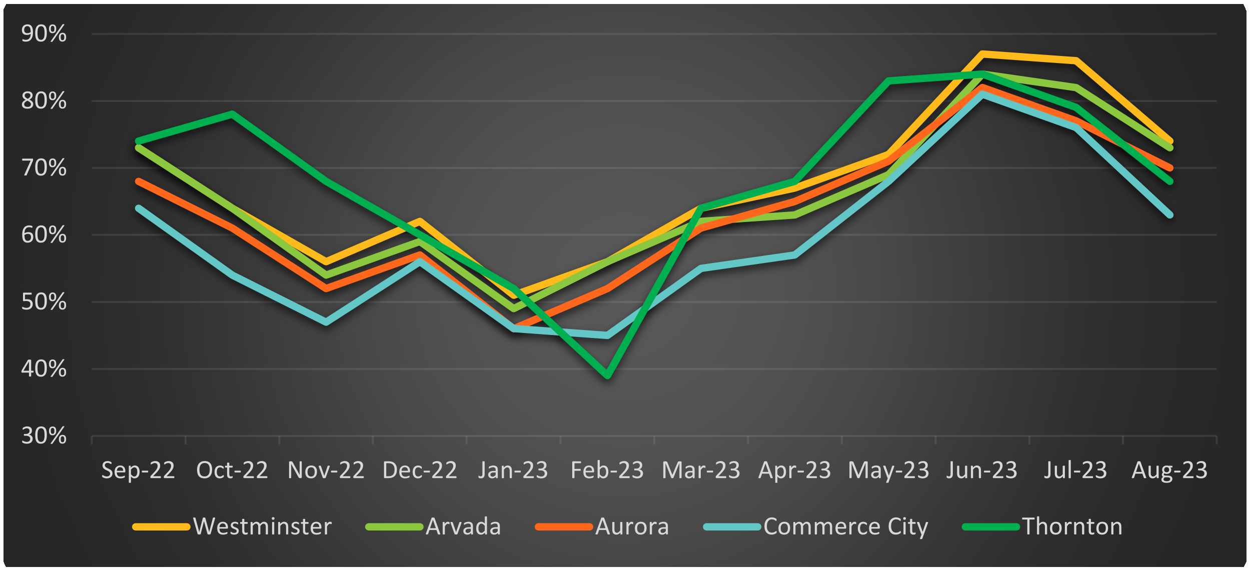
Figure 35. Short-Term Rentals Per 1,000 Housing Units, August 2023



Source: AirDNA; Matrix Design Group, Inc.
Note: Data are current as of October 2, 2023.

The occupancy rates for STRs, measured as the percentage of days in the month that the average unit was rented out to a guest, are depicted in Figure 36 for the period from September 2022 and August 2023. In general, Westminster's occupancy rate has closely resembled those of Arvada, Aurora, and Commerce City, ranging from 51% in January 2023 to 87% in June 2023. On average, Westminster STRs were filled on about 23 of the 31 days in August 2023. Thornton has historically had a higher occupancy rate than the other cities, perhaps due to its smaller inventory.

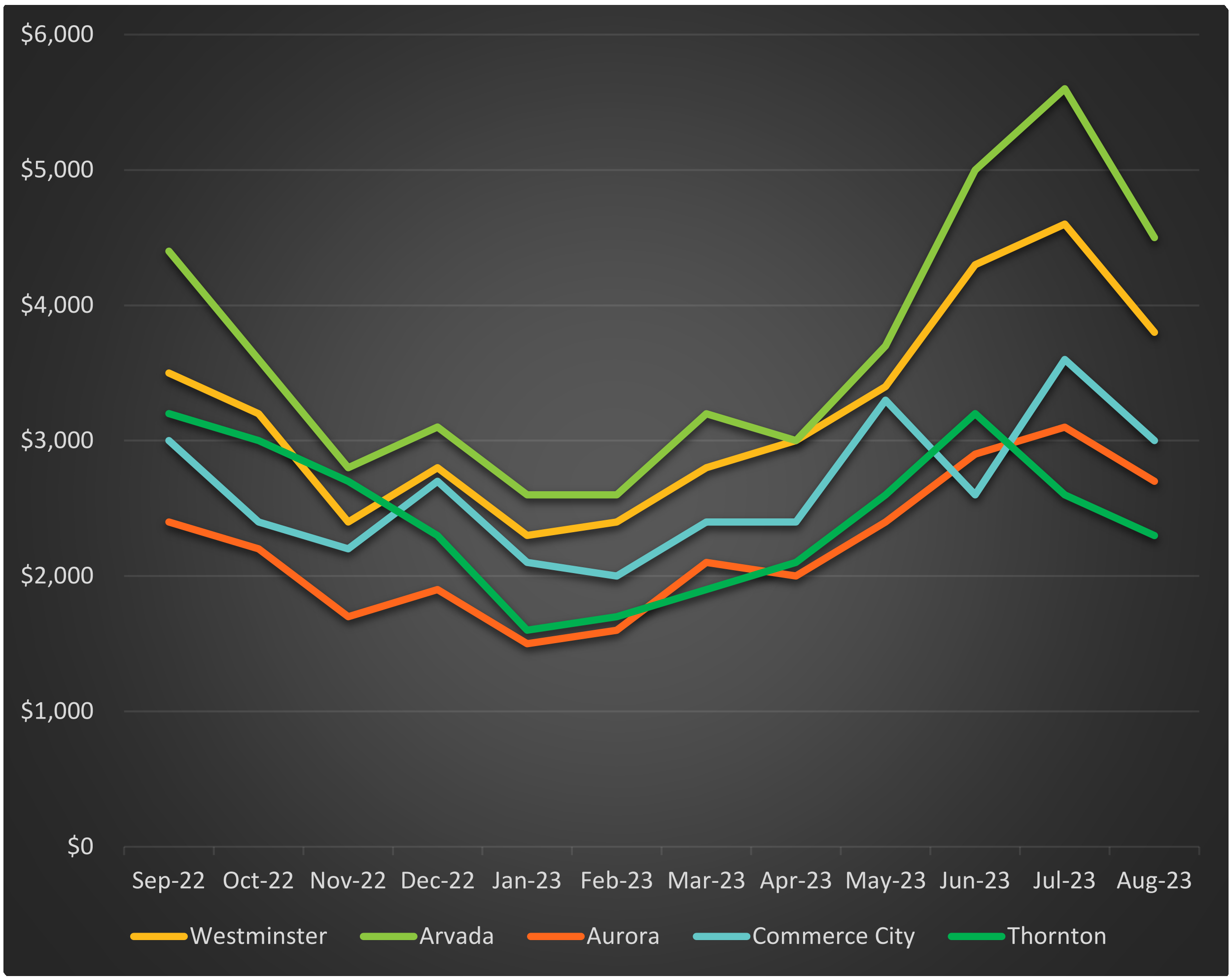
Figure 36. Short-Term Rental Occupancy Rate, September 2022-August 2023



Source: AirDNA; Matrix Design Group, Inc.
Note: Data are current as of October 2, 2023.

Westminster STRs tend to be highly profitable. **In August 2023, the average STR in the city generated $3,800 in revenue—$800 less than the figure for July 2023, when revenues reached their highest level since at least September 2022 (see Figure 37).** For most of the period, only Arvada had a higher average revenue than Westminster. In July 2023, the average revenue gap between the two cities amounted to $1,000. The impressive revenue-generating capacity of STRs in Westminster represents a strong incentive for property owners to enter this burgeoning market.

Figure 37. Average Short-Term Rental Revenue, September 2022-August 2023



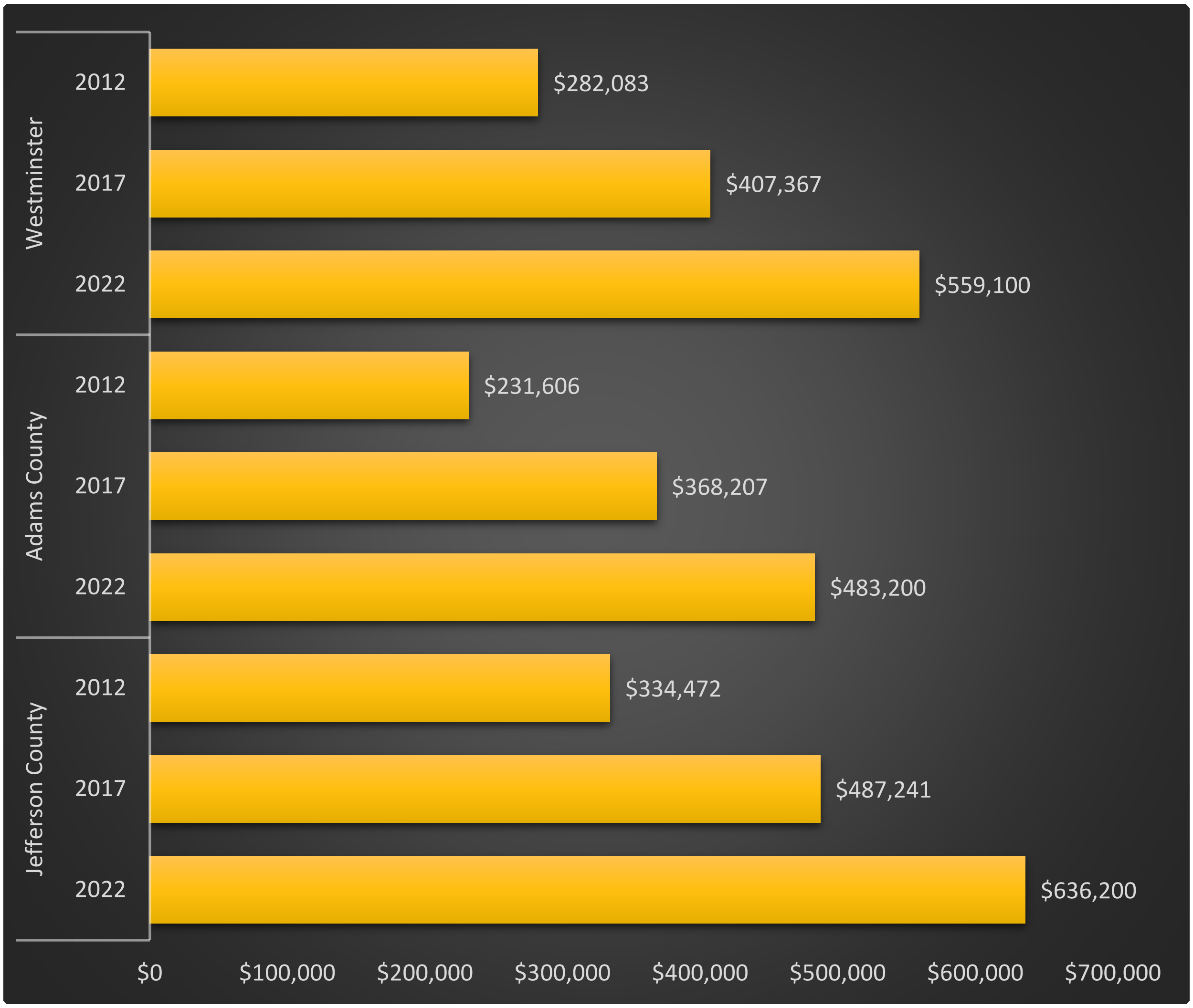
Source: AirDNA; Matrix Design Group, Inc.

Note: Due to the short period covered, values are nominal dollars.

Home Values and Sales

Over the past decade or so, home values have increased dramatically throughout the region, even when inflation is accounted for (see Figure 38). In 2012, the median home in Westminster was worth $283,083. **After rising to $407,367 in 2017, this figure reached $559,100 in 2022—a 98% increase from 2012.** The relative increase was comparable in Adams and Jefferson Counties, which had median home values of $483,200 and $636,200 in 2022, respectively.

Figure 38. Real Median Home Value, 2012, 2017, and 2022

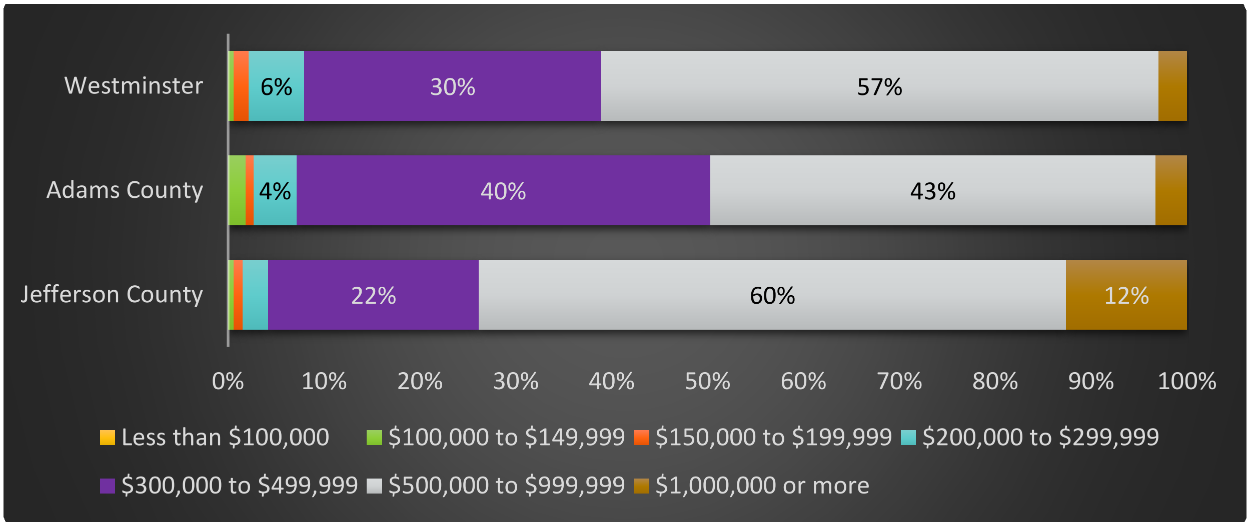


Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2022 dollars.

Figure 39 presents the distribution of home values in each jurisdiction. In 2022, just one percent of homes in Westminster were valued at less than $150,000. An additional two percent of homes were worth between $150,000 and $199,999, while the $200,000-to-$300,000 range included six percent of homes. Homes valued at less than $200,000 were nearly equally rare in the two counties as a whole. By contrast, whereas homes in the $300,000-to-$499,999 range represented 30% of Westminster's owner-occupied stock, they accounted for 40% and 22% of the respective inventories of Adams and Jefferson Counties. Fifty-seven percent of Westminster home values fell between $500,000 and $999,99, compared to 43% for Adams County and 60% for Jefferson County. Home values of $1,000,000 or more were far more common in Jefferson County as a whole than in Westminster or Adams County.

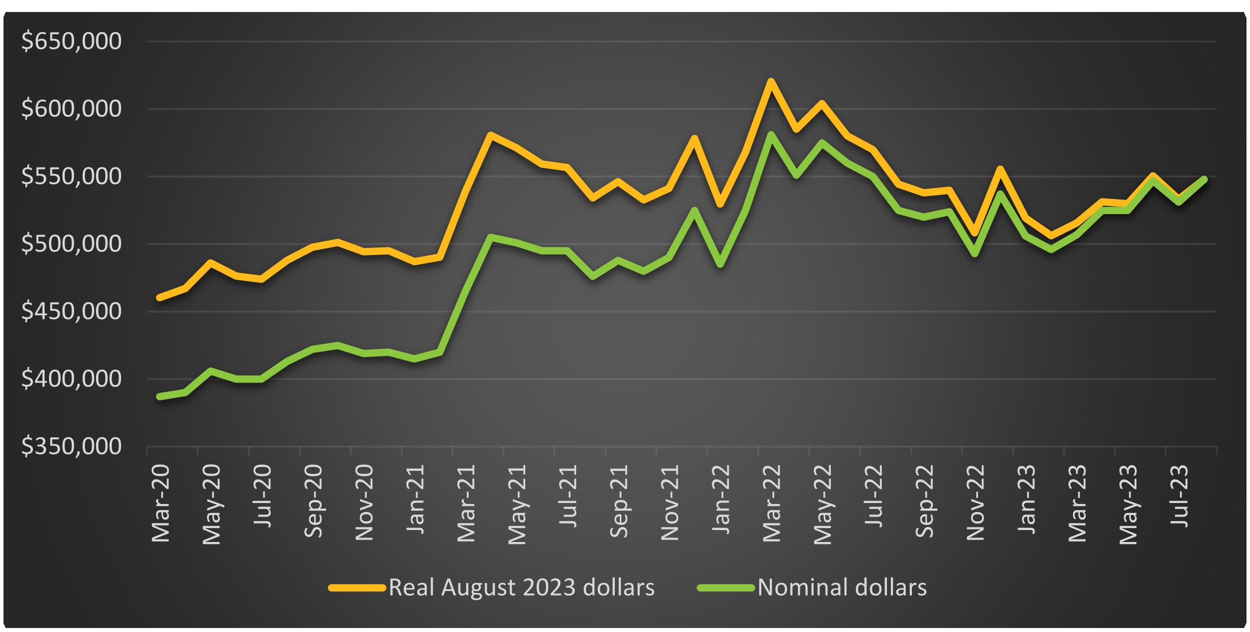
Figure 39. Home Values, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Figure 40 sheds light on how market conditions have evolved over time, plotting the median home sale price from March 2020 to July 2023 in real and nominal dollars. At the onset of the pandemic, the median Westminster home sold for $387,000—the equivalent of $460,334 in today's dollars. Home prices rose modestly for most of 2020, before escalating dramatically over the following two years. **Westminster's inflation-adjusted median home sale price peaked at $620,451 in March 2022, after which the trend of rising prices began to reverse.** Since March 2023, however, prices have been on the rise again, in part due to the influence of seasonality on the housing market.

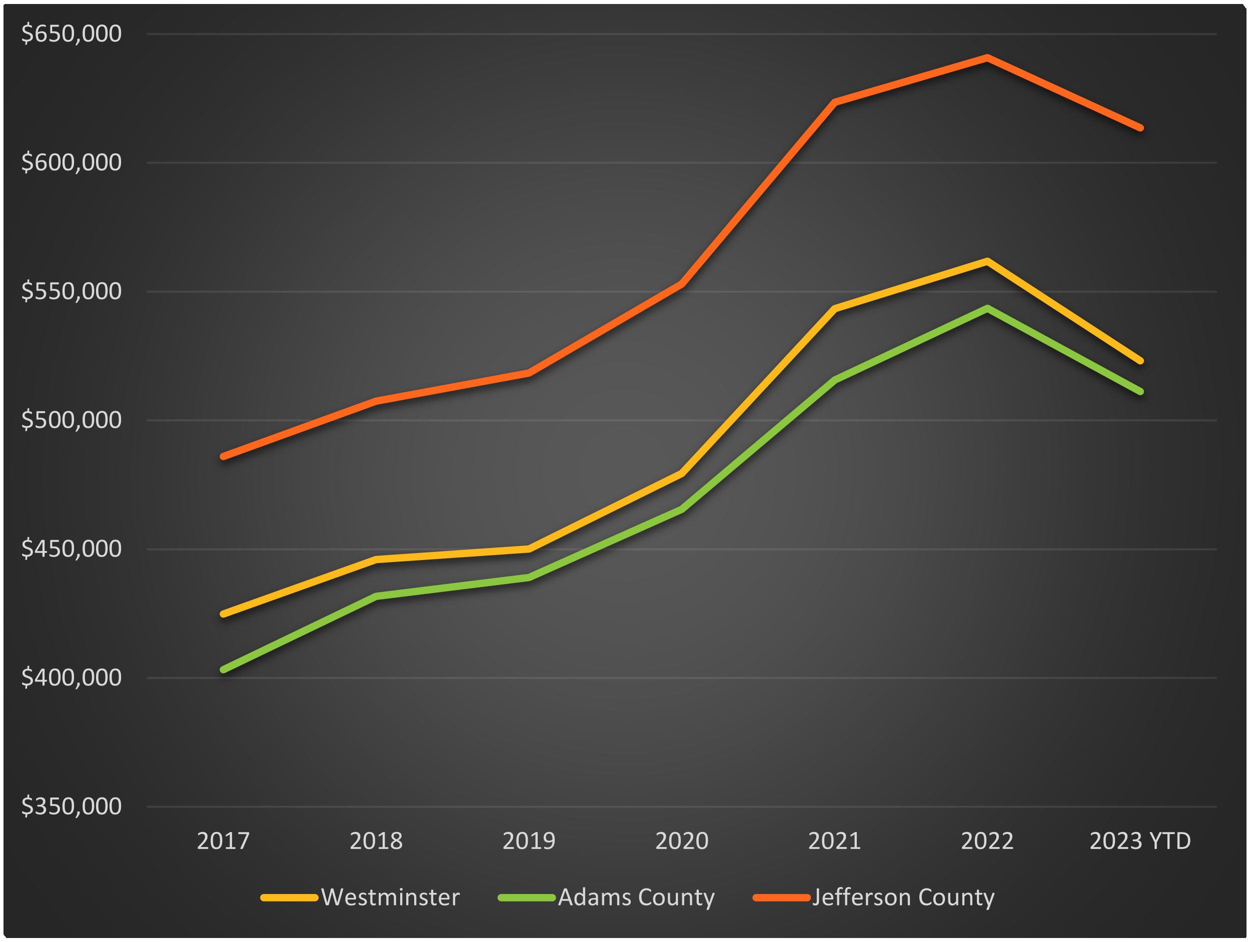
Figure 40. Median Home Sale Price in Westminster, March 2020-August 2023



Source: Redfin; Matrix Design Group, Inc.

How closely have home prices in Westminster tracked those in the rest of the region? As Figure 41 shows, Westminster's median sale price has narrowly eclipsed that of Adams County since 2017. The inflation-adjusted price of the typical Westminster home grew by $98,300 between 2017 and 2023—the equivalent of a 23% increase. Westminster homes tend to be less expensive than those located in the rest of Jefferson County, as evidenced by the latter jurisdiction's consistently higher median sale price.

Figure 41. Real Average Monthly Median Home Sale Price, 2017-2023 YTD

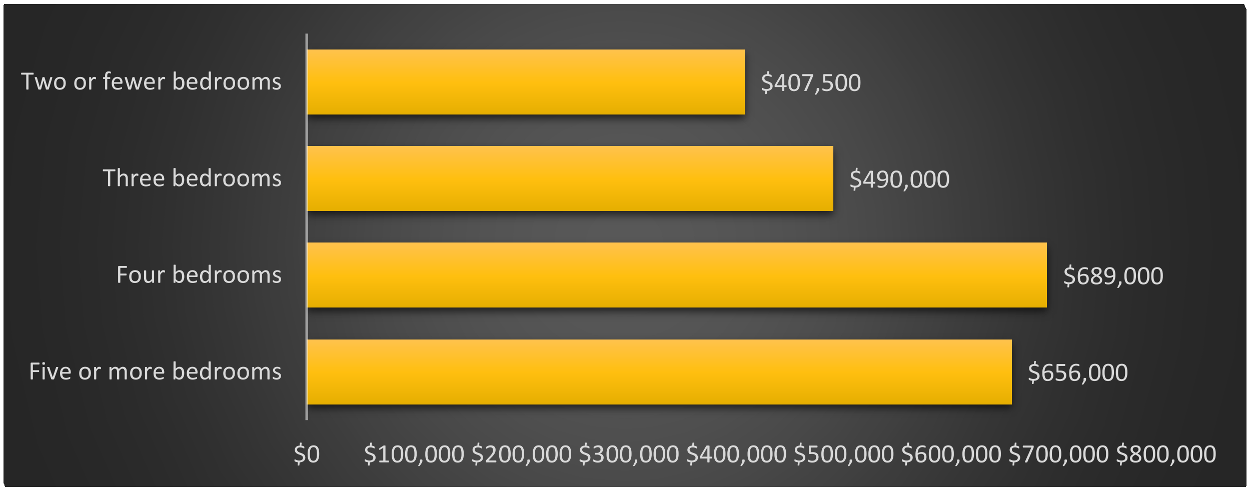


Source: Redfin; Matrix Design Group, Inc.

Note: 2023 data are through August. Dollar values adjusted for inflation to constant 2023 dollars.

Figure 42 presents the median sale prices of homes with varying numbers of bedrooms between August 30, 2023, and September 28, 2023. Over that approximately one-month period, the median home with two or fewer bedrooms in Westminster sold for $407,500. **Remarkably, this total is only $17,325 less than the inflation-adjusted median price among all homes sold in 2017.** A three-bedroom home purchased between late August and late September 2023 typically sold for $490,000, while those in search of a four-bedroom house could expect to pay $689,000. Five-or-more bedroom homes were less expensive than four-bedroom homes, but this result is almost certainly a function of the narrow period under examination.

Figure 42. Median Home Sale Price by Number of Bedrooms in Westminster, August 30, 2023-September 28, 2023

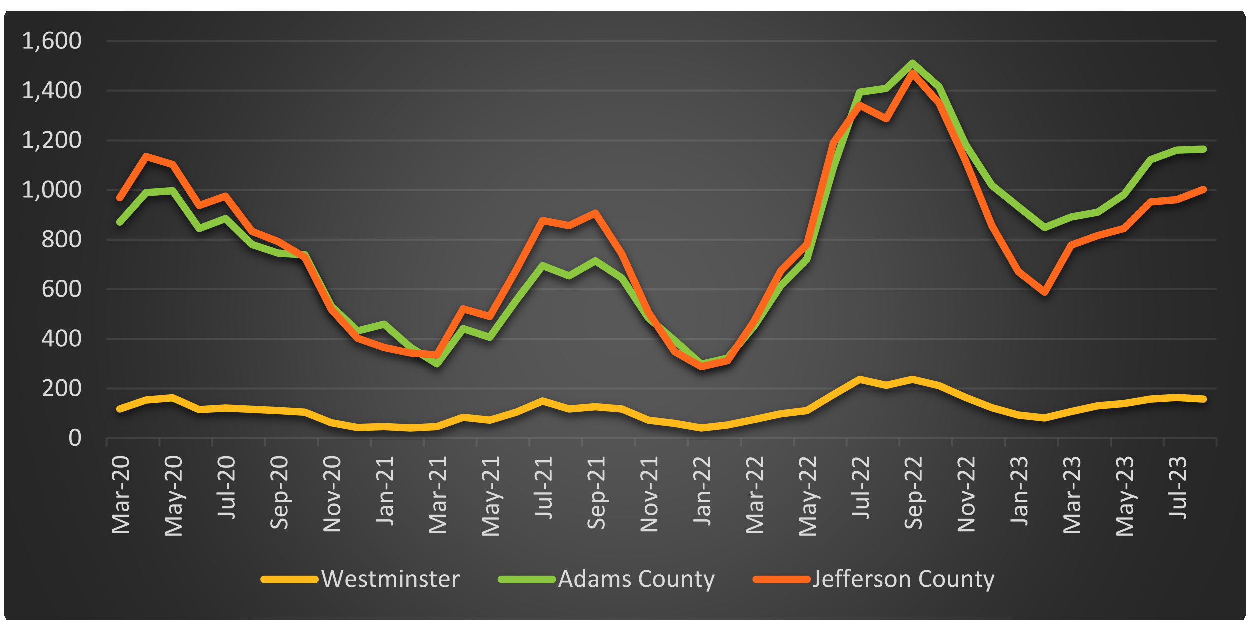


Source: Redfin; Matrix Design Group, Inc.

Note: *N* = 114

Since early 2020, the size of the for-sale inventory has fluctuated in a way that has tended to foreshadow shifts in home prices. Westminster's inventory was relatively high in the early months of the pandemic, reaching 163 homes in May 2020 (see Figure 43). Shortly before the dramatic price hikes of 2021 and 2022, inventory dropped to less than one-third of its May 2020 size. From July to October 2022, a period that preceded a sharp decline in prices, the number of homes on the market ranged from 212 to 237. As of July 2023, Westminster's inventory consisted of 158 homes, compared to 1,165 for Adams County and 1,002 for Jefferson County.

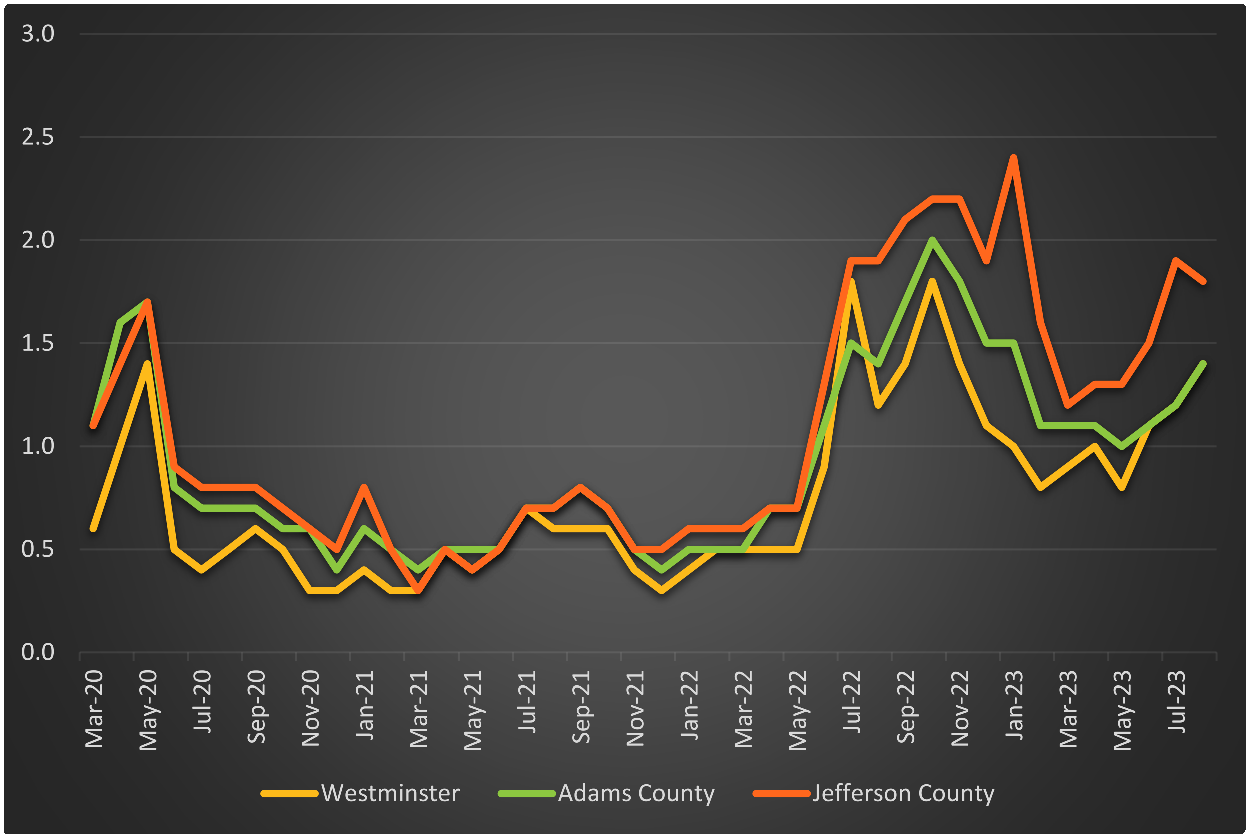
Figure 43. For-Sale Inventory, March 2020-August 2023



Source: Redfin; Matrix Design Group, Inc.

Figure 44 quantifies the number of months it would take for the available inventory to sell out at a given point in time. Considered perhaps the most valid indicator of the state of the housing market, this number is calculated by dividing the total number of homes on the market by the number of homes sold in one month. Supply and demand are thought to be at equilibrium when the available inventory is projected to last between four and five months. From March 2020 to July 2023, Westminster has consistently had fewer months of supply than Adams and Jefferson Counties. **For Westminster, this number has ranged from 0.3 to 1.8, indicating that the market has heavily favored sellers over buyers.**

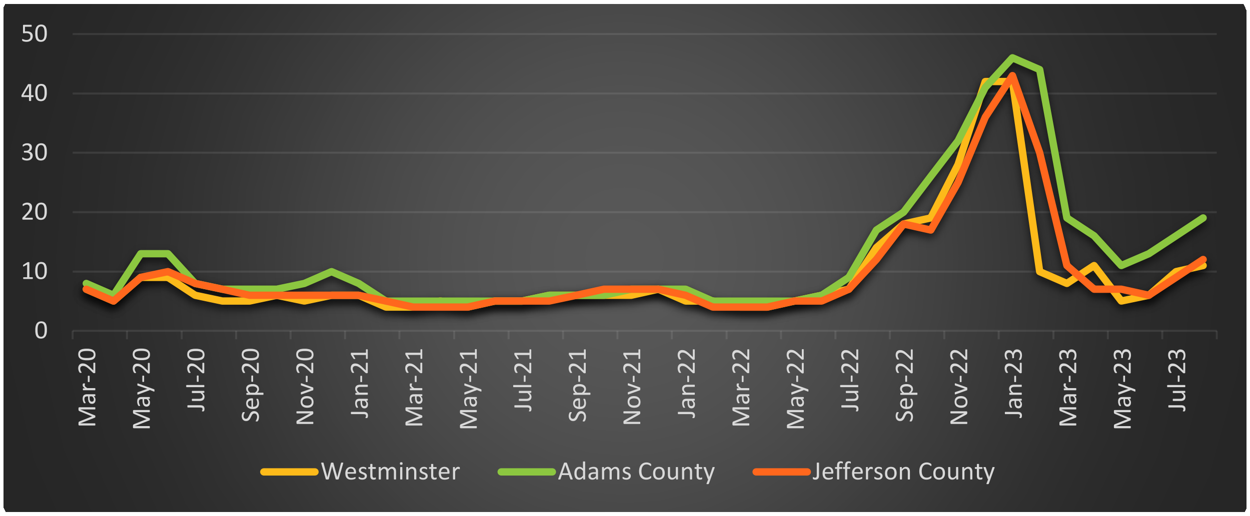
Figure 44. Months Supply of For-Sale Inventory, March 2020-August 2023



Source: Redfin; Matrix Design Group, Inc.

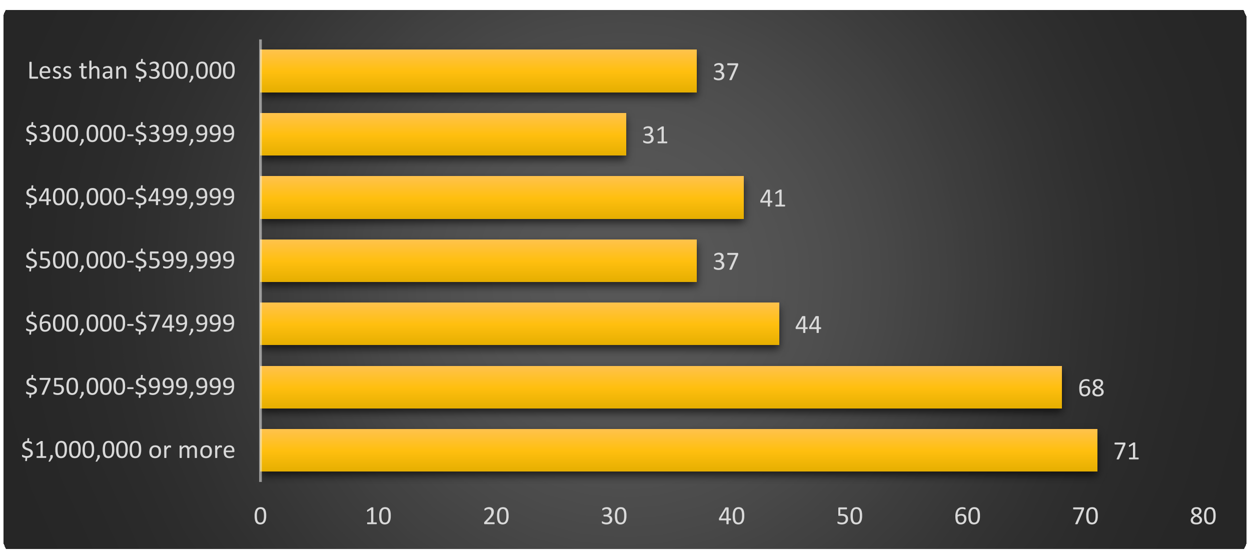
Another indicator of the state of the housing market, presented in Figure 45, is the number of days that typically elapse between listing and sale. **Remarkably, from January 2020 to July 2022, homes consistently sold in fewer than ten days in Westminster, as well as in Adams and Jefferson Counties.** In January 2023, however, the median home took over 40 days to sell in all three jurisdictions. Since then, homes have tended to sell more rapidly. This has especially been true for lower and moderately priced homes (see Figure 46). For example, a home purchased for $300,0000 to $399,999 between August 30, 2023, and September 28, 2023, typically spent 31 days on the market—40 fewer days than the median home with a final sale price of $1,000,000 or more. Of course, other factors besides price, such as a home's condition and location, also impact the time it takes to sell.

Figure 45. Median Days on the Market, March 2020- August 2023



Source: Redfin; Matrix Design Group, Inc.

Figure 46. Median Days on the Market by Home Sale Price in Westminster, August 30, 2023-September 28, 2023

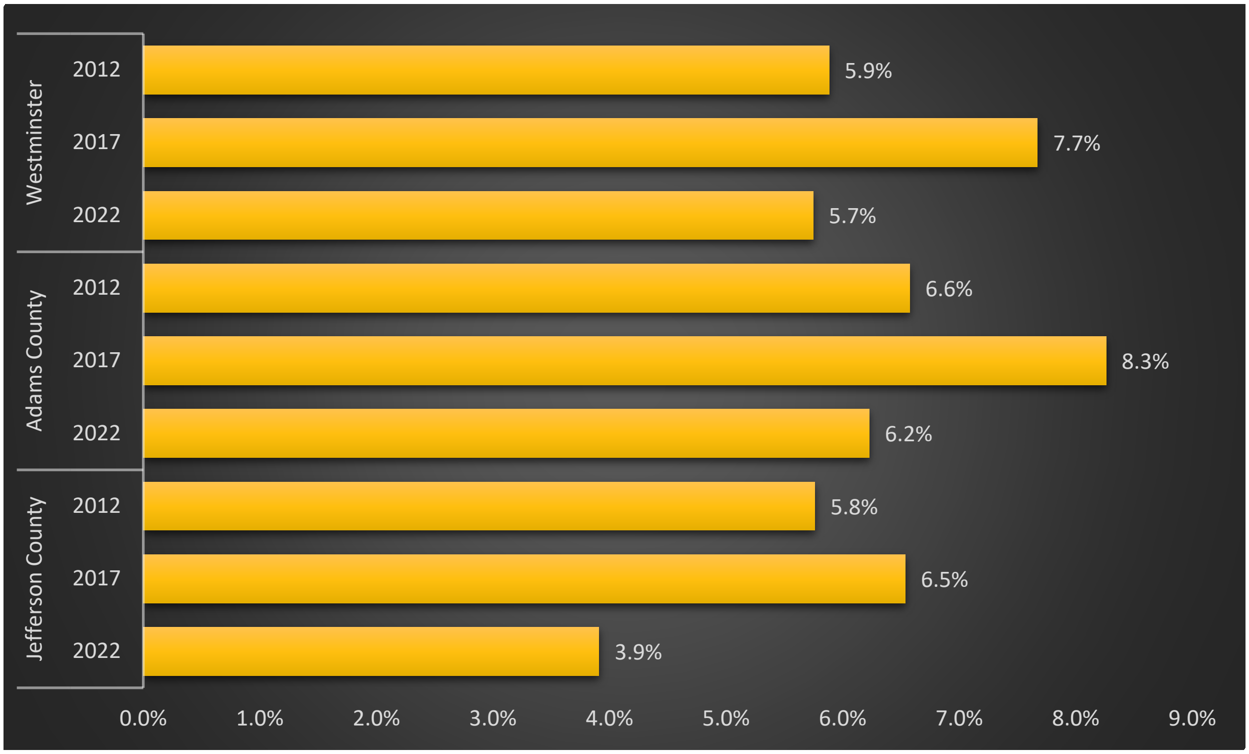


Source: Redfin; Matrix Design Group, Inc.
Note: *N* = 114

Turnover

The turnover rate measures the percentage of owner-occupied homes in a community that sold during the year. High turnover can be a sign that housing costs are unaffordable to a significant share of existing homeowners. Figure 47 compares the turnover rates in Westminster, Adams County, and Jefferson County over time. **Between 2012 and 2017, Westminster's turnover rate climbed from 5.9% to 7.7%.** The turnover rate had returned to previous levels by 2022, when less than six percent of the city's homes switched hands. Compared to Westminster and Adams County, Jefferson County has historically had a low turnover rate.

Figure 47. Owner-Occupied Housing Turnover Rate, 2012, 2017, and 2022



Source: Redfin; One-Year American Community Survey; Matrix Design Group, Inc.

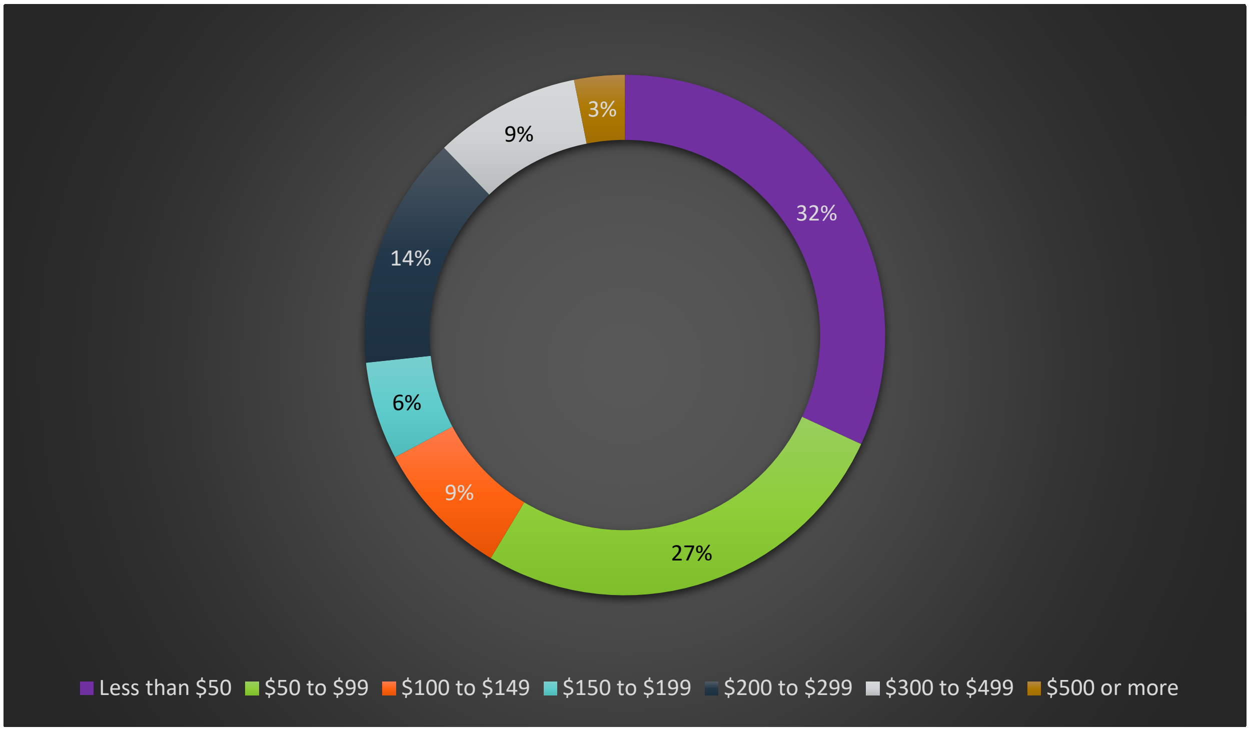
Homeowners Associations

Homeowners associations are typically resident-run organizations responsible for governing the properties within their jurisdictions. They create and enforce behavioral, architectural, property maintenance, and other rules intended to preserve quality of life, the neighborhood's aesthetic appeal, and, ultimately, property values. Membership, which can include access to common spaces, amenities, and services, is often required for those who purchase property within the HOA zone. These organizations fund their operations by collecting member dues, also known as HOA fees. Fines and property liens are imposed on noncompliant members.

HOAs are widespread in both Colorado and the Denver-Aurora-Lakewood MSA. **The Foundation for Community Association Research reports that Colorado is one of four states where at least 40% of residents live in an HOA zone, along with Florida, Vermont, and Delaware.** Additionally, according to the 2019 American Housing Survey, 48% of owner households and 31% of all households in the Denver-Aurora-Lakewood MSA reported paying HOA fees. **The median monthly HOA fee in**

the MSA was $72.[1] As Figure 48 demonstrates, however, some households reported spending far more. For 12% of households, HOA fees amounted to $300 or more per month. An additional 14% of households reported paying between $200 and $299.

Figure 48. Monthly HOA Fees in the Denver-Aurora-Lakewood MSA, 2019



Source: 2019 American Housing Survey

According to the Colorado Division of Real Estate, as of October 2023, there are 117 active HOAs within Westminster. **Included in their jurisdiction are a total of 14,137 units, equal to 46% of the city's owner-occupied housing stock and 28% of the total stock.** A plurality of HOAs (43) are based in zip code 80031, which covers the central part of the city. All but thirteen of the city's 117 HOAs are professionally managed. Our review of selected HOAs revealed that these organizations commonly exacerbate affordability challenges through restrictive covenants and other provisions. Examples of potentially concerning regulations include restrictions on the long-term leasing of individual rooms, excessive garage and off-street parking requirements, and bans on "missing middle" housing. It is important to note, however, that certain rental restrictions may indirectly improve affordability in the long run by discouraging investors from transforming the property into an STR.[2]

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[1] HOA fee data are not available for Westminster specifically.

[2] The Colorado Supreme Court has ruled that short-term rentals do not qualify as a commercial use of a property in an HOA. Accordingly, restrictive covenants permitting only residential use of the property are insufficient to ban STRs.

Affordability and Gap Analysis

This section features a detailed assessment of housing affordability in Westminster, comparing residents' actual incomes to the incomes required to afford various types of housing. Relatedly, we present data on the prevalence of cost-burdened households, defined as those who spend at least 30% of income on housing costs. We conclude by estimating the gaps in Westminster's housing stock by price point, or affordability tier, and tenure.

Renter Affordability

Table 7 evaluates rental affordability over time. In 2012, inflation-adjusted rent was $1,329 in Westminster. To contain rent to less than 30% of annual income, as is typically recommended, a household needed to earn at least $53,160. Median renter household income fell short of this threshold by $765 in Westminster and $6,096 in the broader Denver-Aurora-Lakewood MSA. As a result of dramatic rent increases over the preceding five-year period, a minimum household income of $65,440 was required to afford median rent in Westminster in 2017. Unlike in 2012, the median renter household in Westminster was less capable of affording median rent than its counterpart in the MSA, as increases in rent far outpaced wage growth among the city's renters. Specifically, median renter household income in Westminster accounted for just 84% of the minimum income required to afford median rent—eight percentage points less than the equivalent figure for the MSA. In 2022, the minimum income required to afford median rent rose to $69,400. **Nonetheless, the median renter household was well positioned to bear this cost, due to the over-$20,000 increase in income from 2017.** But it is important to note that the relatively secure position of the median renter does not preclude the possibility that cost-burdened renters were widespread. Furthermore, median rent remained too expensive for the median renter household in the MSA, despite the approximately $6,000 rise in real household income between 2017 and 2022.

Table 7. Renter Affordability, 2012, 2017, and 2021

Year	Westminster Median Gross Rent (All Renter-Occupied Units)	Minimum Household Income Required to Afford Westminster Median Gross Rent	Actual Median Renter Household Actual Median Renter Household Income Income		Actual Median Renter Household Income Relative to Minimum Required Income	
			Westminster	Denver-Aurora-Lakewood MSA	Westminster	Denver-Aurora-Lakewood MSA
2012	$1,329	$53,160	$52,395	$47,064	99%	89%
2017	$1,636	$65,440	$54,987	$60,444	84%	92%
2022	$1,735	$69,400	$75,841	$66,469	109%	96%

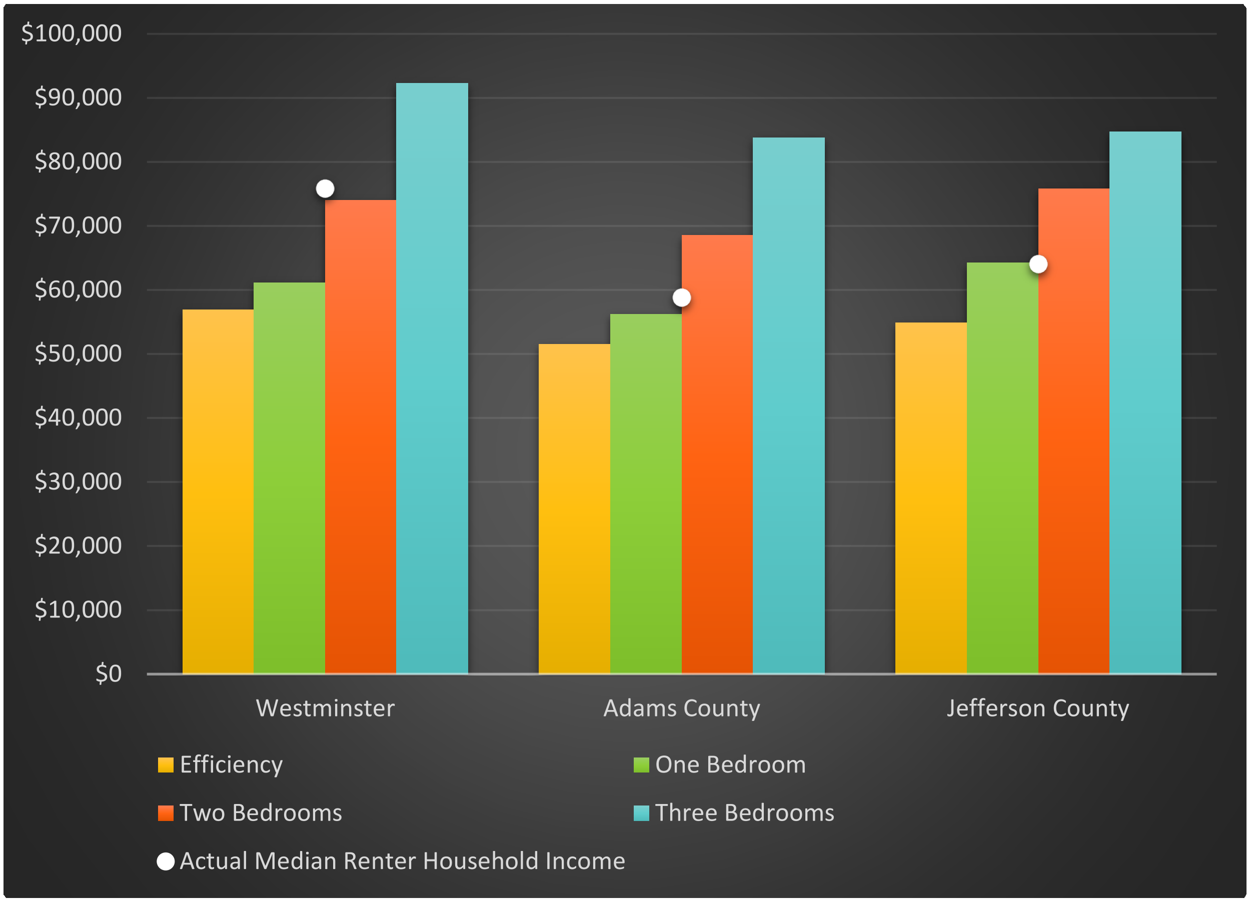
Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2022 dollars. Rent estimates include utility costs.

For each apartment type, Figure 49 compares median renter household income, as represented by the white dot, to the minimum household income required to afford average asking rent.[3] If a bar extends above the white dot, then average rent for the associated unit would have represented 30% or more of median household income and thereby posed significant affordability challenges. In Westminster, the minimum required income was $56,880 for the median efficiency unit and $61,160 for the median one-bedroom unit, making them easily affordable to the majority of renter households. **On the other hand, a household needed to earn at least $74,000 to afford average two-bedroom rent—only $1,841 less than actual median renter household income.** If the two-bedroom minimum income threshold were modified to account for utility costs, it would almost assuredly exceed median income. For instance, even a $100 monthly utility payment would raise the threshold to $78,000. **The typical three-bedroom unit was unaffordable to most renter households, with the minimum required income exceeding actual median income by $16,479.** Largely because they tended to be less affluent, Adams County renters could typically only afford efficiency and one-bedroom units. Jefferson County renters had still fewer options, with median income narrowly falling short of the minimum required income for the average one-bedroom apartment.

[3] As CoStar does not include utility costs in their average asking rents, they are not factored into these calculations.

Figure 49. Comparison of Minimum Income Required to Afford Average Asking Rent by Apartment Type to Actual Median Renter Household Income, 2022



Source: One-Year American Community Survey; CoStar; Matrix Design Group, Inc.
Note: Dollar values adjusted for inflation to constant 2022 dollars. Rent estimates used to calculate minimum required incomes do not include utility costs. Insufficient data available for four-bedroom units.

Homeowner Affordability

Table 8 assesses affordability for existing homeowners with mortgages. The mortgage payment, as well as property taxes, utilities, insurance, and fees, are factored into monthly ownership costs. **Note that the sample includes many households who purchased their homes at a time when home prices and interest rates were far lower than they are today.** In 2022, the median mortgagor household paid $2,081 in ownership costs, substantially exceeding the inflation-adjusted sums for 2012 and 2017. To contain these costs to less than 30% of income, a household needed to earn at least $83,240. **This sum was dwarfed by the annual income of the median mortgagor household in not only Westminster but also the Denver-Aurora-Lakewood MSA.** A caveat to this result is that homeowners tend to be considerably more affluent than the general population. Accordingly, one should avoid making the overgeneralization that median ownership costs would not burden a significant share of families who desire to buy a home in Westminster.

Table 8. Existing Homeowner Affordability, 2012, 2017, and 2022

Year	Westminster Median Mortgagor Ownership Costs	Minimum Household Income Required to Afford Westminster Median Mortgagor Ownership Costs	Actual Median Mortgagor Household Income		Actual Median Mortgagor Household Income Relative to Minimum Required Income	
			Westminster	Denver-Aurora-Lakewood MSA	Westminster	Denver-Aurora-Lakewood MSA
2012	$1,894	$75,760	$106,295	$110,385	140%	146%
2017	$1,636	$65,440	$106,461	$126,519	163%	193%
2022	$2,081	$83,240	$133,079	$134,919	160%	162%

Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Owner households without mortgages were excluded from the analysis. Dollar values adjusted for inflation to constant 2022 dollars.

Table 9 measures the affordability of the median home purchased in December 2022, which sold for $537,000. At that time, the average mortgage rate was 6.4%—over twice the rate observed during the early days of the COVID-19 pandemic. **Assuming a 20% down payment, the median monthly mortgage payment amounted to $2,687, meaning that a household needed to earn at least $107,470 to avoid being cost burdened.** Median family income (MFI) in both Westminster and the Denver-Aurora-Lakewood MSA easily exceeded this threshold, equaling $122,859 and $122,835, respectively. This result is limited, though, by the analysis' consideration of only one component of ownership costs—the mortgage payment—and assumption of a large, often unfeasible down payment.

Table 9. Homebuyer Affordability, December 2022

Variable	Value
Mortgage Rate	6.4%
Median Sale Price	$537,000
Loan-to-Value	80%
Monthly Mortgage Payment (30-year term)	$2,687
Minimum Annual Income Required to Afford Median Sale Price	$107,480
Westminster Median Family Income	$122,859
Westminster Median Family Income Relative to Minimum Required Annual Income	114%
Denver-Aurora-Lakewood MSA Median Family Income	$122,835
Denver-Aurora-Lakewood MSA Median Family Income Relative to Minimum Required Annual Income	114%

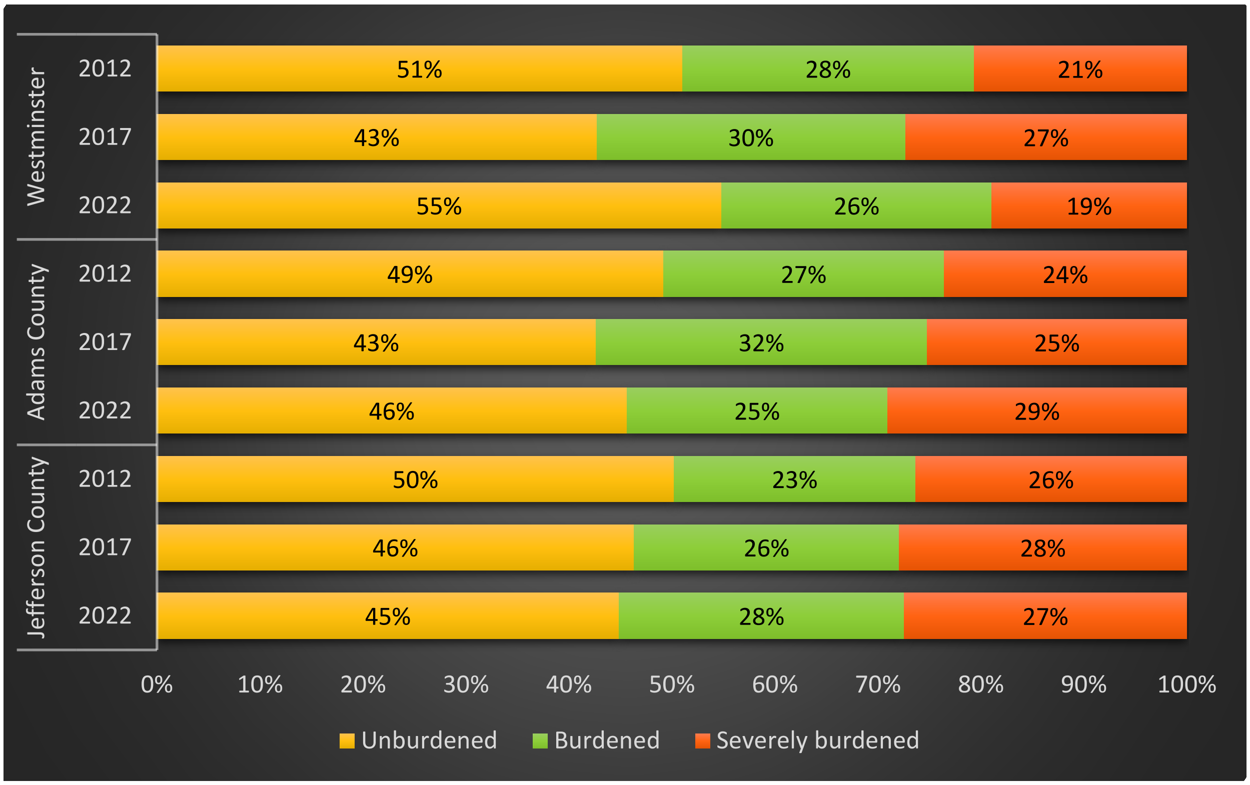
Source: One-Year American Community Survey; Redfin; Matrix Design Group, Inc.

Cost-Burdened Households

Figure 50 reveals that cost-burdened renters, defined as those who spent 30% or more of household income on rent, were widespread in Westminster. However, they have become less common in recent years as lower-income households have left the city. **In 2022, 26% of renters spent between 30% and 49.9% of income on rent—a four percentage point decrease from 2017.** The strain placed on these households' budgets by housing costs likely made it difficult for them to afford food, transportation, medicine, and other needs. Financial struggles are particularly acute for "severely" cost-burdened households, who spend 50% or more of income on rent. **In Westminster, 19% of renters were considered severely cost-burdened in 2022, compared to 27% in 2017 and 21% in 2012.** Burdened or severely burdened renters were less common in Westminster than in Adams and Jefferson

Counties, where they represented 54% and 55% of households, respectively.

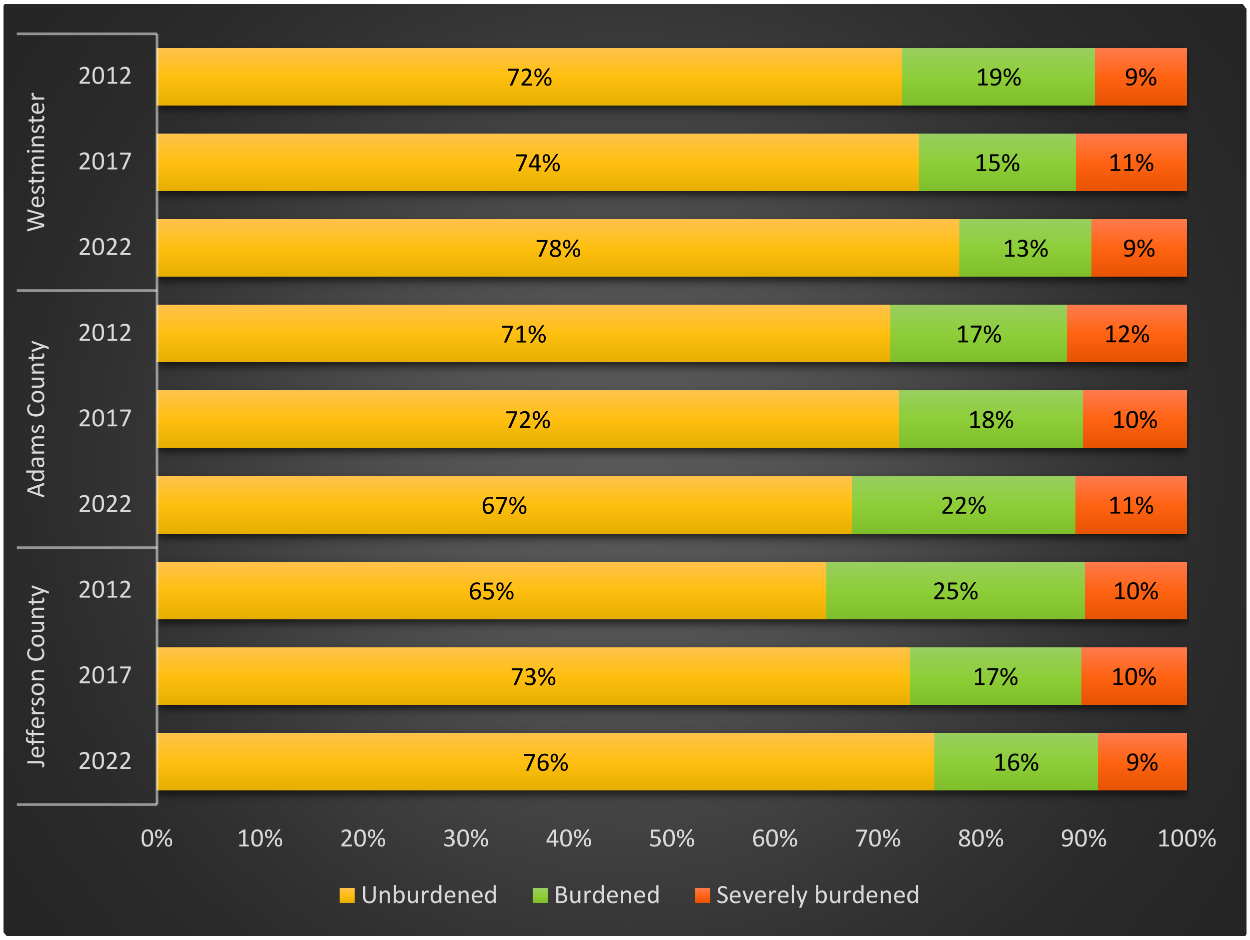
Figure 50. Cost-Burdened Status of Renter Households, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Unburdened households spent less than 30% of income on rent, compared to between 30% and 49.9% for burdened households and 50% or more for severely burdened households.

In general, homeowners were in a less precarious financial position than renters (see Figure 51). **By 2022, Westminster had a higher rate of unburdened homeowners (78%) than Adams and Jefferson Counties.** Thirteen percent of Westminster homeowners were categorized as cost burdened, spending between 30% and 49.9% of household income on housing. An additional nine percent devoted 50% or more of income to housing, thus qualifying as severely cost burdened. **Buoyed by rising incomes, homeowners were less likely to be burdened by housing costs in 2022 than in previous years, despite escalating home prices.**

Figure 51. Cost-Burdened Status of Mortgagor Households, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.

Housing Gaps

Employing a methodology developed by Florida International University's Metropolitan Center and refined by Matrix, we measured the rental housing gap at six tiers based on nominal median household income (MHI) for Westminster, which increased from $64,214 in 2017 to $101,529 in 2022 (see Table 10). A household is categorized into a tier if its total household income falls within the associated MHI range. For instance, an *Affordable I* household earned less than $19,264 in 2017 and $30,459 in 2022 (30% of MHI). The unit supply is measured as the number of rentals that would cause a household in a given income tier to spend less than 30% of income on housing. The difference between the two values is defined as the housing gap. Note that because price is not the only factor that impacts consumers' decisions, it is unrealistic to expect the gaps to be zero. Nonetheless, city leaders should aim to minimize them. Housing shortages, in particular, have direct and indirect adverse impacts on residents. **At the lower tiers, they increase the likelihood that lower-income households will be cost burdened, while at the higher tiers, they intensify the level of competition for more moderately priced homes, thereby raising prices.**

Rising rents have caused Westminster's deficit of affordable rental units for households earning less than 30% of MHI to grow markedly over time. **From 2017 to 2022, the shortage increased by 85%, from 1,377 to 2,543 units.** Over the same period, the city maintained its small deficit of *Affordable II* units. **Many of the units that would have previously been affordable to those earning less than 50% of MHI had become suitable for higher-earning households by 2022, as evidenced by the 2,589-unit increase in the *Affordable III* surplus from 2017.** On the other hand, households in the *Workforce* segment of the rental market, which earned between 80% and 119.9% of MHI, faced a shrinking surplus of 1,136 units in 2022. In a continuation of 2017 conditions, the city experienced sizeable shortages of *Market Rate* and *Luxury* rental housing, appropriate for households earning 120% of MHI (equal to $121,835) or more.[4]

Table 10. Rental Inventory Mismatch in Westminster, 2017 and 2022

Tier	2017			2022		
	Renter Households	Unit Supply	Gap	Renter Households	Unit Supply	Gap
Affordable I (0-29.9% MHI)	2,039	663	(1,377)	3,430	887	(2,543)
Affordable II (30-49.9% MHI)	1,900	1,577	(323)	3,004	2,598	(406)
Affordable III (50-79.9% MHI)	3,514	6,423	2,909	4,182	9,681	5,498
Workforce (80-119.9% MHI)	3,924	5,811	1,887	3,207	4,343	1,136
Market Rate (120-199.9% MHI)	3,303	1,459	(1,845)	1,701	275	(1,426)
Luxury (200%+ MHI)	2,017	16	(2,001)	1,511	120	(1,391)

Source: One- and Five-Year American Community Survey; Matrix Design Group, Inc.
Note: Nominal MHI was $64,214 in 2017 and $101,529 in 2022. Due to rounding, gap may not equal the difference between households and unit supply.

Table 11 features a similar analysis for owner homes. However, due to data limitations, home values, rather than monthly costs, were used to estimate affordability. Housing units were sorted into tiers based on the general rule that a home's value should not exceed three times gross household income. For example, the *Affordable II* category

[4] Note that the MHI-based definition of "market rate" housing used here differs from the definition conventionally applied to apartments, which is used to distinguish subsidized and unsubsidized properties.

includes homes whose 2022 values ranged from $91,377 to $152,295. Our reliance on home values in estimating affordability means that the housing gaps could be more accurately interpreted as the net number of households in each tier that would be able to afford their homes if they purchased them today.

Owner housing became increasingly difficult for households earning less than 50% of MFI to locate between 2017 and 2022, as the combined deficit in the *Affordable I* and *Affordable II* ranges increased from 2,286 to 3,719 units. Meanwhile, the sizeable shortfall in the *Affordable III* tier persisted. Due to a combination of new construction and rising home values, the inventory of homes in the next two highest tiers increased sharply. In fact, the deficit of 3,244 *Workforce* homes that existed in 2017 would be nearly eliminated over the next five years. Finally, whereas the *Market Rate* surplus more than doubled between 2017 and 2022, a large deficit emerged in the *Luxury* segment of the market.

Table 11. Owner Inventory Mismatch in Westminster, 2017 and 2022

Tier	2017			2022		
	Owner Households	Unit Supply	Gap	Owner Households	Unit Supply	Gap
Affordable I (0-29.9% MHI)	1,325	778	(547)	2,109	722	(1,387)
Affordable II (30-49.9% MHI)	1,912	173	(1,739)	2,641	309	(2,332)
Affordable III (50-79.9% MHI)	3,917	470	(3,447)	5,230	1,173	(4,057)
Workforce (80-119.9% MHI)	5,069	1,825	(3,244)	6,063	5,365	(698)
Market Rate (120-199.9% MHI)	7,890	11,830	3,940	4,424	14,531	10,107
Luxury (200%+ MHI)	8,111	15,561	7,450	9,529	8,344	(1,185)

Source: One- and Five-Year American Community Survey; Matrix Design Group, Inc.

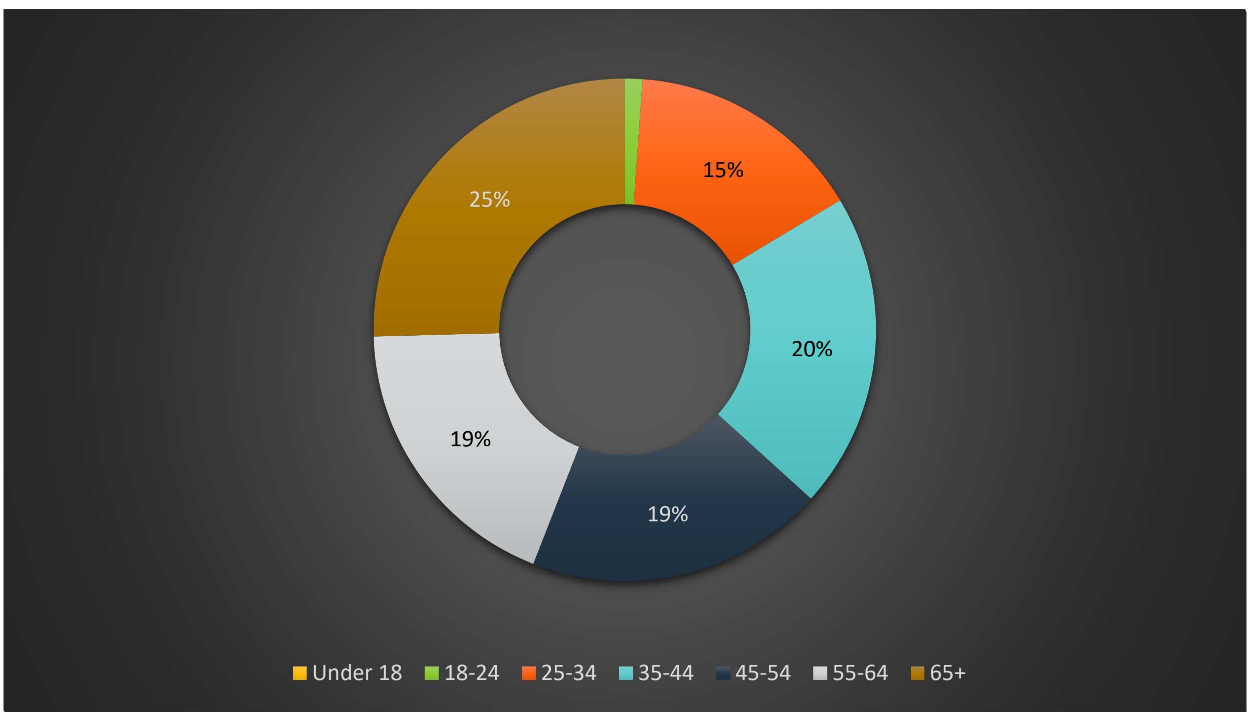
Note: Nominal MHI was $64,214 in 2017 and $101,529 in 2022. Due to rounding, gap may not equal the difference between households and unit supply.

Resident Survey Results

Matrix designed a 22-question survey intended to assess Westminster residents' level of housing stability, perceptions of the city's housing needs, and other housing-related attitudes. The city disseminated the survey via social media, newspaper advertisements, and other channels. It ran from October 3, 2023, to November 17, 2023. Due to time and cost constraints, the survey employed non-probability sampling methods. Because such methods are prone to producing samples that are unrepresentative of the population, the findings, although insightful, should be interpreted with caution. In total, 188 respondents participated in the survey, 177 of whom identified as Westminster residents. Below, we present the most noteworthy results.

Figure 52 displays the age composition of the respondents in our sample. Residents 65 years old and over were the largest age group in our sample, representing 25% of respondents. **The latest ACS data suggest their actual population share is far lower (14%).** Although to a lesser extent, the 35-to-44, 45-to-54, and 55-to-64 ranges, which accounted for nearly equal percentages of respondents, were also overrepresented. Not surprisingly given their low rates of participation in local government, the 18-to-24 and 25-to-34 ranges were vastly underrepresented in the sample.

Figure 52. "What is your age?"

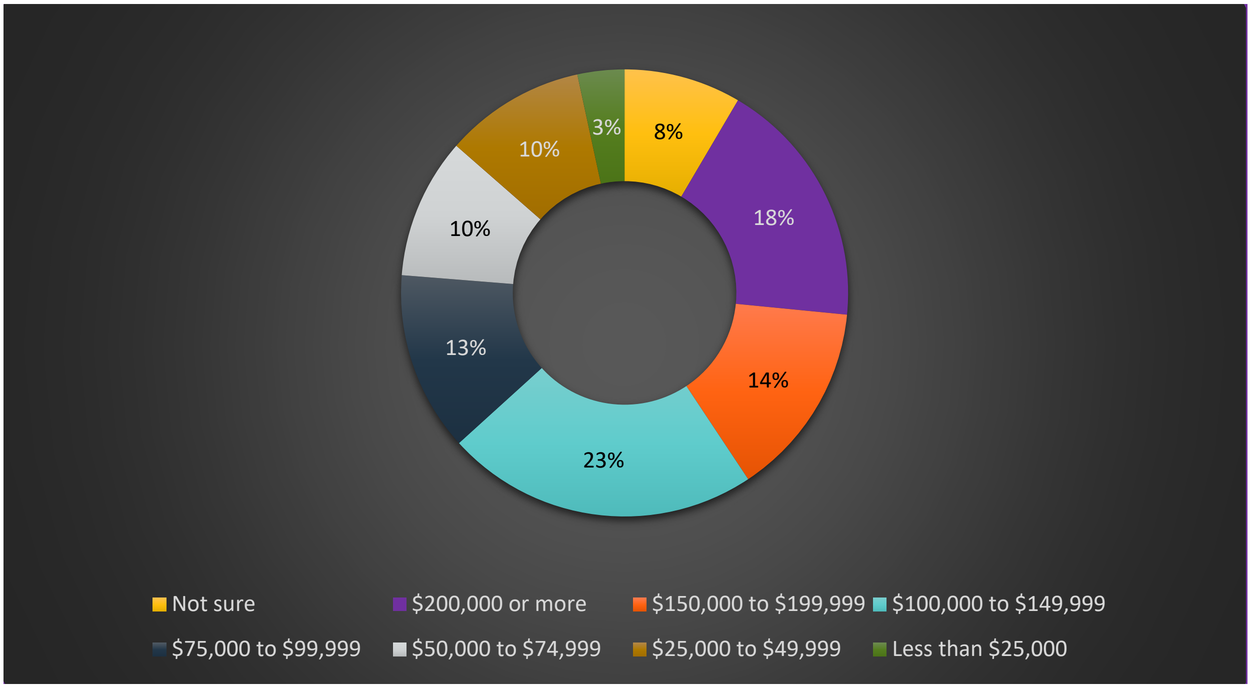


Source: Matrix Design Group, Inc.

Note: *N*=177

Respondents were also asked to provide their household incomes (see Figure 53). The median respondent in our sample reported an annual household income between $100,000 and $149,999. Twenty-three percent of respondents belonged to this income bracket. For context, actual median household income in Westminster was $101,529 in 2022. Those with household incomes of $150,000 or more constituted 32% of the sample, approximating the actual share of households whose incomes reached this threshold (30%). Participation was relatively low among respondents with household incomes below $50,000, whose share of the sample (13%) was six percentage points lower than the actual share of households in this income bracket, as reported by the 2022 ACS. Twenty-three percent of respondents reported household incomes between $50,000 and $99,999. In the most recent data collected by the ACS, these middle-income households appeared at a higher rate (29%). An additional 23% of respondents reported household incomes between $100,000 and $149,999—two percentage points higher than the actual share of households in this category. **In short, the sample is slightly more affluent than the population.**

Figure 53. "Within the past year, how much has your entire household earned in income?"

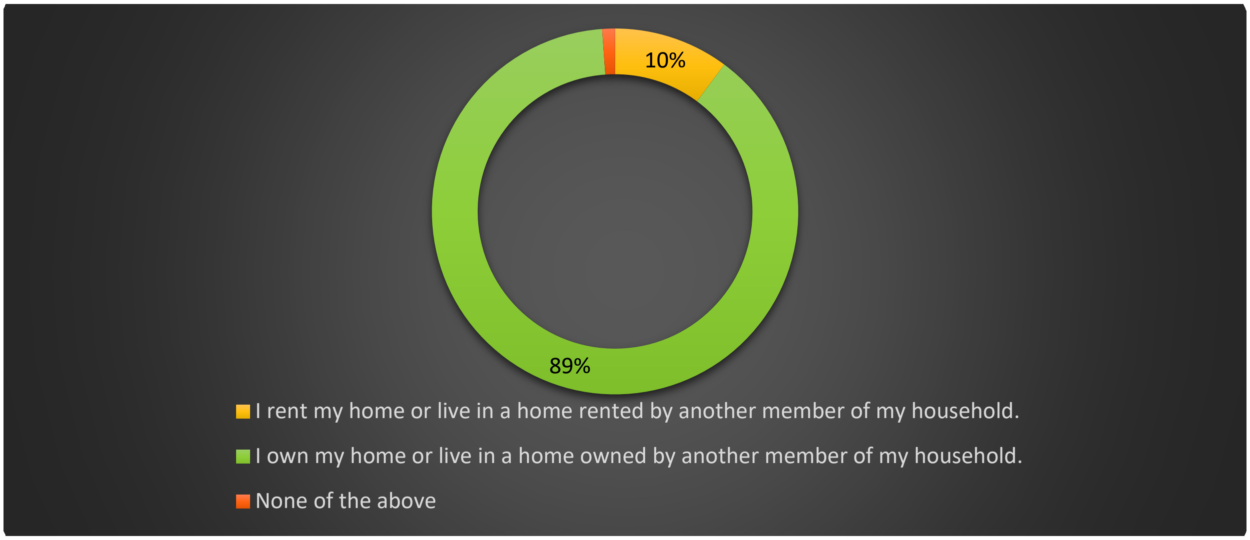


Source: Matrix Design Group, Inc.

Note: *N*=177

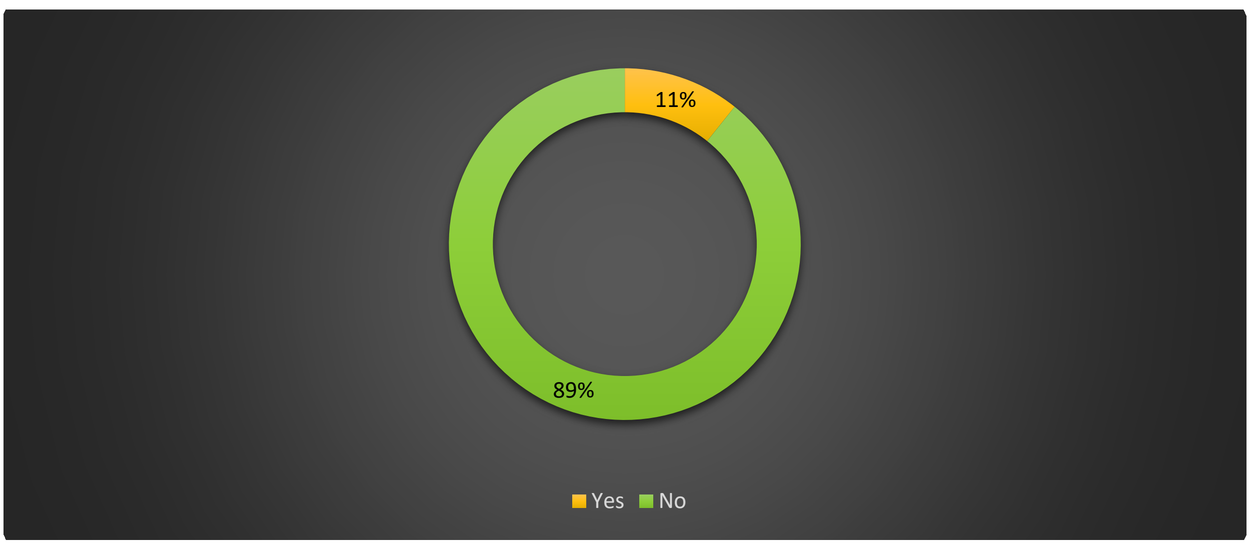
Notably, two demographics who disproportionately experience housing instability and related challenges were underrepresented in the survey: renters and Hispanics/Latinos. Ten percent of respondents indicated that they lived in a home that they or someone else in their household rented (see Figure 54). This is in sharp contrast to the 46% of Westminster households that reported renting their homes in the latest ACS. Similarly, the actual Hispanic/Latino population share (21%) dwarfed the 11% of respondents who identified as such (see Figure 55).

Figure 54. “Do you own or rent your home?”



Source: Matrix Design Group, Inc.
Note: *N*=177

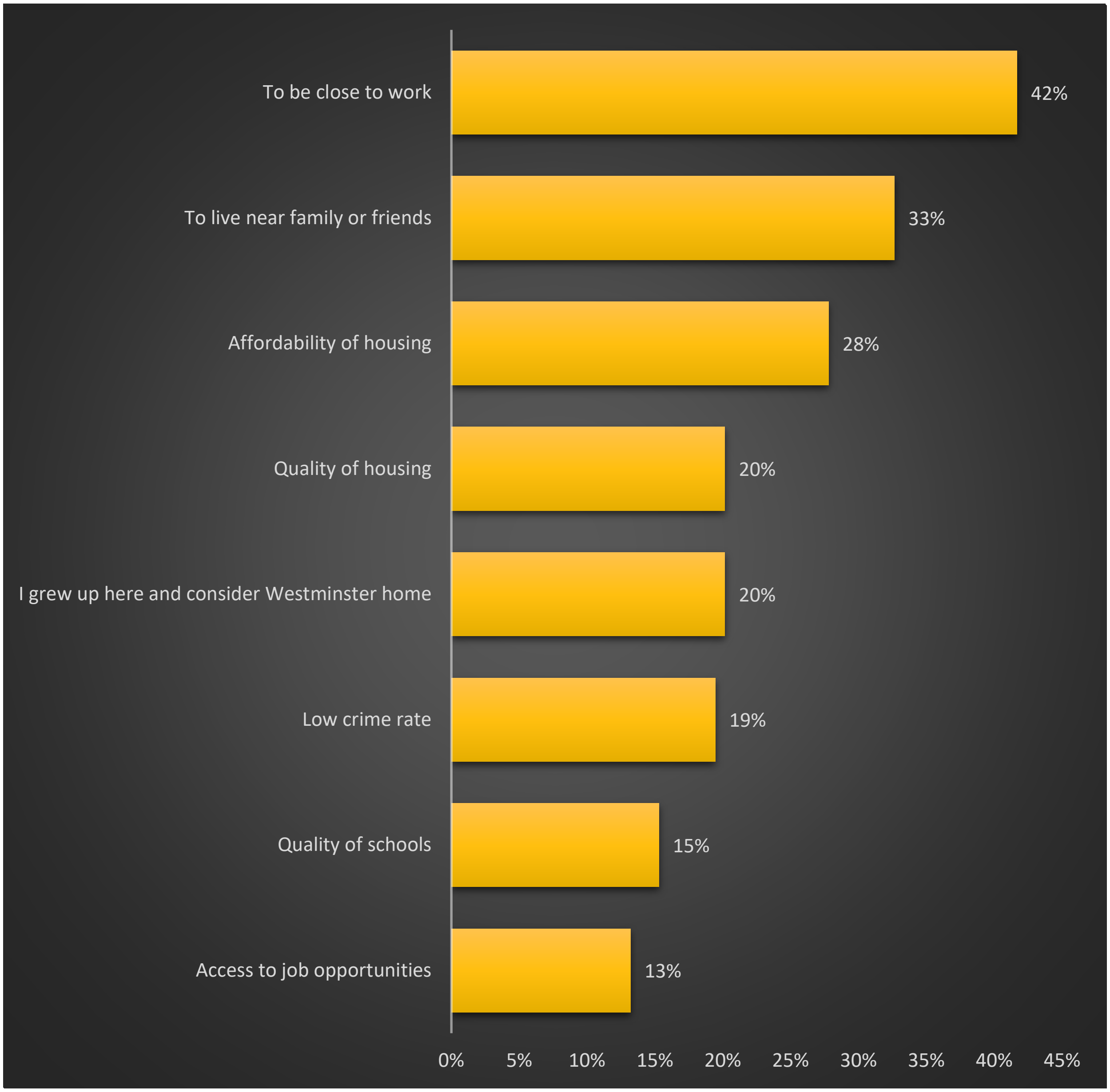
Figure 55. “Are you Hispanic or Latino?”



Source: Matrix Design Group, Inc.
Note: *N*=177

As Figure 56 demonstrates, residents have varied reasons for living in Westminster. Apparently, convenience figures heavily into their decision-making. The most popular reason cited was to “be close to work,” followed by “to live near friends or family.” **Respectively, 28% and 20% of respondents identified the affordability and quality of housing as reasons for choosing Westminster.** The former result could be an artifact of the sample, which was disproportionately comprised of older homeowners who purchased their homes at a time when sale prices and interest rates were far lower than they are today. The perception that Westminster is affordable could also be influenced by residents’ observations of housing prices in other, more expensive parts of the state and country. Sizeable numbers of residents also pointed to two city amenities: its school system and relatively low crime rate.

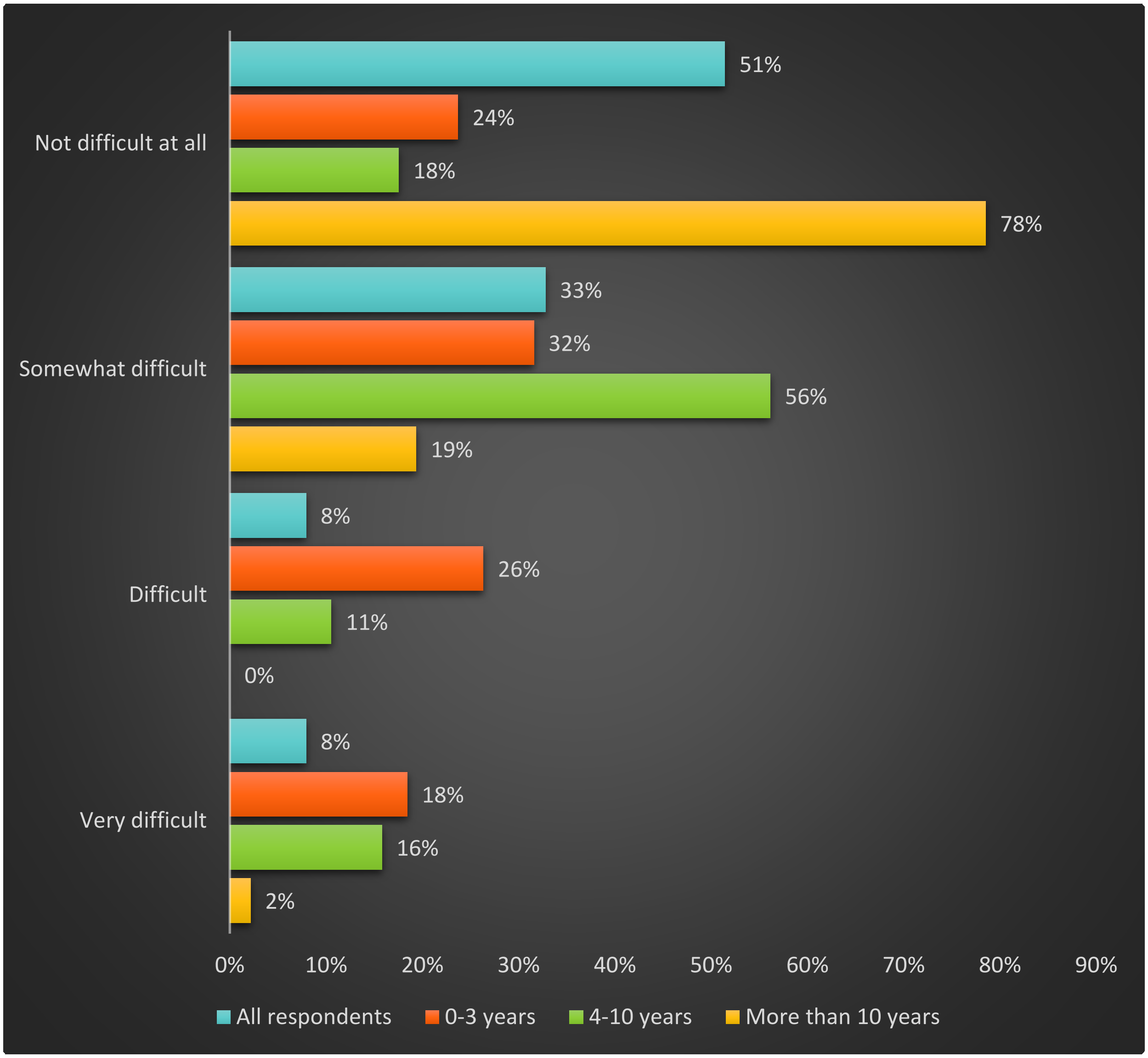
Figure 56. "Why do you choose to live in Westminster? (Check all that apply)"



Source: Matrix Design Group, Inc.
Note: *N*=144

Figure 57 reinforces the notion that locating suitable housing is becoming increasingly difficult in Westminster. **Although a majority of all respondents (51%) indicated that it was "not difficult at all" for them to find housing, just 24% of those who had moved into their housing within the past three years said the same.** Furthermore, 44% of respondents in the latter group claimed the process was "difficult" or "extremely difficult." By contrast, 78% of those who had lived in Westminster for more than 10 years reported that finding housing was "not difficult at all."

Figure 57. "How difficult was it for you to locate housing in Westminster?" (By Length of Stay in Current Housing)

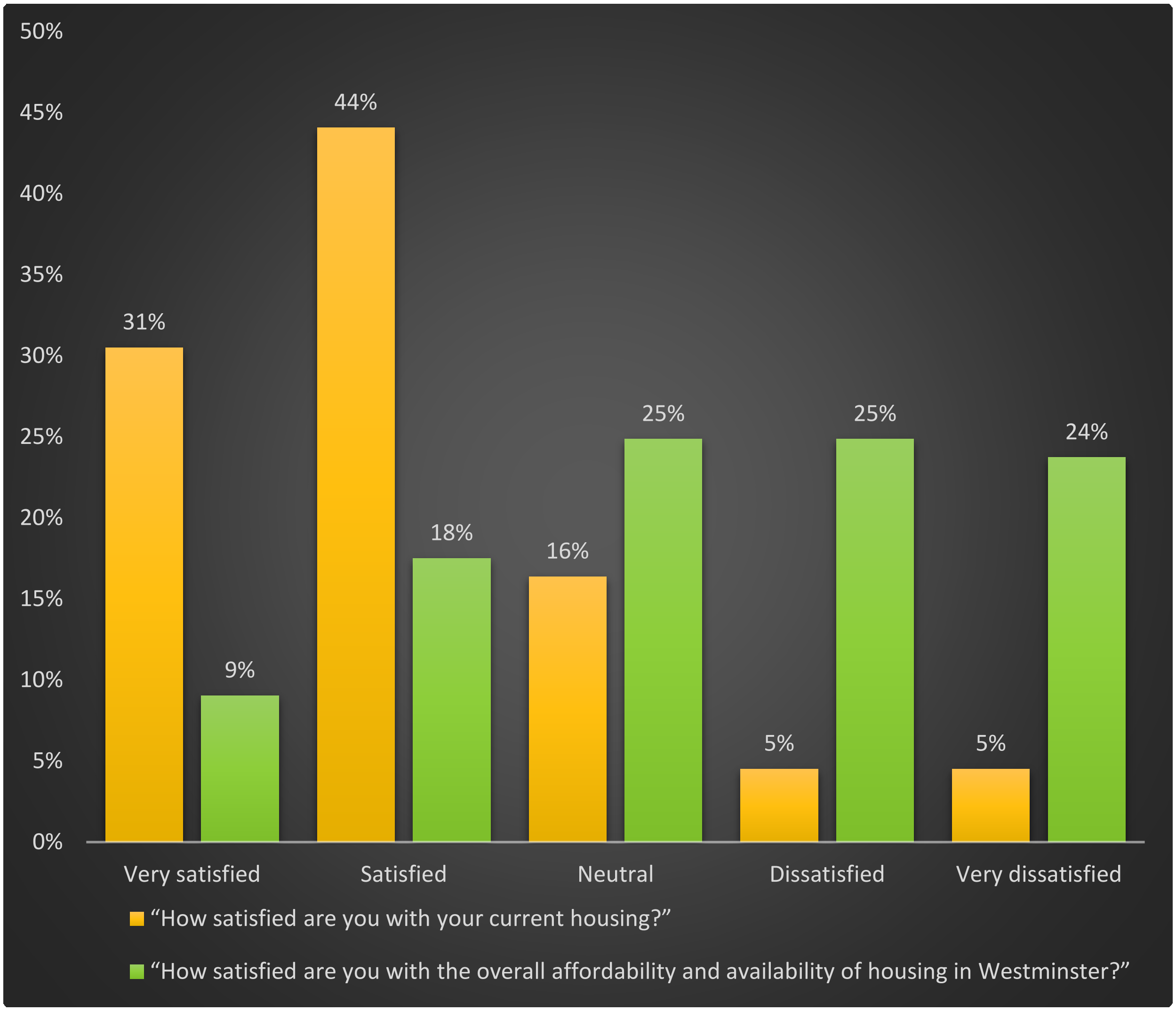


Source: Matrix Design Group, Inc.

Note: *N*=177

In general, Westminster residents are pleased with their own housing situations. Indeed, 75% of respondents indicated that they were "very satisfied" or "satisfied" with their current housing (see Figure 58). **However, as the figure also shows, there is widespread concern about the affordability and availability of housing in the city more generally.** Forty-nine percent of respondents claimed to be "dissatisfied" or "very dissatisfied" with existing conditions, while an additional 25% had neutral feelings.

Figure 58. Level of Satisfaction with Personal and Community-Wide Housing Situations

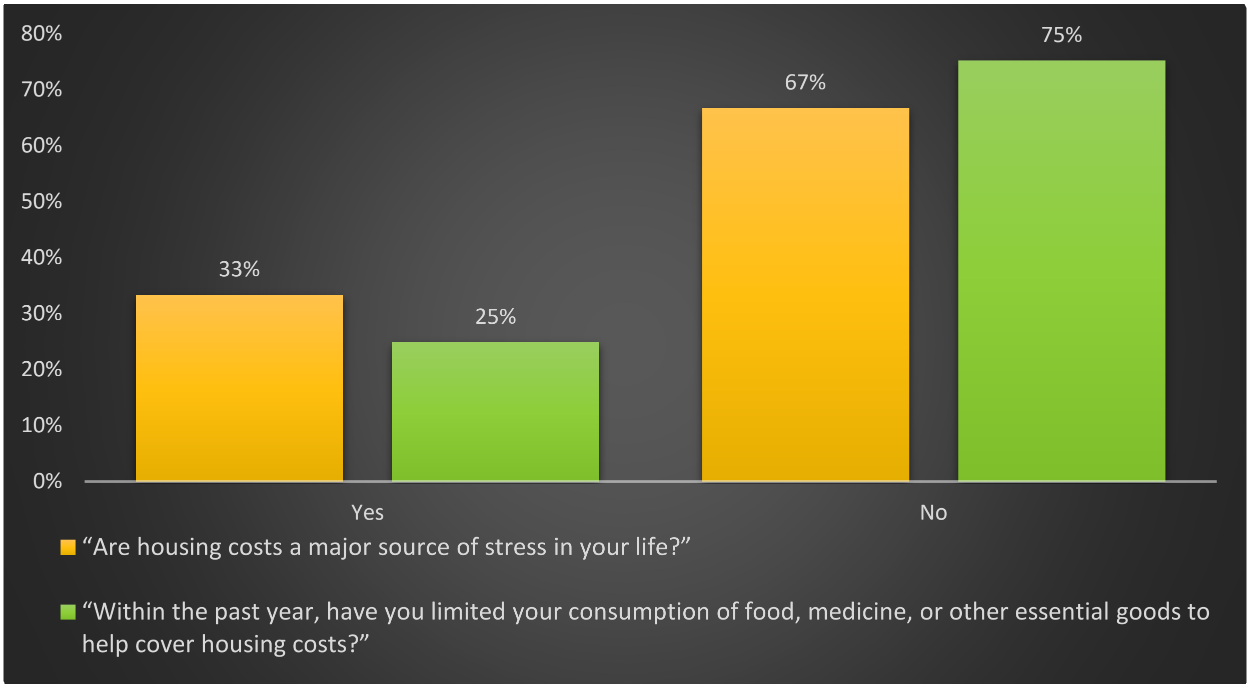


Source: Matrix Design Group, Inc.
Note: *N*=177

Housing costs represent a burden in the lives of many residents. When asked whether housing costs were a major source of stress in their lives, 33% of respondents answered affirmatively (see Figure 59). **Moreover, one-in-four respondents reported sacrificing their consumption of food, medicine, and other essential goods in order to cover housing costs.** Significant shares of respondents also claimed that housing costs have significantly hindered their ability to pay off non-housing debt; save for retirement or emergencies; or afford medical care, childcare, education, or transportation (see Figure 60).

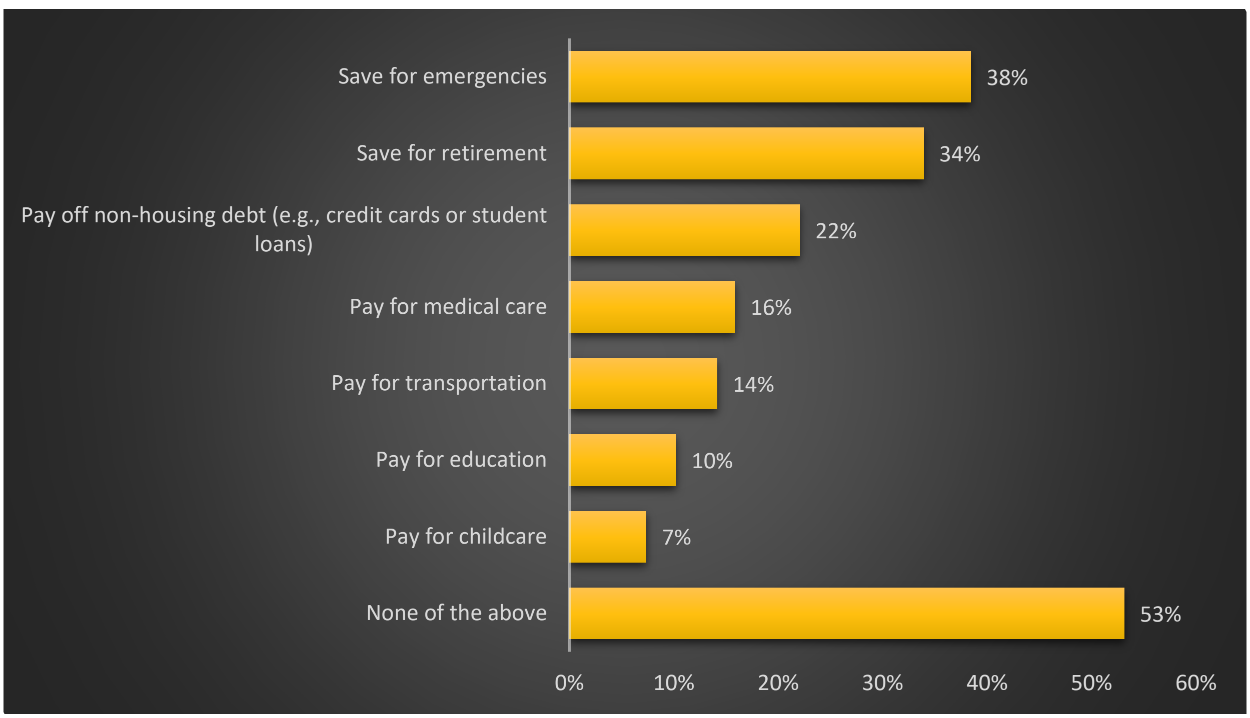
Forty-nine percent of respondents claimed to be "dissatisfied" or "very dissatisfied" with existing conditions.

Figure 59. Impacts of Housing Costs on Quality of Life



Source: Matrix Design Group, Inc.
Note: *N*=177

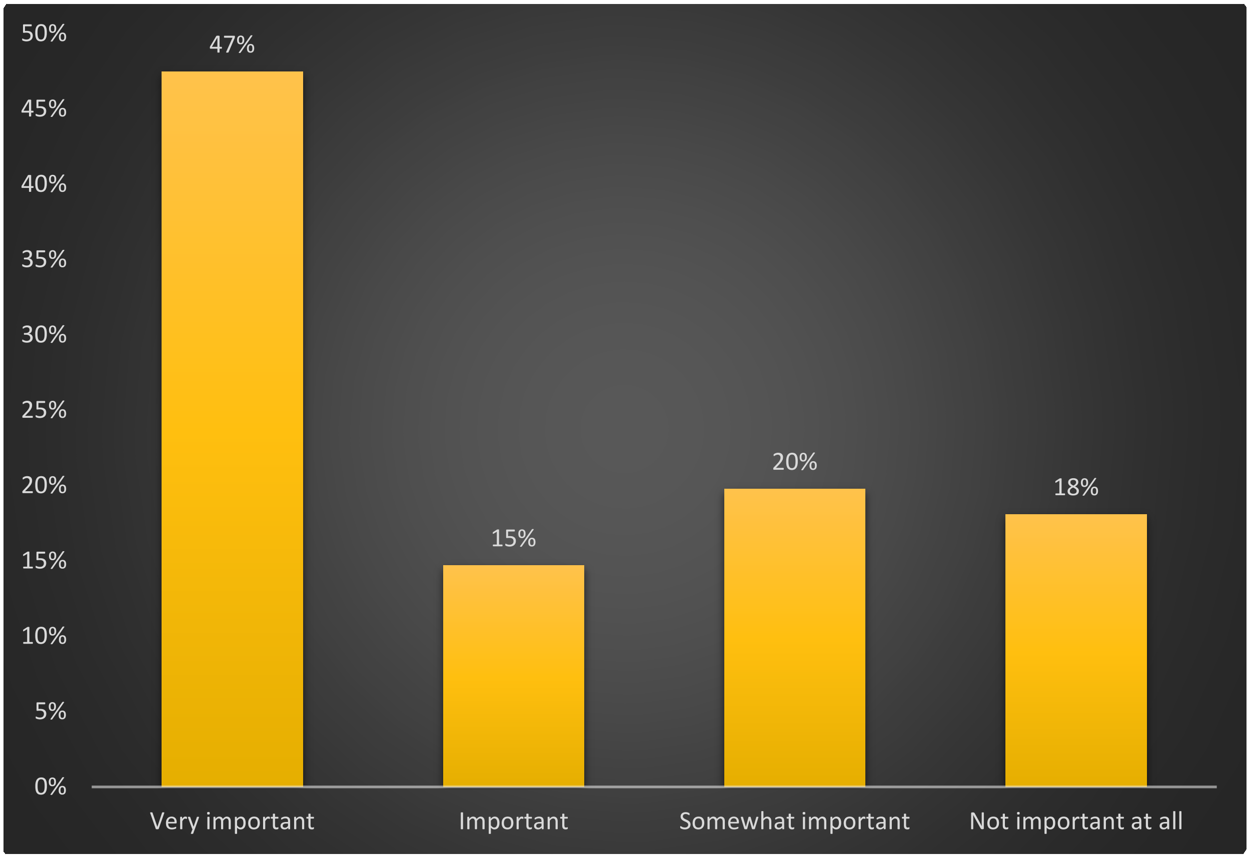
Figure 60. "Have housing costs significantly hindered your ability to do any of the following? (Check all that apply)"



Source: Matrix Design Group, Inc.
Note: *N*=177

The results presented in Figures 61 and 62 on residents' preferences for additional housing are somewhat contradictory. **On the one hand, there exists a strong consensus that the city should diversify its housing stock, with 82% of respondents rating it as "somewhat important," "important," or "very important" for the city to offer a "wider variety of housing options." On the other hand, when residents were queried on the types of housing the city should prioritize in the future, "traditional single-family homes" garnered the most responses, at 64%.** This is despite the fact that single-family detached homes represented 55% of the housing stock in 2022. A possible explanation for these seemingly discrepant findings is that residents broadly desire additional entry-level single-family homes. "Missing middle" housing (i.e., duplexes, triplexes, and townhomes) was the second-most popular choice, with 48% of respondents selecting this option. Relatively high percentages favored additional condos and senior living facilities (28% and 33%, respectively), although the overrepresentation of seniors in the sample could be inflating the level of support for the latter. Reflecting Westminster's suburban orientation, just 16% of respondents believe the city requires more large apartment complexes. Alternative housing types such as tiny homes and manufactured/mobile homes were about equally unpopular.

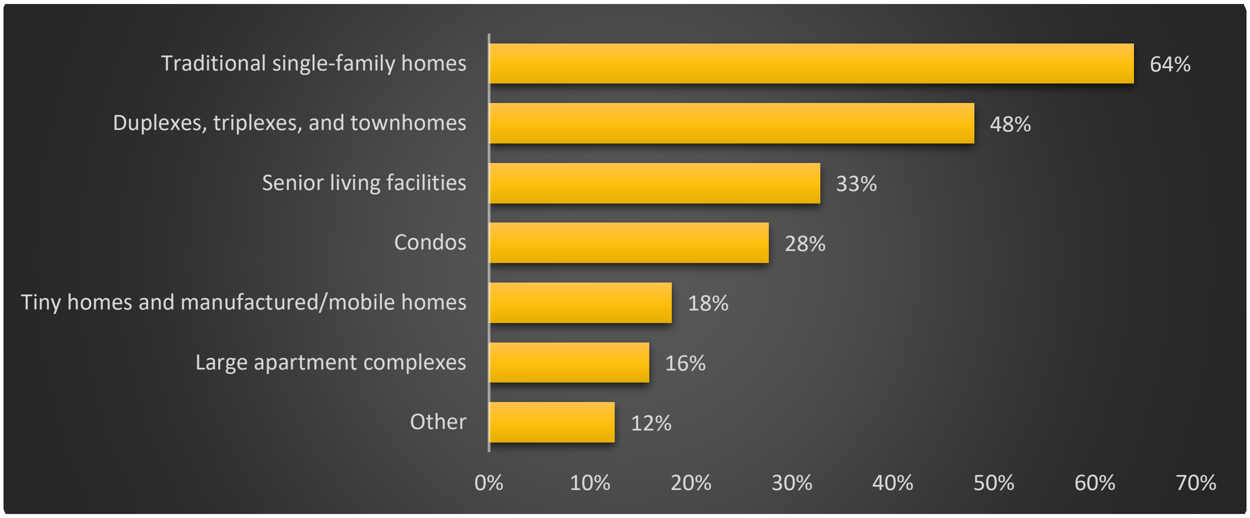
Figure 61. "How important is it for Westminster to offer a wider variety of housing options?"



Source: Matrix Design Group, Inc.

Note: *N*=177

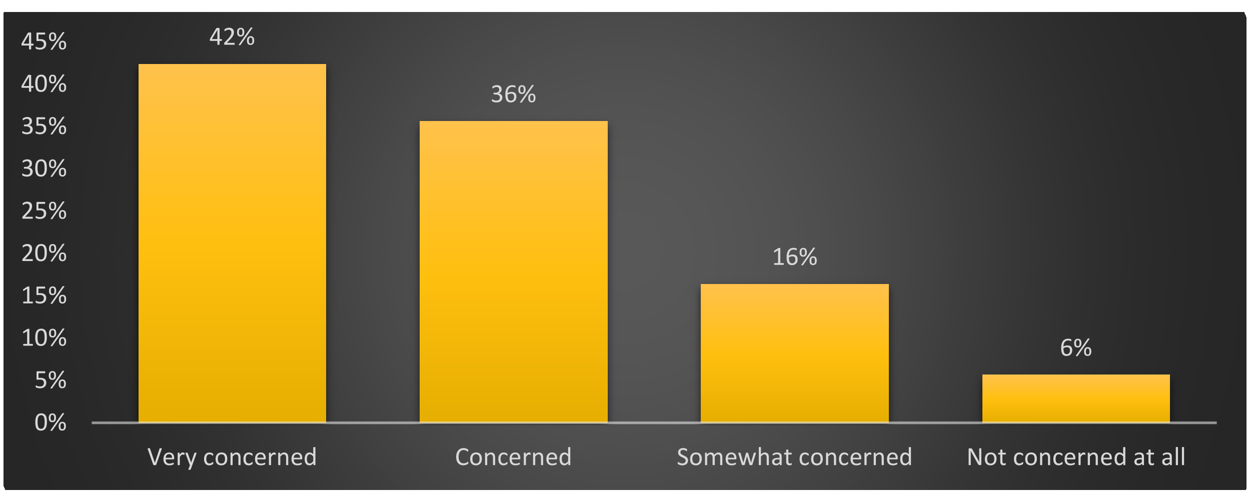
Figure 62. "Which of the following housing types would you like to see Westminster prioritize going forward? (Choose no more than three responses)"



Source: Matrix Design Group, Inc.
Note: *N*=177

Residents believe homelessness is a major issue in Westminster (see Figure 63). Forty-two percent of respondents reported being "very concerned" about homelessness, while an additional 52% claimed to be "concerned" or "somewhat concerned." **In total, then, 94% indicated they were at least "somewhat" concerned.** By comparison, in a Matrix-designed survey administered to residents of Surprise and Peoria, Arizona—two Phoenix suburbs—78% and 82% said the same, respectively. Within the Denver MSA, these concerns are by no means confined to Westminster. Particularly in recent months, downtown Denver's homeless encampments have received extensive media coverage, and it is possible that these stories have shaped Westminster residents' perceptions of the scale of the homelessness problem in their city.

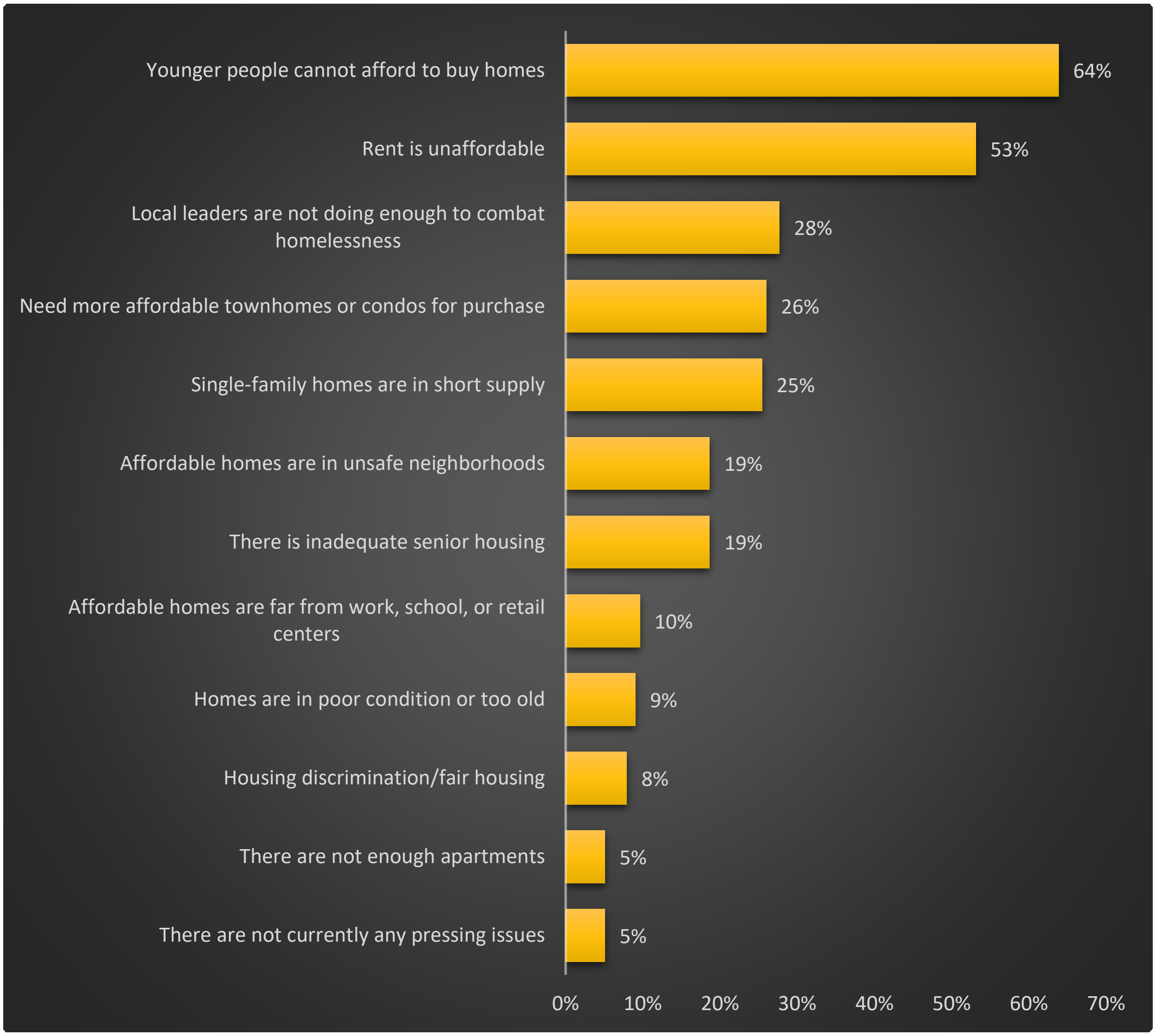
Figure 63. "How concerned are you about homelessness in Westminster?"



Source: Matrix Design Group, Inc.
Note: *N*=177

By a significant margin, Westminster residents believe the unaffordability of rent and home prices, especially for younger people, are the most pressing housing issues facing the city (see Figure 64). There also exists widespread sentiment that the city should prioritize combatting homelessness and bolstering the supply of single-family homes and affordable townhomes and condos, with approximately a quarter of respondents selecting each of these options. Slightly lower shares of respondents cited the inadequacy of existing senior housing options and concentration of affordable housing in higher crime neighborhoods as top issues. Relatively few respondents suggested that the city should emphasize improving the condition of the housing stock, combatting housing discrimination/fair housing, increasing the apartment inventory, or building additional affordable housing near schools and commercial areas.

Figure 64. "What do you see as Westminster's top three most pressing housing issues? (Choose no more than three responses)"



Source: Matrix Design Group, Inc.

Note: *N*=144

The survey concluded with an open-ended section that allowed respondents to provide additional housing-related comments. **While many participants argued that the city should expand the existing apartment inventory in an effort to accommodate the low-income households that form a critical part of Westminster's workforce, a large segment of respondents expressed adamant opposition to high-density housing while highlighting their desire to maintain the city's suburban, homeowner-oriented character.** Additionally, some respondents referenced the city's water challenges as a barrier to additional housing. Others shared personal anecdotes, noting that housing has become so unaffordable that they have been forced to choose between sharing a home with relatives or leaving the city altogether. The former decision often leads to overcrowding, which anecdotal evidence suggests disproportionately impacts Westminster's Spanish-speaking households. A representative sample of the open-ended responses appears below.

"Need more affordable housing for low-income families in safe areas."

"When considering ways to solve/reduce homelessness, please prioritize rent assistance, direct cash payments, and housing-first opportunities."

"It is important to have affordable housing, but it is just as important to consider the location. It is not okay to try and add all the low-income and affordable housing units to the southern end of Westminster. These units need to be dispersed throughout the entire City of Westminster. Diversity and equity in all Westminster neighborhoods are very important in preventing one area of the city from becoming a low-crime area, which could lead to problems with home values and crime."

"Please do not allow to build high-rise housing as they have done in North Denver along Tennyson Street. Way too crowded and no parking!"

"We really just need to build more walkable housing options. That will do a lot to lower the prices of housing without needing to subsidize housing costs."

"I just wish I could have my own home instead of living with family who help me."

"I do not see second generations being able to come back home."

"We don't need any more high-rise apartments, and putting them in retail areas like Promenade and by Hoffbrau is an eye sore. Most of our residents moved to Westminster because we didn't want to live in a big city with congested areas and traffic. . . . If I wanted wall-to-wall buildings, I'd move to Denver."

"Affordable single-family housing desperately needed. No more apartments!"

"Rents have skyrocketed for apartment dwellers. Seniors can't earn enough money to cover rent."

"If you continue building at such a rapid pace, where will the needed water come from in the next 5 to 25 years. What is the cap to be set on housing and water consumption?"

"Quit building more houses. There are enough people here."

“Something needs to be done, but increasing density, especially without regard for parking, is not a good solution. Maybe also limit how many houses investment companies can buy in an area.”

“Mixed-use development please.”

“Condos to buy and no more apartments! We are saturated, and the four big complexes on Westminster Blvd. don’t have one affordable apartment.”

“To be sustainable, a city must provide housing for all points on the socioeconomic scale. A city that only caters to one end of this scale is creating a maintain a feudal construct, in which those who work at the lower end of the scale are forced to work in a community in which they cannot fully share.”

Opportunities and Recommendations

This section details a set of opportunities and recommendations for Westminster to pursue as it addresses its housing challenges. Our assessment was informed by our quantitative analyses, policy research, resident survey, two community workshops, and one-one-one interviews with key stakeholders. The following stakeholders participated in one-on-one interviews:

- Amy Case, Chief Real Estate Development Officer, Foothills Regional Housing
- Arturo Alvarado, Executive Director, Community Resources and Housing Development Corporation
- Peter LiFari, Chief Executive Officer, Maiker Housing Partners
- Whitney Leeds, Advocacy and Community Organizing Manager, Growing Home
- Mark Freitag, City Manager, City of Westminster
- Kate Skarbek, Senior Management Analyst, City of Westminster
- Angel Bond, Westminster Resident

Stakeholders identified various barriers and challenges to housing development and affordability. **Westminster's limited availability of developable land and outdated zoning code, as well as the ardent opposition of some of its residents to high-density housing, were among the most cited impediments to improved housing accessibility.** This input factored heavily into our analysis of the opportunities available to the city.

Accessory Dwelling Unit Reform

In response to their housing shortages, communities are increasingly loosening restrictions on accessory dwelling units (ADUs) in single-family neighborhoods. Commonly referred to as mother-in-law suites, granny flats, or carriage houses, ADUs are typically 600-to-1,200 square foot independent living structures that can either be attached to or detached from the primary residence. **Although often occupied by family members of the homeowner, ADUs are increasingly leased to tenants as a means of generating rental income.** For new homeowners, who typically face high mortgage payments due to recent rises in home prices and interest rates, this additional income can be particularly beneficial. Their tenants, meanwhile, are able to enjoy most of the amenities associated with suburban life at a relatively affordable price. On the other hand, critics of ADUs highlight the increased parking demands they impose on neighborhoods, their risk of being used as STRs, and their limited ability to augment a community's housing supply.

The Westminster City Council has gradually moved toward expanding ADUs, which are currently only permitted in Bradburn Village. Adopted in 2017, the Affordable and Workforce Housing Strategic Plan included a recommendation to allow ADUs and other alternative housing types. This was followed by the 2021 Sustainability Plan's outlining of a process to expedite the permitting of ADUs. **Most significantly, the 2040 Comprehensive Plan, enacted in 2023, explicitly permits ADUs.** However, the provision is largely symbolic in the absence of a change to the Unified Development Code. Recent developments suggest that an update to the Code could be imminent.

As Westminster weighs codifying the 2040 Comprehensive Plan's provision pertaining to ADUs, it is important to recognize that the inadequacy of conventional financing methods could hinder their spread. **Cash-out refinancing and home equity loans and lines of credit not only particularly disadvantage homeowners with little equity but also fail to account for the rental income that the ADU will generate.** Local governments across the U.S. have been supplementing these conventional methods with grants or forgivable or deferred interest-free loans ranging from $10,000 to $50,000. Boston, for example, established a pilot program in 2017 that provided homeowners up to $30,000 in financing for ADU construction. Despite being limited to three of the city's neighborhoods, the program attracted 72 applicants in under year and ultimately yielded 12 permits. The program's success prompted the city to renew it in 2021.

Similarly, overly stringent design standards and other burdensome regulations could discourage homeowners from building ADUs and artificially limit the number of lots eligible for ADU development. Excessive minimum lot size and parking space requirements are two commonly cited deterrents to ADU expansion. In this regard, Denver's experience with ADUs is instructive. Due to its strict, one-size fits all approach, which set an ADU maximum height limit of two stories and barred the conversion of garages and other existing structures to ADUs, the city received an underwhelming number of ADU applications between 2010 and 2023. In 2023, the Denver City Council abandoned this approach in favor of one that allowed regulations to vary from neighborhood to neighborhood.

Of course, this is not to say that certain regulations do not serve a useful purpose. The requirement that the owner occupy the primary residence, for example, could increase community buy-in by countering the perception that ADUs will lead renters to overtake single-family neighborhoods, as well as discourage investors from buying up single-family properties with the intention of adding ADU rentals to them. In a resident survey administered by the City of Westminster, 63% of respondents expressed support for such a requirement.

Infill and Adaptive Reuse

Westminster is almost fully built out, as evidenced by its relatively small amount of vacant residential land. Therefore, the city must pursue creative solutions if it desires to significantly increase the size of its housing stock. **Infill, defined as the addition of new housing to a developed neighborhood without significantly altering its character, represents one potential catalyst for the city's continued growth, as articulated in the 2040 Comprehensive Plan.** Underutilized parcels located near popular destinations or public transit and that currently provide minimal benefits to the community are ideal candidates for infill development. When paired with density bonuses—that is, increased density allowances for developers who reserve a certain share of units for low-income residents—infill development can lead to the production of affordable units. Underscoring the critical role of density bonuses is the tendency for infill development to be concentrated in higher-income areas, which generate a higher return on investment for developers. The higher costs capital costs associated with infill development are another important consideration for decision-makers; to accommodate new housing, it is often necessary to demolish existing structures and make infrastructure upgrades.

Adaptive reuse represents another viable option for communities with limited developable land. Defined as the repurposing of a building for a use other than the one for which it was originally designed, adaptive reuse has gained traction in recent years due to the decline in office occupancy levels amid the COVID-19 pandemic. Westminster has not been immune from this trend. According to CoStar data, the office vacancy rate as of November 2023 is 14.3%, compared to 11% in 2019 Q4. **Moreover, seven office buildings are at least 50% vacant or higher.** Retail properties and other types of commercial buildings also have the potential to be transformed into housing. For example, one stakeholder identified strip mall-type areas, such as the one near Church Ranch and Wadsworth Boulevards, as mixed-use development opportunities.

Although promising, adaptive reuse has at least three limiting features. First, it requires the building's interior to be significantly revamped to meet modern residential building code guidelines, which is a costly process. Second, many commercial buildings are not located in areas zoned for residential development. Third, even if the building space is effectively unoccupied, it could still be under long-term lease to a tenant, potentially delaying the conversion process for years.

Several barriers to infill development and adaptive reuse were identified in a report commissioned by the city. **Chief among them were the city's onerous site design standards, specifically as they pertain to parking and setback requirements.** Currently, for example, the city requires two parking spaces per unit for townhomes with fewer than three bedrooms, which may be excessive. The report also highlighted current public land dedication fees as a deterrent to multi-family residential infill development in particular. As a result, more flexible site design standards and fee requirements for redevelopment projects would likely encourage development. The following four neighborhoods would be particularly suitable candidates for these projects, given their high levels of redevelopment potential: the Westminster Station area and vicinity, Downtown Westminster and vicinity, the Brookhill area and Wadsworth Boulevard corridor to the north, and the Federal Boulevard corridor.

"Missing Middle" Housing Expansion

Like accessory dwelling units, townhomes, duplexes, triplexes, and other forms of "missing middle" housing represent an appealing compromise between detached single-homes and apartment buildings and complexes. **Despite the overrepresentation of homeowners in our resident survey, there was broad support for housing types typically associated with the "missing middle."** Their appeal lies in their compatibility in character and form with detached single-family homes. Between 2012 and 2022, Westminster bolstered its supply of medium-density housing. However, the “missing middle” remains vastly outnumbered by detached single-family homes and apartments, which accounted for a combined 78% of the housing stock in 2022.

Policy options for further filling the “missing middle” include zoning changes and property tax abatements. **At the time of this writing, zoning rules prohibit duplexes in one-family residential (RE, R1, and RA) districts, while townhomes are barred in both one- and two-family residential (R2) districts.** Particularly given that these districts constitute most of the residential land in Westminster, the city could prompt significant growth in its “missing middle” inventory by increasing the number of neighborhoods in which alternative housing types are permitted. **Property tax abatements for developers of duplexes, townhomes, and similar housing types may also spur their production.** Des Moines, Iowa’s “Missing Middle” Residential Tax Abatement is a promising example of one such program. Depending on the property’s location, developers are eligible for six-, eight-, or nine-year abatements. For at least half the abatement period, the property does not generate any tax liability. Although it is too early to systematically evaluate the program’s results, anecdotal evidence suggests that it has encouraged investment in the “missing middle.”[5]

Short-Term Rental Incentives

The popularization of platforms such as Airbnb and Vrbo has prompted the spread of short-term rentals (STRs) as alternatives to hotels and traditional lodging options. Supporters of STRs point to the tourism and resulting local economic activity that they generate, while critics contend that they raise prices for residents by removing long-term rentals from the market and harm neighborhoods’ residential character. A 2018 study by researchers at McGill university validated the claim that STRs adversely impact rental affordability, estimating that New York City’s STR market had led long-term rents to rise by $380 annually over a four-year period.[6] Compared to neighboring communities, Westminster has a moderately sized STR market, raising the possibility that it has been responsible for at least a share of the increase in rents that the city has experienced in recent years. **Further, the STR market has consistently grown since late 2021, suggesting that residents may not have yet felt the worst of these impacts.**

The Westminster City Council has acknowledged the potentially deleterious effects of STRs. In 2023, the body voted to impose licensing requirements on STR hosts and prevent them from operating more than one property as an STR at a given time. Despite falling short of an outright ban, the regulations are strict by national standards. Programs to incentivize STR operators to convert their properties to long-term rentals

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[5] Joens, Philip. “‘Missing Middle’ is Becoming More Popular in Des Moines.” *Des Moines Register*, 2023, February 17.

[6] Wachsmuth, David, David Chaney, Danielle Kerrigan, Andrea Shillolo, and Robin Basalaev-Binder. “The High Cost of Short-Term Rentals in New York City.” Urban Politics and Governance Research Group at McGill University’s School of Urban Planning, 2018.

represent another alternative to an outright ban. **These programs work by reducing the profitability gap between short- and long-term rentals, which STR revenue figures suggest remains significant in Westminster despite widespread reporting of an "Airbnb bust."** Increasingly, communities across Colorado are adopting short-to-long-term rental incentive programs. In partnership with Placemate, a California-based company, Summit County offers between $10,000 and $22,000 to STR operators who rent their units out at below market rate to locally employed tenants on a long-term basis. Known as Lease to Locals, the program prompted the conversion of 107 STRs to long-term rentals between 2021 and 2023. In response to the success of Lease to Locals, several other communities, including Eagle County, Colorado and Sedona, Arizona, have established their own versions of the program.

Senior Housing Expansion

Over the past decade, the share of Westminster's population aged 65 years or over has increased substantially. As detailed in the Appendix, a plethora of evidence demonstrates that the current senior housing inventory is inadequate to meet this need. The vacancy rate in independent living facilities has consistently hovered around two percent. Moreover, for those who are able to locate housing in such a facility, affordability is often a challenge, with 82% of the city's 3,062 senior renter households spending 30% or more of income on rent. **To reduce the burden on seniors and their families, the city should recommit to expanding its inventory of affordable senior rental housing.** Although there exists significant demand for affordable senior rental options specifically, new market-rate construction has consistently been shown to reduce rents throughout the market by increasing overall supply, suggesting low-income seniors would indirectly benefit from any additions to the inventory.[7]

The city faces a particularly acute need for additional assisted living and memory care units. Recall from Table 4 that 563 seniors reported experiencing a self-care disability, while an additional 1,669 were impacted by an independent living difficulty. For most of these residents, "aging in place" is not a viable option. But concerningly, only 320 units exist in the city's assisted living facilities. Likewise, even though 806 Westminster seniors reported experiencing a cognitive difficulty in 2022, the city's memory care facilities feature a mere 60 units. The shortage of assisted living and memory care units in the city suggests that seniors with disabilities are commonly forced to be dependent on family members and home care providers. City leaders and other stakeholders should be aware, however, that senior housing facilities routinely face staffing shortages, underscoring the need for any new such construction to be paired with robust workforce development programs.

Affordable Housing Trust Fund

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[7] Mast, Evan. "The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market." W.E. Upjohn Institute for Employment Research, 2019.

By establishing its own affordable housing trust fund, Westminster could arm itself with the resources needed to close the gaps in the lower MHI ranges. **Local housing trust funds offer municipalities more discretion over the allocation of funds than equivalent federal and state-level programs.** Indeed, they can finance not only new construction but also emergency rental assistance for households facing the threat of eviction, home modification repairs to facilitate "aging in place," and other housing-related initiatives. **Another key feature of local housing trust funds is their status as a dedicated affordable housing revenue source, which serves to protect housing programs from the political whims of the moment.** The predictability offered by local housing trust funds also serves to distinguish them from equivalent federal and state-level programs, which commonly award loans and grants on a competitive basis.

Increasingly, localities in the Denver metro area are recognizing the critical role played by local housing trust funds in serving low-income residents. **In 2016, Denver established its Affordable Housing Fund, with the initial goal of creating or preserving at least 6,000 affordable units for low- and moderate-income families by 2026, at which point the program will sunset.** Shortly after the program's creation, the city increased funding from $15 million to $30 million annually, enabling it to support an additional 6,200 units over the same timeframe. **Golden also recently created its own affordable housing trust fund.** Established in 2022, the program is primarily intended to serve households earning below 120% of area median income. The money has a wide range of authorized uses, including the provision of low-interest loans to support proposed projects; gap or interim financing for eligible developments; affordable housing acquisition, construction, rehabilitation, remodeling, preservation, demolition, or disposition; down payment assistance, second mortgages, and other initiatives aimed at promoting homeownership; and rebates for city-related development fees. In addition, Aurora is currently studying opportunities to establish its own trust fund, while Wheat Ridge is in the early stages of implementing the Wheat Ridge Housing Fund. The latter program will place an emphasis on preserving the city's NOAH inventory.

Nearby communities can offer Westminster leaders guidance as they weigh potential funding sources for the city's own housing trust fund. Denver originally intended to finance its Affordable Housing Fund exclusively through impact fees and property tax revenues. **In 2018, however, the city approved an increase in the marijuana tax rate, from 3.5% to 5.5%, to help the city double its financial commitment to the housing trust fund.** More recently, Denver bolstered its Affordable Housing Fund by allocating $28 million in American Rescue Plan funds to it. Golden's ordinance also identifies in-lieu fees, gifts, city council appropriations, and loan repayments to the trust fund as acceptable revenue sources. **Finally, the Wheat Ridge Housing Fund is expected to be funded via a short-term rental lodgers tax.**

Tiny Homes

In response to their housing challenges, a multitude of communities across the nation have established tiny home villages. Tiny homes are typically 400 square feet or less and typically sell for less than $100,000. Accordingly, proponents tout them as an ecofriendly solution to the housing affordability and availability crisis. While smaller homes have a long history in the U.S., the tiny-house movement gained traction amid the Great Recession and, more recently, the COVID-19 pandemic—two crises that led to turbulence in the housing market. **Released in 2017, Westminster's Affordable and Workforce Housing Strategic Plan explicitly references tiny homes as a product type that the city should consider as it seeks to diversify its housing stock.**

A body of research attests to the positive impacts of tiny home villages. **First and foremost, they have been shown to be effective at combatting homelessness.** A study conducted by the University of Denver Graduate School of Social Work found that six months after moving in, residents of Denver's first two tiny home villages were more likely to be employed, in school, and housed than those in a control group. The former group also was less likely to report experiencing mental health challenges.[8] Other, qualitative research shows that tiny house villages can help develop a sense of community and, in doing so, build social capital.[9] While several of the stakeholders we interviewed expressed excitement at the prospect that Westminster would join Denver in experimenting with tiny homes, others cautioned that these homes are often inaccessible to people with disabilities and carry a higher price per square foot than larger models. One interviewee recommended that the city instead build "tiny mansions" consisting of six to eight rental units. **Regardless of whether the city pursues tiny homes or villages, it is likely to encounter various barriers in the form of funding constraints, land use and zoning regulations, and public opposition.**

HUD Funding Sources

The following funding sources from the U.S. Department of Housing and Urban Development (HUD) represent viable options for Westminster as it confronts its housing challenges. This list was compiled specifically to address the gaps in the city's housing stock, as determined by our market research and community engagement efforts. While eligibility for some programs is restricted to the city itself, others welcome applications from nonprofits and other stakeholders.

PRO Housing

In an omnibus bill enacted in 2022, Congress created the Pathways to Removing Obstacles to Housing (PRO Housing) program. The program's primary purpose is to support communities seeking to identify and remove barriers to the preservation and production of attainable housing. Examples of barriers include, but are not limited to, outdated zoning regulations and land use policies, inefficient permitting and other procedures, natural resource threats, and deteriorating or inadequate infrastructure. The legislation appropriated $85 million in competitive grand funding, which is expected to support 20 awards. State and local governments, metropolitan planning organizations,

[8] University of Denver Graduate School of Social Work. "A Fresh Look at Tiny Homes." 2019.

[9] Jackson et al. "Exploring Tiny Homes as an Affordable Housing Strategy to Ameliorate Homelessness: A Case Study of the Dwellings in Tallahassee, FL." *International Journal of Environmental Research and Public Health* 17(2), 2020.

and multijurisdictional entities are eligible to apply. This funding would be particularly beneficial for Westminster given its restrictive land use and zoning regulations.

Fair Housing Initiatives Program

Several stakeholders noted that housing discrimination continues to prevent Westminster residents from accessing housing. Established in 2023 by the Office of Fair Housing and Equal Opportunity, the Fair Housing Initiatives Program funds nonprofits and other fair housing organizations engaged in education, outreach, and enforcement on the issue of housing discrimination. In partnership with HUD, recipient organizations assist victims of housing discrimination in filing complaints. Additionally, these entities conduct preliminary investigations of claims, in part by deploying “testers” to properties alleged to have engaged in discrimination. Protected classes under the Fair Housing Act include race, color, sex, sexual orientation, gender identity, religion, familial status, and disability.

The Self-Help Homeownership Program

Authorized by the Housing Opportunity Program Extension Act of 1996, the Self-Help Homeownership Program (SHOP) funds the purchase of home sites and the development of sweat equity- and homeowner-based homeownership programs for low-income households. Nonprofit organizations and consortia are eligible to apply. The funds must be used for the benefit low-income families and residents who would otherwise not become homeowners. Eligible expenses are restricted to land acquisition, infrastructure improvements, and administrative costs. The average unit’s land acquisition and infrastructure improvement costs cannot exceed $25,000. Given Westminster’s large deficit of owner housing for households earning less than 80% of MHI, this program is of particular interest.

Older Adult Home Modification Grant Program

To facilitate “aging in place” by Westminster’s aging population, improvements to home safety and accessibility are required. Common modifications include the installation of grab bars, railings, and lever-handled doorknobs and faucets. The Older Adult Home Modification Program (OAHMP) provides funding for the creation and administration of home repair and renovation programs to nonprofit organizations, state and local governments, and public housing authorities. Funding received under the OAHMP must ultimately benefit eligible low-income seniors. Approximately $31 million is available in funding, to be awarded to 25 organizations.

DOLA Funding Sources

Matrix identified the following funding sources from the Colorado Department of Local Affairs (DOLA). These programs tend to be relatively new, reflecting the state’s renewed commitment to affordable housing.

Innovative Affordable Housing Strategies Incentives Grant Program

A project of DOLA's Innovative Affordable Housing Strategies, the Incentives Grant Program provides financial assistance to local governments mainly for the development of affordable housing. Secondarily, funding can be applied to the amenities and needs of the development and neighborhood, such as water tap fees and infrastructure. Projects that offer tangible community benefits, such as a childcare center, are likely to be most competitive. Only local governments that adopt at least three of the qualifying strategies identified by DOLA are eligible to apply. Since funding is exhausted, applications are not currently being accepted. Since the program's inception in 2021, over $37.5 million has been allocated to 35 communities.

Creation of Supportive Housing Program

Concern about homelessness is widespread throughout the Denver metro area, including in Westminster. In response, the Division of Housing, in coordination with the Colorado Housing and Finance Authority, has issued a Request for Applications (RFA) for the Creation of Supportive Housing. Awards are issued to housing developers focused on serving low-income people experiencing homelessness.

Proposition 123

In 2022, Colorado voters approved Proposition 123, which established the State Affordable Housing Fund (SAHF) and provided that 0.1% of existing tax revenue be reserved for the development of affordable housing for low-income households. To qualify for funding, the jurisdiction in which the project or program is based must have committed to increasing their affordable housing stocks by 3% annually. The SAHF is expected to eventually allocate $300 million annually to local governments, nonprofits, community land trusts, and private entities. Funds can be used for a variety of purposes, including the acquisition, maintenance, and development of land; rental and down payment assistance; case management for people experiencing homelessness, and to increase capacity for the processing of land use, permitting, and zoning applications. Encouragingly, Westminster has opted in to Proposition 123.

Housing Development Grant Funds

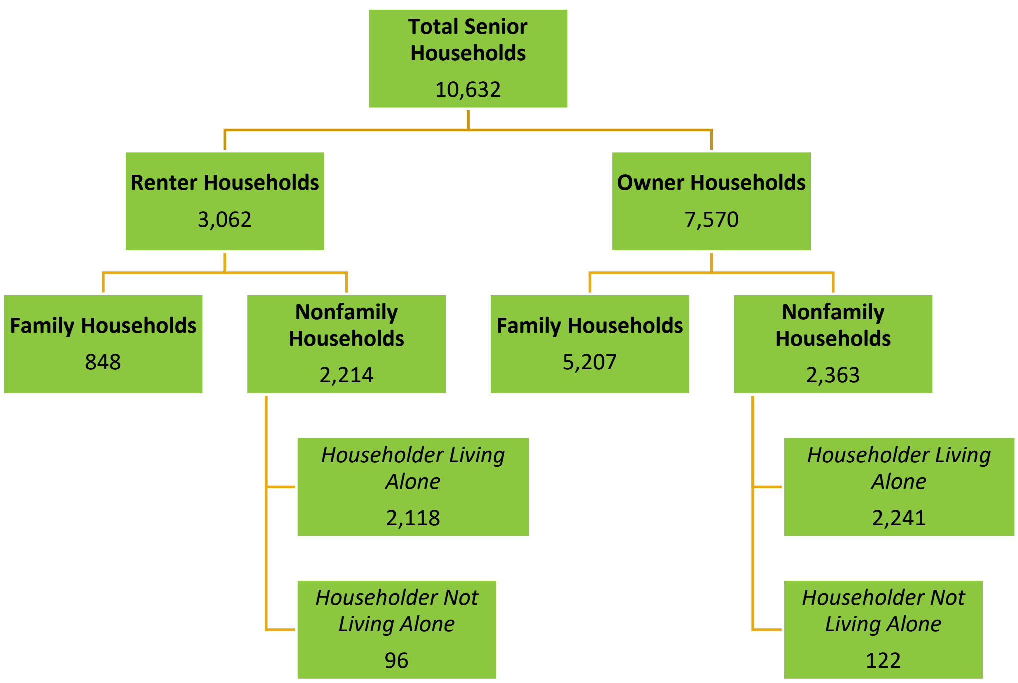
The Housing Development Grant Fund (HDGF) program may help Westminster produce new housing through infill and adaptive reuse. Administered by the Division of Housing, the funds primarily support the acquisition, rehabilitation, and construction of affordable housing. The funds can also be used to finance foreclosure prevention activities and data collection efforts. Grants are awarded on a competitive basis to nonprofit developers, public housing authorities, and local governments. Its sister program, the Housing Development Loan Fund, provides collateral loans to nonprofit developers and housing authorities for the (re)development and rehabilitation of affordable housing.

Appendix: Senior Housing Analysis

Figure 65 presents a detailed breakdown of Westminster's 10,632 households headed by residents aged 65 years or over. As of 2022, the senior homeownership rate was 71%. Of the 7,570 senior households who owned their homes, 69% lived with other family members. Overwhelmingly, the subset of seniors who owned their homes but did not reside with family reported living alone.

Just over 3,000 senior households resided in rental housing in 2022. These senior households were far less likely to report living with those who owned their homes. Indeed, only about 28% of senior renter households were occupied by another family member. Of the remaining 2,214 senior renter households that did not live with family, all but 96 consisted of only the householder.

Figure 65. Composition of Senior Households in Westminster, 2022



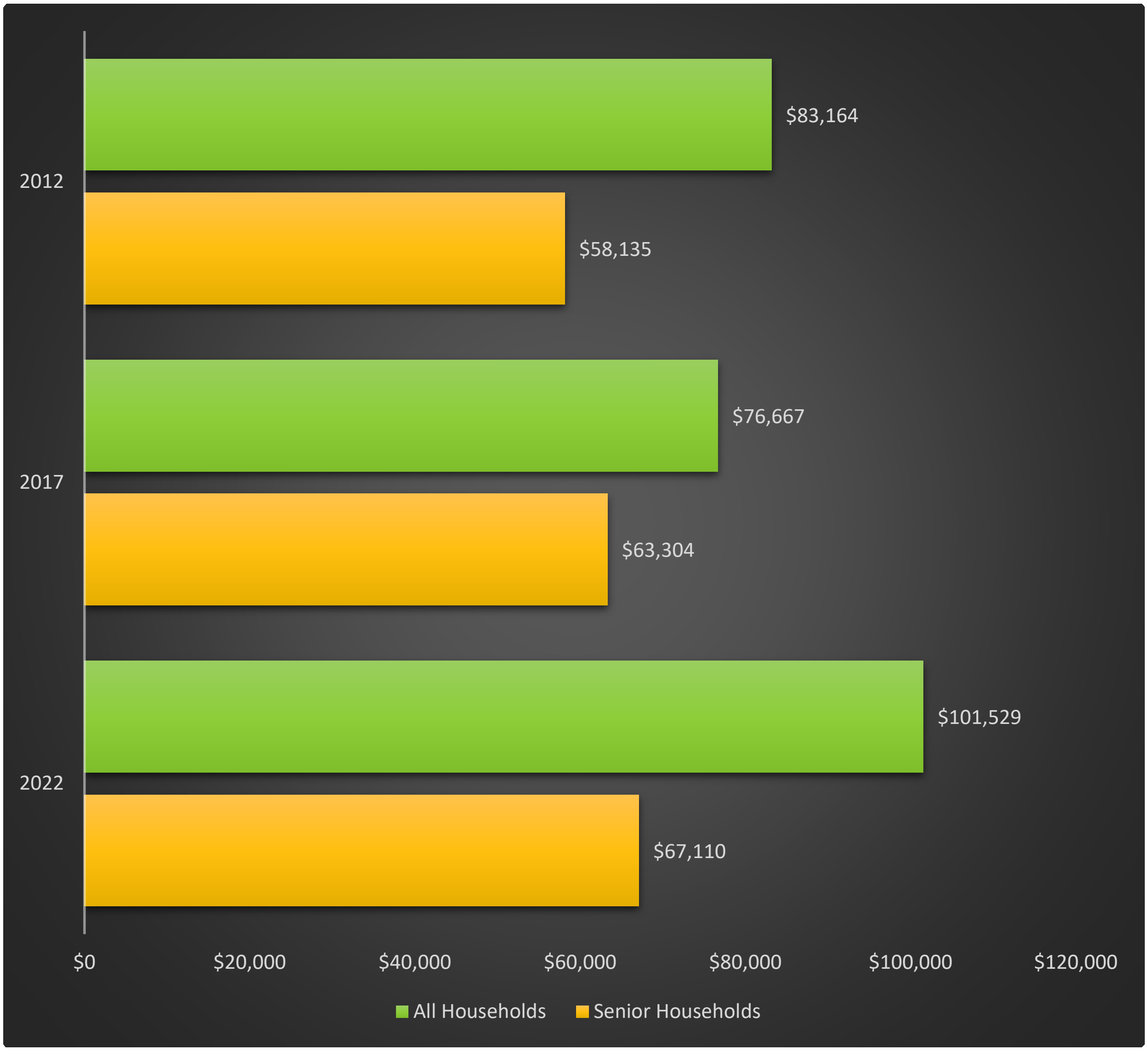
Source: One-Year American Community Survey; Matrix Design Group, Inc.

Note: Includes households headed by residents aged 65 years or over.

Like the rest of the population, Westminster's seniors have become more affluent over time (see Figure 66). In 2012, real income for the median senior household equaled $58,135. This figure reached $63,304 in 2017, before rising to $67,110 in 2022. **Notably, the income gap between senior households and all households has**

grown over time. In 2012, senior median household income was 70% of total median household income. By 2022, the former represented 66% of the latter.

Figure 66. Real Median Income for All Households and Senior Households in Westminster, 2012, 2017, and 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Dollar values adjusted for inflation to constant 2022 dollars.

Table 12 groups Westminster's senior households into income brackets. **Approximately a quarter of the city's 10,632 senior households reported earning less than $30,000 in 2022.** An additional 12%—the equivalent of 1,353 households—earned between $30,000 and $49,999. By comparison, among the general population, only 20% of households earned less than $50,000 that year. Thirty-five percent of senior households reported earning between $50,000 and $99,999, while the remaining 28% earned $100,000 or more.

Table 12. Senior Households by Income in Westminster, 2022

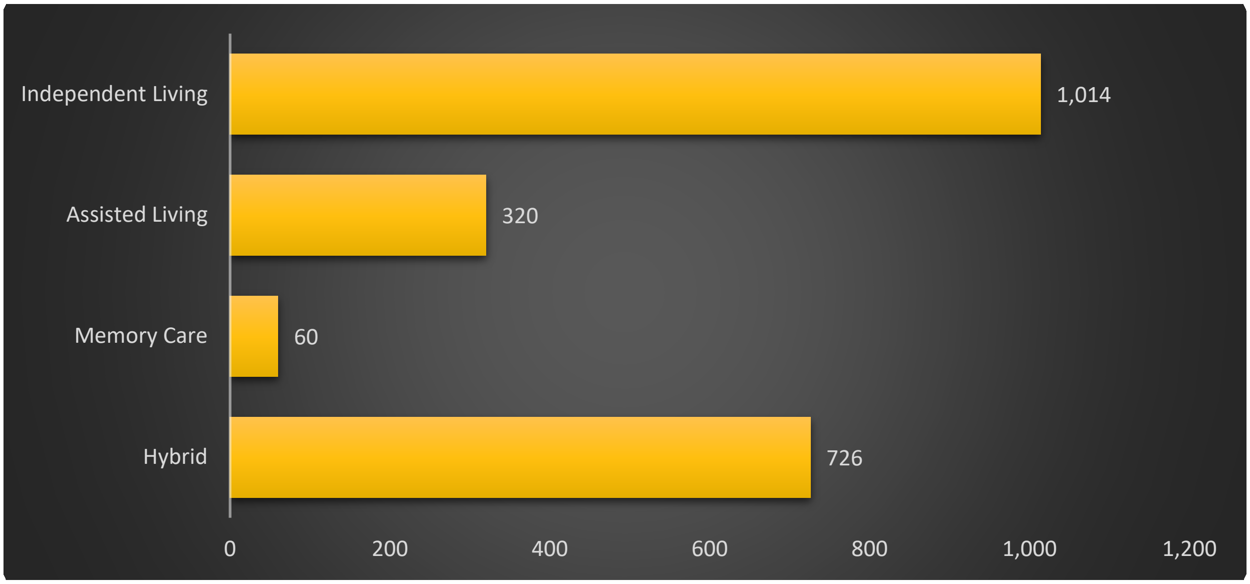
Income	Number of Households	Percent
Less than $10,000	336	3%
$10,000 to $19,999	1,051	10%
$20,000 to $29,999	1,238	12%
$30,000 to $39,999	570	5%
$40,000 to $49,999	783	7%
$50,000 to $59,999	875	8%
$60,000 to $74,999	1,118	11%
$75,000 to $99,999	1,736	16%
$100,000 to $124,999	988	9%
$125,000 to $149,999	609	6%
$150,000 to $199,999	424	4%
$200,000 or more	904	9%
Total	**10,632**	**100%**

Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Includes households headed by residents aged 65 years or over.

According to data provided by the city, Westminster has 2,120 senior housing units. While the number of senior households in the city far exceeds this figure, it is important to recognize that not every senior requires housing in a senior living facility.

Figure 67 categorizes these units by facility type. The city has over 1,000 units in independent living facilities, which account for 48% of all senior housing. Westminster's 320 units in assisted living facilities constitute 15% of the city's senior housing inventory. By a considerable margin, memory care is the rarest form of senior housing in the city, with such facilities offering only 60 units. An additional 726 units exist in facilities offering two or more types of senior housing.

Figure 67. Senior Housing Units by Facility Type in Westminster, 2024



Source: City of Westminster

Note: Includes occupied and unoccupied units. Data are current as of January 3, 2024.

Table 13 presents strong evidence that the city faces a shortage of assisted living and memory care units. In 2022, 563 Westminster seniors reported experiencing a self-care disability, while 1,669 were impacted by an independent living disability. A significant share of these seniors would benefit from housing in an assisted living facility, but only 320 such units exist in the city. Similarly, 806 seniors reported experiencing a cognitive disability, strongly implying that the city's 60 units in memory care facilities are inadequate.

Table 13. Senior Assisted Living and Memory Care Housing Gaps

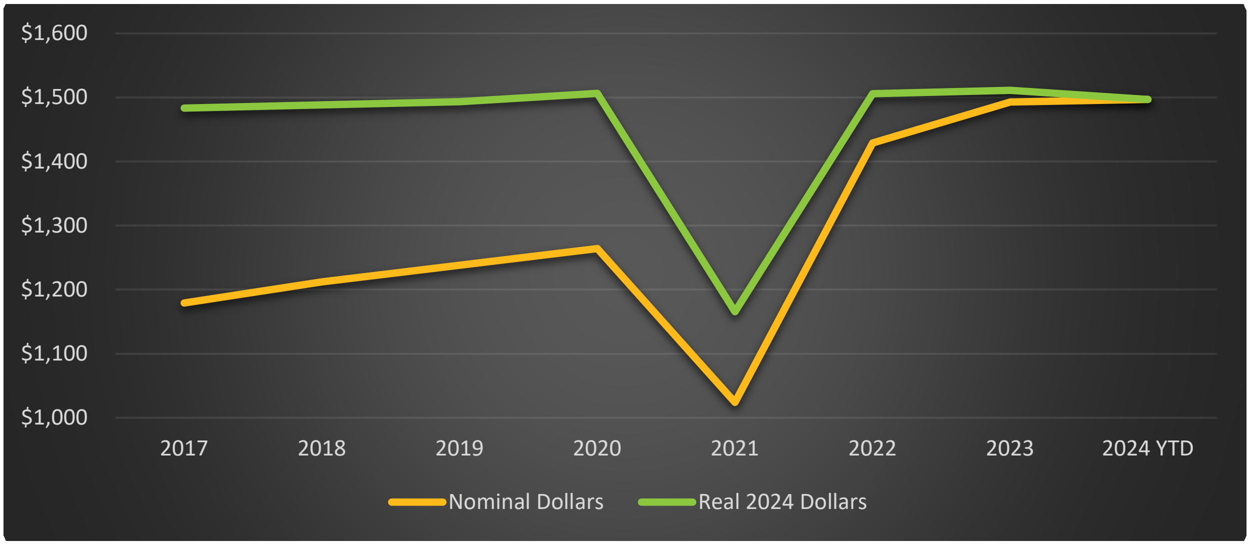
Assisted Living Units	Memory Care Units	Number of Seniors by Disability		
		Self-Care	Independent Living	Cognitive
320	60	563	1,669	806

Source: City of Westminster; One-Year American Community Survey; Matrix Design Group, Inc.

Note: The ACS defines a self-care disability as one that causes the person to have "difficulty bathing or dressing," while an independent living disability causes a person to have "difficulty doing errands alone such as visiting a doctor's office or shopping." A cognitive disability causes a person to have "difficulty remembering, concentrating, or making decisions" due to a "physical, mental, or emotional problem."

Real rents for senior housing in independent living facilities have reverted to pre-pandemic levels (see Figure 68). In 2021, real average rent fell to $1,166—likely because of seniors' desire to avoid congregate settings during the pandemic. In 2022, real rent rose to $1,506, effectively matching the 2019 figure. **The most recent data, from early 2024, indicate that rent for the typical independent living unit is $1,497.**

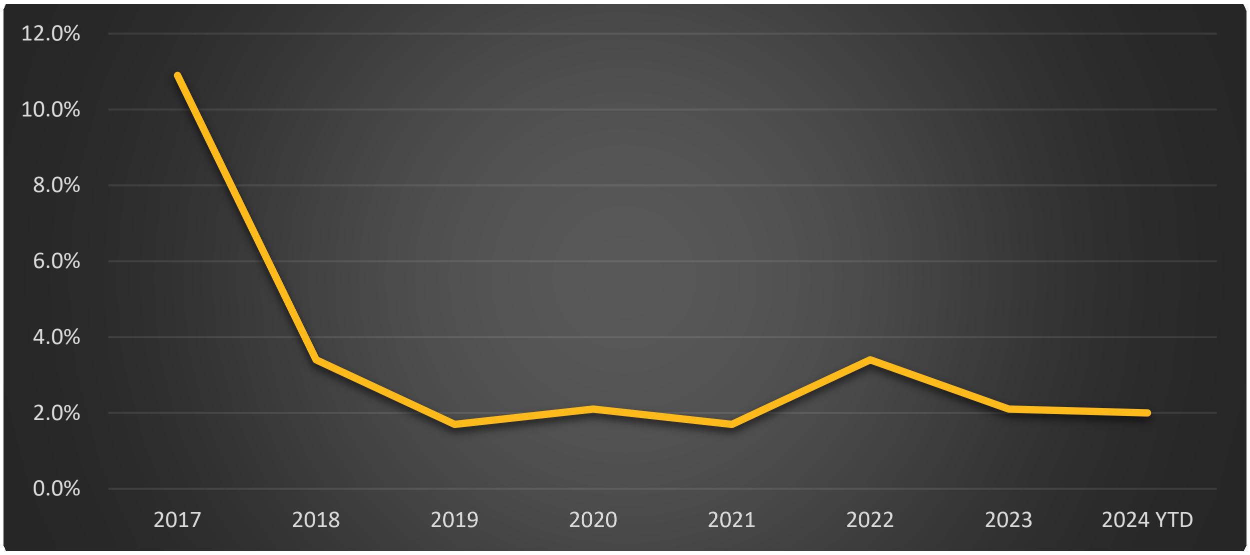
Figure 68. Average Asking Rent for Independent Senior Living in Westminster, 2017-2024 YTD



Source: CoStar; One-Year American Community Survey; Matrix Design Group, Inc.
Note: Data are current as of February 14, 2024.

As Westminster's population has aged, vacancies in the city's senior independent living facilities have declined considerably. From 2017 to 2019, the vacancy rate fell from 11% to 2% (see Figure 69). Since then, vacancies have remained at or near this level. Notably, while the vacancy rate did rise to 3% in 2022, this increase proved to be temporary. For context, recall that a healthy vacancy rate falls between five and eight percent. **Westminster's low senior independent living vacancy rate indicates that supply is failing to match demand.**

Figure 69. Vacancy Rate for Independent Senior Living Housing in Westminster, 2017-2024 YTD



Source: CoStar; One-Year American Community Survey; Matrix Design Group, Inc.
Note: Data are current as of February 14, 2024.

Table 14 measures the capacity of the median senior household to afford rent for the average independent living unit in Westminster. Between 2017 and 2022, income growth outpaced increases in rent, leading to greater affordability. In 2017, to contain average independent living rent to less than 30% of income, a household needed to earn at least $59,338—nearly $4,000 less than median senior household income. The minimum income required to afford the average independent living unit had increased to $60,238 by 2022. That year, the median senior household income of $67,110 represented 111% of this sum. **Although the median senior household was able to easily afford rent for the average independent living unit, recall from Table 12 that 45% of senior households earned less than $60,000 in 2022, placing them below the affordability threshold. Furthermore, it is well-documented that lower-income households are disproportionately renters.**

Table 14. Affordability of Independent Senior Living for Median Senior Household in Westminster, 2017 and 2022

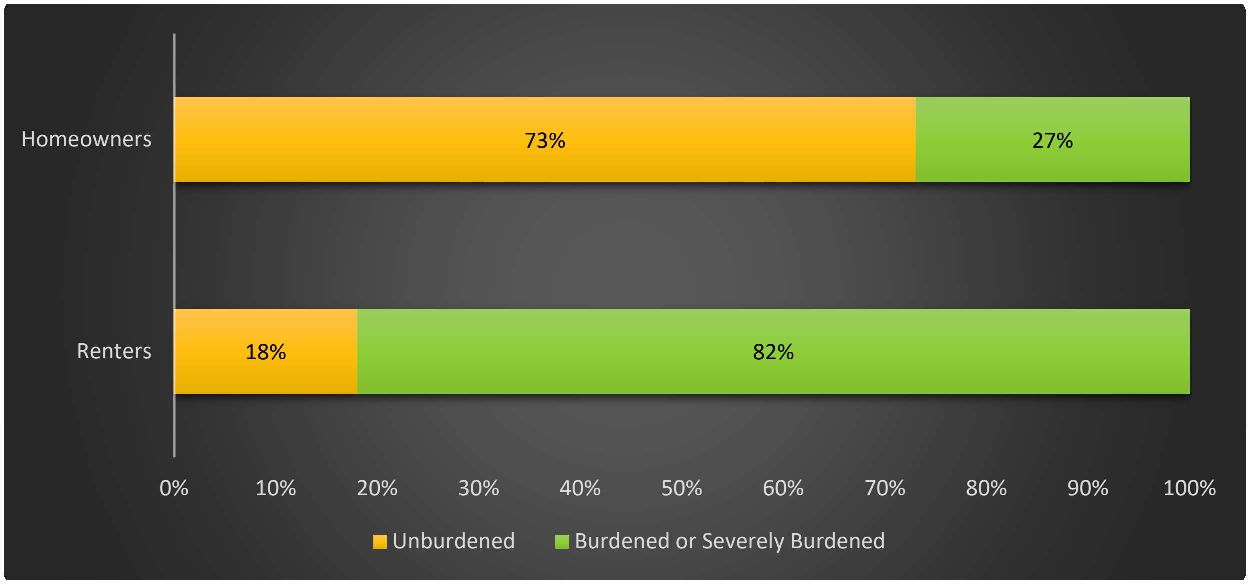
Year	Average Asking Rent for Senior Independent Living Housing	Minimum Household Income Required to Afford Average Asking Rent for Senior Independent Living Housing	Actual Median Senior Household Income	Actual Median Senior Household Income Relative to Minimum Required Income
2017	$1,483	$59,338	$63,304	107%
2022	$1,506	$60,238	$67,110	111%

Source: CoStar; One-Year American Community Survey; Matrix Design Group, Inc.

Note: Data are current as of February 14, 2024. Median income estimates are for households headed by residents aged 65 years or over. Income data for senior households by tenure are not available. Dollar values adjusted for inflation to constant 2022 dollars.

Figure 70 reveals sharp disparities in the cost-burdened status of senior renters and homeowners in Westminster. Twenty-seven percent of the 7,570 senior owner households spent more than 30% of income on housing, thereby qualifying as burdened. By contrast, the same was true for 82% of the 3,062 senior renter households. The disparity reflects the wide income gap between senior homeowners and renters, as well as the tendency for the former to have lower monthly housing costs due to having fully paid off their mortgages. **The data underscore the need for the city to provide additional affordable rental housing for the approximately 2,500 senior households who were burdened by rental costs in 2022.**

Figure 70. Cost-Burdened Status of Senior Households in Westminster, 2022



Source: One-Year American Community Survey; Matrix Design Group, Inc.
Note: Unburdened households spent less than 30% of income on rent, while burdened or severely households spent 30% or more of income on rent.