

# City of Commerce City HOUSING NEEDS ASSESSMENT 2018



March 2018

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# SECTION 1



# INTRODUCTION

## Executive Summary

Commerce City, Colorado, is growing at a staggering rate, faster than Adams County, the county in which it is located, and faster than Denver, the economic driver of the region. This growth presents both opportunities and challenges, as Commerce City works to balance the many forces at play. The influx of new residents into the city has put pressure on a housing market that is not keeping pace with specific areas of demand. This shortage of housing has driven housing prices at a rate out of balance with the median incomes of residents. Many who purchased homes in 2007 when housing in Commerce City was affordable could not afford to buy their home today.

Short- and long-term planning have been a part of the community since the first comprehensive plan was developed in the 1970s. The city has long been committed to the goal of providing decent, safe, and affordable housing and improving the quality of life and economic livelihood of its residents. Managing growth is the single biggest challenge Commerce City faces.

This 2018 Commerce City Housing Needs Assessment (HNA) identifies the community's housing issues – areas of strength and greatest need – and does so in the context of understanding Commerce City. This grounding is a necessary step in developing a balanced housing plan and implementing strategies to realize that plan.

The HNA reveals both matches and mismatches in Commerce City's housing supply by age, size, affordability, accessibility and diversity. Commerce City has a need for more multi-family dwellings, senior housing, retirement communities that allow people to age in place, desirable rental properties, affordable housing for moderate- and low-income households, executive housing for high-income households, housing for people with disabilities and housing for the homeless. But identification of needs is only one piece of a bigger puzzle.

### The Denver area dynamic

To understand Commerce City, it is necessary to understand the context in which it exists. In the 1990s, an average of 1,000 new residents moved to the Denver area per week every week for a decade. They came because jobs were plentiful and quality of life was high, with 300 days of sunshine and low precipitation, an abundance of golf courses, parks, recreation, entertainment, including seven pro sports teams and large stadiums.

Between 2010 and 2015, the Denver Metro Area added jobs at a rate much higher than the new homes and apartments it was building. During those five years, for every residential building permit, 2.9 new jobs were added. According to Apartment List, from 2005 and 2015, the Denver Metro Area added 1.7 jobs for each permit and rental rates shot up 52 percent over that time.



Commerce City Civic Center

*The greatest identified housing needs in Commerce City are among households with low-to-moderate incomes, large families, immigrant families, senior residents and residents with disabilities.*



As a suburb of Denver, Commerce City has been directly affected by the regional dynamics. Historically, renters and buyers found affordable housing in Commerce City. But with demand for housing in Denver consistently outpacing supply, increasing numbers of buyers and renters have looked beyond the Mile High City for housing. This has placed pressure on a housing stock that is not keeping pace with demand. Even with Commerce City's rapid growth occurring at a rate faster than most other communities in the Denver Metro Area, the city is grappling with its own housing crisis in areas of critical need.

### Old city and new city

In a very real way, Commerce City is a tale of two cities. The dividing line is East 96th Avenue, a multi-lane road that marks the separation between the city's older southern section, known as the historic city or the historic city, from the newness of the heavily annexed northern section, known as the northern range. The division is a demarcation of more than geography and age.

The old city grew up in the 1930s around metal and oil refineries, with nearby neighborhoods that housed a workforce that could get to and from work in short order. The labor force lived in homes that were small and modest. Historically, the single most conspicuous feature of the southern area was the dominance of heavy industry, giving Commerce City an industrial image. Development largely occurred without the benefit of planning, until 1977 when Commerce City adopted its first comprehensive plan.

As the city has expanded through the aggressive annexation efforts of the past two decades, it has pushed its geographical boundaries beyond the confines of its industrial core. Geographical expansion alone, however, cannot account for Commerce City's dramatic transformation into the vibrant city it is today. This radical change is the result of years of urban planning efforts that have guided the intense development of the northern range in ways that balance growth with sustainability.

The conversion of the U.S. Army Rocky Mountain Arsenal into a wildlife preserve was a bellwether of Commerce City's family-friendly neighborhood spirit. The community has 840 acres of open space and parks, a championship golf course, one of the largest soccer complexes in the country, and state of the art recreation centers.

These efforts are some of the many features that make Commerce City a desirable place to buy a home and raise a family. Despite an uptick in poverty rates elsewhere in the state, Commerce City's poverty rates are down. The community has shown significant

bumps in its median household income, school enrollments and the number of people moving there with college degrees. Many see Commerce City as a "hidden gem." The challenge here is that while all of these statements are true, they are more true for the northern range than for the southern historic city.

The disparity between the southern and northern sections of Commerce City is evident in virtually every demographic, income and housing category. This is especially pronounced when viewed in the context of population growth.

### Extreme growth

Commerce City's extreme population growth is occurring in a larger context of rapid population growth at state, regional and county levels. From 2000 to 2017, Colorado's population increased 30



Commerce City Rapids Stadium



percent. The number of people living in Adams County, one of the fastest growing counties in the state, swelled by 37 percent. For Commerce City overall, the population grew 155 percent, an impressive number by itself. But if we look at the growth between the historic city and the northern range for the same period we get a very different picture. The population in the historic city to the south grew by a relatively modest 14 percent. By contrast, the increase in the number of people who moved to the northern range was a staggering 1,362 percent.

The dramatic difference in growth between northern range and the historic city is also evident in the number of housing units constructed between 2000 and 2017. The historic city, which is largely built up, increased the number of housing units by a modest 10.97 percent. In the northern range the increase was 1,274 percent.

While there are a number of contributing factors that will be explored in the body of this report, there are two in particular that offer an overarching and fairly simple explanation for it. The first is new construction as a result of aggressive annexation. The second is Denver. Commerce City's growth through annexation has occurred in the broader context of growth in the Denver Metropolitan Area so rampant it has resulted in a housing crisis such that employers can't find qualified workers to fill positions because the workers they recruit cannot afford to live there.

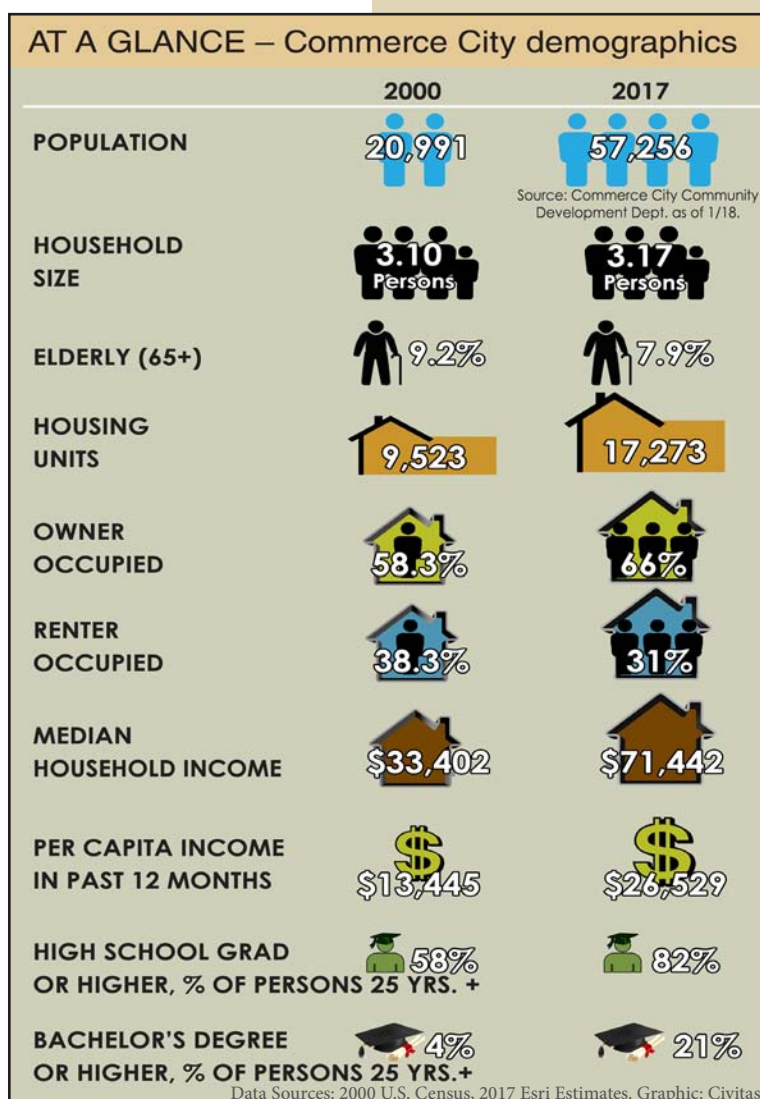
Based on projections produced by the Denver Regional Conference of Governments, Commerce City is expected to see considerable population growth in the coming decades. Between 8,000 and 10,000 new residents are expected to move to Commerce City every five years, which would bring the population total to more than 85,000 by 2040. If these numbers bear up, Commerce City will need more than 3,000 new units of housing every five years in order to maintain the current average household size. Anything less will continue to put upward pressure on housing prices.

### Affordable housing shortage

Denver was recently named by CoreLogic, a provider of consumer, financial and property information, as one of the top four overvalued markets in the nation. The lack of available housing stock there has pushed housing prices up to levels beyond the reach of most – with a median sales price of a single-family home in Denver in 2017 sitting at \$410,000, an increase of 7.9 percent from 2016. The number of new homes needed in Denver alone, upwards of 18,000, were met with actual construction of 11,038 homes in 2016, according to MetroStudy. At present, housing supply cannot keep up with demand.

Lack of affordable housing in Denver has pushed renters and buyers into more affordable markets in the surrounding areas. Commerce City is the closest city northwest of Denver, affording those who choose to live there a location that puts them within close proximity of downtown, the Denver International Airport and, soon, spurs that will connect Commerce City residents to Denver's rapidly expanding light rail system. As the population and economy have grown, so too has the job market in Commerce City, allowing more residents to live where they work.

## INFOGRAPHIC 1: At a Glance - Commerce City Demographics



*Commerce City is a tale of two cities. Across almost every meaningful data point there are significant disparities between north and south Commerce City.*

The northern range is young; houses are new; and housing values are skyrocketing. Over the last decade, Commerce City's median home prices have shot up 85 percent, but they are still lower than in Denver. The 2017 median sales price of a single-family home in Commerce City was \$350,000.

While a majority of Commerce City residents are homeowners, the poorest families in Commerce City are more likely to rent and more likely to live in the more affordable historic city. In real terms, the rent paid by low-income households has risen, while real income has fallen. Squeezed between smaller paychecks and higher rents, the lowest income families have less to spend. The waiting lists for the Housing Choice Vouchers in Commerce City have been closed since 2014.

Annexation over the last two decades has resulted in Commerce City's substantially expanded geographical footprint. The establishment of planned unit developments (PUD) within those new boundaries with attending investment in infrastructure has produced a 20-year housing boom that only slowed starting in 2007 with the rest of the country during the national housing crash. Today, Commerce City has a higher percentage of single-family detached homes in its housing stock than any other community in the region, according to the Denver Metro Association of Realtors.

Consider these numbers from the U.S. Census American Community Survey: in 2000, the northern range was home to 2,194 persons. Seventeen years later, the area increased by 64,495 acres and by 29,872 persons. Looking at it that way, the degree of growth and what drove it is better understood.

Many of the key findings regarding Commerce City's housing issues relate to understanding the differences between the northern range and historic parts of Commerce City. The housing problems and challenges of the historic city are not the same as the northern range. Because of these marked differences, for the purposes of this Housing Needs Assessment, we have elected to draw our analysis by sections north and south and by neighborhoods whenever possible so as not to invite

misleading conclusions. This approach is in no way intended to obviate the efforts, as identified in the city's comprehensive plan, to better link the north and south geographic areas and to continue to improve the city's image and appearance.

Recognizing these distinctions, however, is crucial in gaining a clear understanding of the housing needs of the community.

## Purpose

The purpose of this Housing Needs Assessment (HNA) is to analyze current housing conditions and issues, and to project future housing needs. The information presented in the HNA is serving as the baseline for the development of the Balanced Housing Plan and the the Commerce City Housing Authority Affordable Housing Implementation Plan. Key to these plans are detailed action items to assist the Commerce City Housing Authority (CCHA) in implementing the housing goals identified in its 2011 strategic plan.

Core content from these three plans will also be incorporated in the city's updated city-wide Comprehensive Plan. The city is undertaking this with a clear desire to provide a wide range of quality housing options – both rental and for-sale products – for existing and future Commerce City residents.

Future housing needs are largely based on trend-line analysis provided by the Denver Regional  
2018 Housing Needs Assessment



Dick's Sporting Goods Park Stadium and field complex

*Managing growth is the single biggest challenge Commerce City faces.*

Council of Governments. Trends at a national or regional level that affect interest rates or the cost of building materials can affect the price of a house, as can more localized conditions. Because of this, both national and regional trends are difficult to predict.

## Methodology and organization

The City of Commerce City, Colorado, its Community Development Department, and the Commerce City Housing Authority issued a request for proposals (RFP CD/CCHA 01-2017) on April 24, 2017, to prepare a Housing Needs Assessment, a Balanced Housing Plan and an Implementation Plan, on a non-exclusive basis.

### Housing needs assessment primary resources

- American Community Survey (ACS)
- American Community Survey via PolicyMap for maps
- Boxwood Means for home sales data
- City of Commerce City for residential building permits and unit construction costs
- Colorado Department of Education 2015-2016 McKinney-Vento Education of Children and Youth Program Data for homeless data
- Colorado State Demography Office for population by municipality
- Commerce City Economic Development Division for employment information
- Commerce City Historical Society for historical context
- Commerce City Housing Authority (CCHA)
- CoreLogic for housing market and financial information
- Denver Metro Association of Realtors for area housing market data
- Denver Post for historic information
- Denver Regional Council of Governments for population projections
- Department of Housing and Urban Development (HUD)
- Esri (Environmental Systems Research Institute) ArcGIS data source (hereinafter “Esri”)
- FBI UCR and DOJ via PolicyMap’s Community Profile Report of City
- HBA of Metro Denver for unit construction by city
- Home Mortgage Disclosure Act (HMDA) data
- HUD IMS/PIH Information Center, 2016
- HUD Income Limits Documentation System
- Metro Denver Homeless Initiative 2017 Point-In-Time (PIT) County Survey
- MetroStudy for housing construction information
- U.S. Census Bureau 2016 Population Estimates
- U.S. Census Bureau, Decennial Census from 2000 and 2010
- U.S. Census Bureau, Longitudinal Employer-Household Dynamics
- USA Crime Index via Esri, 2017
- Valassis Lists via PolicyMap for vacant homes

Civitas LLC, a national community development consulting firm based in South Carolina, was awarded the contract, and began its effort on July 15, 2017. During the course of this study effort, the consultant team worked with key city staff, community members and the public, reviewed existing community studies and a wide range of data sources:

U.S. Census data is the definitive source of information on demographic data at the national and community level and is conducted every 10 years at the start of a new decade. The information is updated annually through the American Community Survey (ACS), which collects data on a smaller but representative population. Information from the survey generates data that help determine how more than \$675 billion in federal and state funds are distributed each year.

For data provided at the sector-level, specifically the northern range and the historic city, the research and writing team at Civitas used calculations from PolicyMap as well as Esri ArcGIS data, based on public and proprietary data sources.

South Commerce City was identified by Census Tracts and zip codes located below East 96<sup>th</sup> Avenue. From the 2010 Census Tracts, the following Tracts were used: 08001008802, 08001008901, 08001008709, 08001008801, 08001008705, 08001008706. Similarly, it is located within or touches the following zip codes: 80022, 80640, 80229, 80216, 80266.

For south Commerce City, census ACS data was calculated by summing the following component Census Tract in 2000: 08001008802, 08001008901, 08001008703, 08001008801, 08001008705, 08001008706, and the following component Census Block Group in 2012-2016: 080010089011,



*Many who purchased homes in 2007 when housing in Commerce City was affordable could not afford to buy their home today.*

080010087061, 080010088013, 080010087063, 080010088011, 080010087092, 080010087062, 080010088021, 080010087052, 080010087094, 080010087095, 080010088022, 080010088012, 080010087093, 080010087051, 080010087054, 080010087053 and 080010087091.

The northern portion of Commerce City was identified by Census Tracts and zip codes located above East 96<sup>th</sup> Avenue. From the 2010 Census Tracts, the following Tracts were used: 08001008535, 08001008539, 08001008537, 08001008538, 08001008536. It is located within or touches the following zip codes: 80022, 80603, 80602, 80601, 80640.

Census ACS data was calculated by summing the following component Census Tract in 2000: 08001008512, and the following component Census Block Group in 2012-2016: 080010085361, 080010085391, 080010085382, 080010085381, 080010085351 and 080010085371.

Civitas compared PolicyMap calculations with Esri ArcGIS, favoring Esri for providing 2017 updates and projections. Esri and PolicyMap both utilize data compiled by the U.S. Census Bureau's American Community Survey data. Esri 2017/2022 Updated Demographics builds on the industry's most accurate data, while adapting to changes in source data. Esri's 2017/2022 Updated demographics data incorporates Census 2010 counts. Esri uses the traditional statistical methodology of cluster analysis with the latest data mining techniques to create Tapestry Segmentation at smaller geographic levels. Esri extracts its business data from a comprehensive list of businesses licensed from Infogroup and integrates data from the latest Consumer Expenditure Surveys and the Bureau of Labor Statistics to provide a comprehensive database about all consumer expenditures.

Postal vacancy data in this report is from a resident and business list compiled by Valassis Lists, which is the largest compiler of information about individuals and businesses in the United States. This data shows a point-in-time snapshot of vacant addresses as of 2017.

Crime data in this report is not summed or aggregated, but rather listed for each of the complete areas within the study area for which crime is reported. The source of the crime data for Valassis Lists is Federal Bureau of Investigation's Uniform Crime Reporting (UCR) Program, which compiles standardized incident reports from local law enforcement agencies in order to produce reliable, uniform, and national crime data. The UCR Program collects data on known offenses and persons arrested by law enforcement agencies.

And finally, and importantly, this effort includes a review of all of the city and community master and comprehensive plans with a focus on Commerce City's Comprehensive Plan. This HNA provides a where-were-we-then with a where-are-we-now review.

## Public input

To undertake a more complete analysis of the housing needs in Commerce City, the city and Civitas staff conducted a public input meeting in October 2017 with key stakeholders from the area. More than 300 stakeholder organizations were





identified and contacted to participate. More than 20 leaders from the public and private sectors met to discuss the housing needs of the community and to brainstorm solutions.

Representatives included building developers, builders, property managers, representatives serving the homeless, non-profit leaders and members of the financial community. Additionally, several phone interviews were conducted one-on-one with members of the community who could not attend the meeting.

### Community strengths

Major themes touched on matters of community pride and loyalty, family friendly neighborhoods, historically affordable housing, many services, abundance of parks, easy access to downtown Denver, the airport and the mountains.

On the topic of affordability there was recognition that Commerce City historically has been affordable in terms of housing, but the picture is changing. Still, while housing prices are high they are lower than Denver, and, in Commerce City, residents get more for their buck – roomier houses with bigger yards.

Participants noted a healthy local job market and described Commerce City as business friendly. The community has premiere soccer and golf facilities. The Latino community is strong in terms of numbers and culture.

### Concerns and possible solutions

Participants in the public input process expressed concerns about the growing homeless population coming to Commerce City because Denver and other neighboring jurisdictions enforcing laws that are pushing homeless persons out. Participants applauded efforts by police to work with community organizations on homelessness rather than arresting or pushing homeless persons out of the community.

Participants also noted an increase in the number of working-homeless families in Commerce City – persons with low-paying jobs who don't earn enough to pay rent because housing costs are rising while wages are not.

Participants also indicated a shortage of housing for seniors and others with special needs. Senior apartments have long wait lists. Affordable apartments often don't have vacancies and there are no housing vouchers available.

Traffic issues were also discussed. Several participants pointed out the lack of transportation services for seniors, those with special needs and those without cars. In the historic city, pedestrian and bicycle access is sorely limited due to the major roadways, many railroad lines and lack of sidewalks.

Concerns were also expressed over the ability of teachers to afford to live where they work because their wages aren't keeping pace with rising housing costs.

Developers and builders noted several deterrents to new construction in Commerce City and offered up some solutions. They indicated a disconnect among government agencies about what is allowed and what isn't – what is up to code in one department isn't allowed in another, making it difficult to navigate the bureaucracy. Also noted were concerns about the high cost of water tap fees in Commerce City and the negative impact of the state's Housing Defect Law on builders who don't want the legal risks associated with building condominiums and townhouses.

A number of suggestions were put forth to address the issues, including minimizing fees for entry level homes, providing more financing options and offering better fee structures for developers to incentivize builders to construct affordable housing. They said that with a wait of three to four years for tax credits it is difficult to build affordable housing.

Participants also suggested a loosening of zoning restrictions to allow for "mother-in-law" units,



*The waiting lists for the Housing Choice Vouchers in Commerce City have been closed since 2014.*

outbuildings and higher-density and multi-unit building. A land trust and a local housing trust were both suggested as possible options to encourage and support affordable housing. Participants noted that there are some pieces of land in the city that are in desirable locations on the southside; the city could invest or find ways to target those areas.

Many participants spoke of the differences between Commerce City's northern range and historic city. They suggested a more welcoming downtown area, where residents from all over Commerce City could come together. The city has been talking about this for a long time, but redevelopment efforts have been gradual in nature.

Additional matters noted by participants included concerns over the cost of utilities, the lack of protection for tenants, language barrier issues, and a need for transitional housing to help people with vouchers who are looking for a permanent place. Some see mobile homes as the best unsubsidized affordable housing option.

Participants offered a number of other suggestions, including putting leases in both English and Spanish, providing better safety for persons who live in mobile-home parks, offering more affordable new construction and providing more outdoor recreation amenities for youth like soccer fields. Participants also suggested the city could participate in the building of larger units, that might mitigate problems of multiple generations of families living under one roof.

## Identification of study area



The study area for this housing needs assessment comprises the present-day boundaries of the City of Commerce City, located in Adams County (see MAP 1). The city is situated in the northeast quadrant of the Denver Metropolitan Area, a region that is experiencing rapid growth. The elongated crescent-shaped city is bounded on its southeastern edge by the Rocky Mountain Arsenal National Wildlife Refuge and the Denver International Airport (DEN), both massive geographic entities that

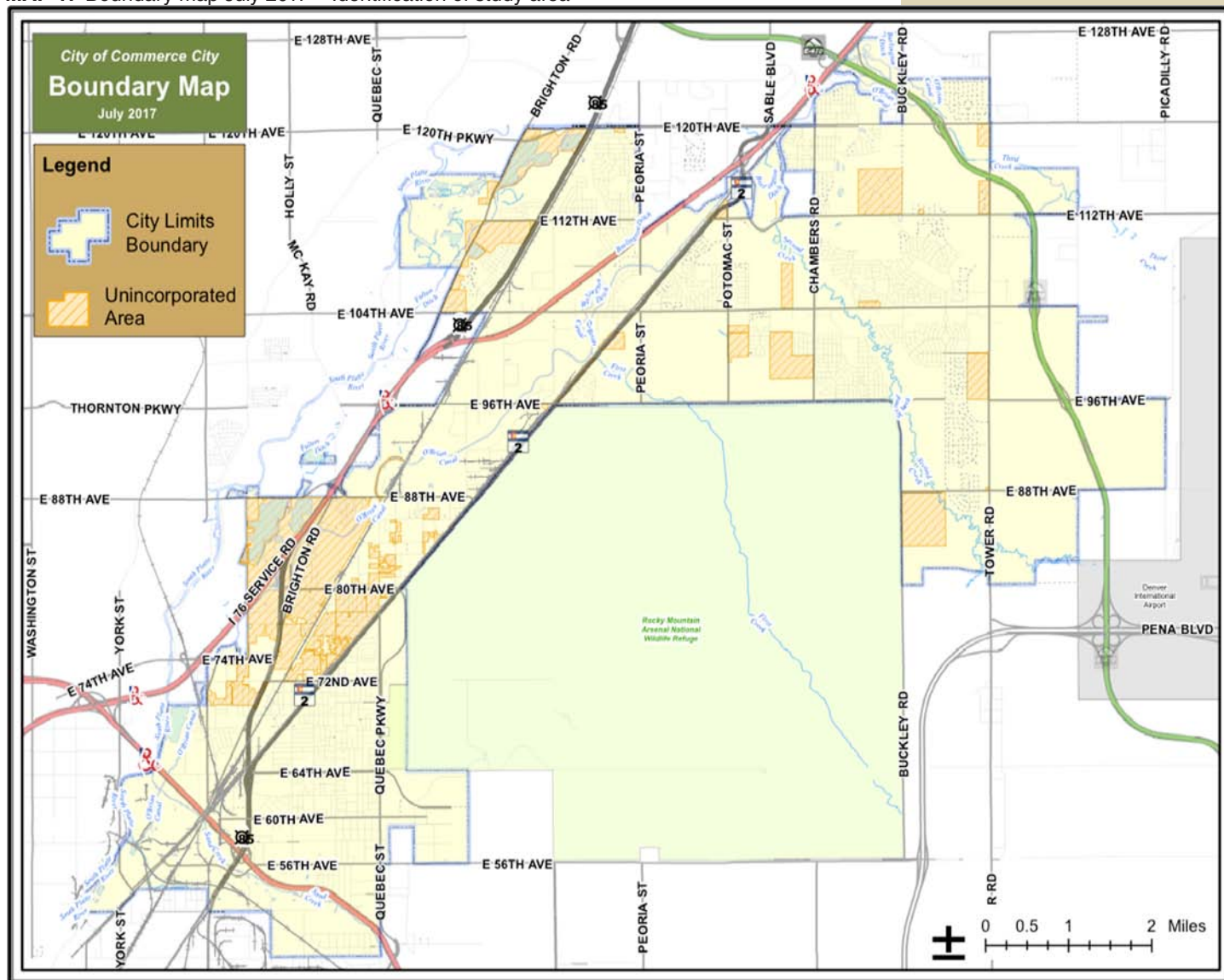
directly impact the study area. The 53 square miles that make up the airport were annexed by Denver in 1988. The airport opened in 1996. Today it is the largest airport in the United States. At 25 square miles, the National Wildlife Refuge is one of the largest urban refuges in the country.

Including the area for future urban growth, Commerce City is almost 62 square miles. It is well situated along several major regional highways – I-76, I-270 and E-470 – and has railways that serve the city's strong industrial base.

The southeastern parts of the city are bounded by the unincorporated areas of Mapleton and Welby. The northwest is bounded by the city of Thornton with a 2016 population of 130,511 (U.S. Census, American Fact Finder). To the north is the city of Brighton with a 2016 population of 36,307 (2106, U.S. Census, American Fact Finder).

Since its incorporation as a city in 1952, Commerce City's growth pattern occurred first to the northeast along the boundaries of the Wildlife Refuge and to the east toward the airport. Eventual plans are to expand northward.

**MAP 1:** Boundary map July 2017 – Identification of study area



Source: City of Commerce City

Most of Commerce City's growth has occurred in the northeast neighborhoods, characterized by higher incomes and greater prosperity. The southwest has slower or nominal population growth and sees lower incomes, higher unemployment and greater poverty. The two areas are divided by East 96th Avenue, along the northern border of the Rocky Mountain Arsenal National Wildlife Refuge. Much of the analysis for this housing needs assessment is organized around the profound differences between the historic city to the south and the northern range to the north.

## SECTION 1: INTRODUCTION



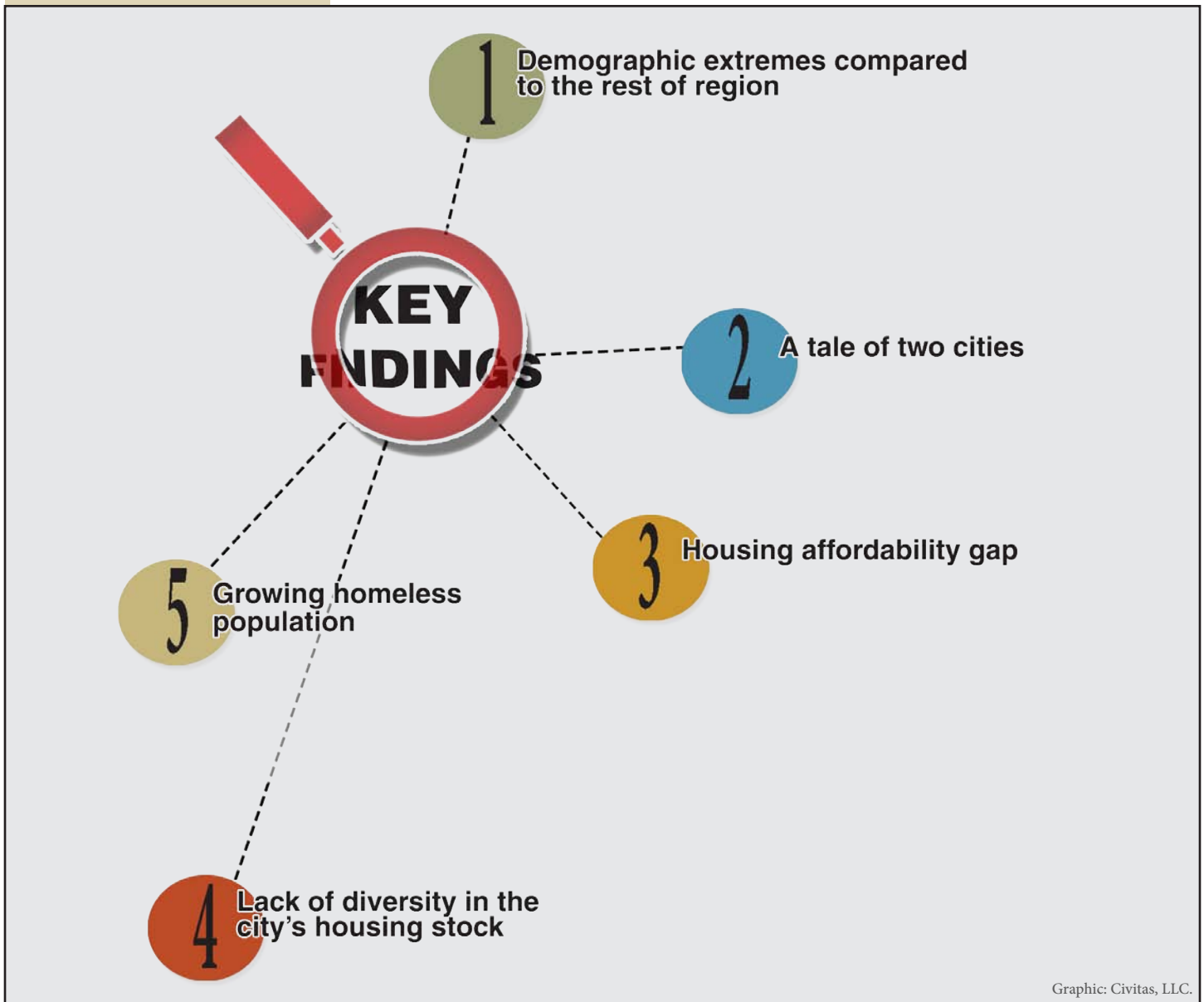
In 2010, the city developed and released a comprehensive master plan to guide its development and is currently working on a new comprehensive plan. This housing needs assessment includes a review of the previous plans relative to housing.

## Housing Needs Assessment key findings

The Housing Needs Assessment casts a wide net. It looks at Commerce City from numerous angles and across multiple intersecting data points in order to identify trends and to provide a comprehensively robust picture of the community's housing needs. It also looks at how those trends and needs have changed over time. There are the five key findings that stand out:

1) Demographic extremes compared to the rest of the region; 2) A tale of two cities – the old city and the new city; 3) Housing affordability gap; 4) Lack of diversity in city's housing stock; 5) Growing homeless population. The key findings are examined in detail in Section V.

**INFOGRAPHIC 2:** Key findings





## KEY FINDINGS

1

### **Demographic extremes compared to the rest of region**

Commerce City shows demographic extremes compared to every other community in the Denver Metro Area in five key areas: 1) highest percentage increase in population, 2) highest percentage rise in senior population, 3) highest percentage of single-family detached dwellings, 4) youngest population, 5) highest percentage of Hispanics.

2

### **A tale of two cities**

Across almost every meaningful data point there are significant differences in Commerce City between the historic historic city to the south and the new residential and commercial expansion to the north.

3

### **Housing affordability gap**

In 2007, median sales price of a home in Commerce City was affordable based on median household income at that time. By 2015, home prices more than doubled while income rose only 29 percent. More than one third of households are cost burdened, meaning they spend more than 30 percent of their income on housing. For renters, the imbalance is even higher at 44 percent.

4

### **Lack of diversity in the city's housing stock**

Single-family detached units makeup 76 percent of the city's housing stock, with 86 percent in north Commerce City. Renters make up nearly one-third of households, and most live in the southern historic city. There are few affordable rentals and little by way of high-density, appropriate housing for seniors or those with special needs. Waiting lists for the Housing Choice Vouchers have been closed since 2014.

5

### **Growing homeless population**

As housing prices continue to escalate throughout the region, Commerce City is witnessing a growth in number of individuals and families experiencing homelessness.

# SECTION 2

# Community composition and history

### Community composition

Understanding how Commerce City evolved offers insights about its modern-day composition. It explains the relationship between Denver and Commerce City – a mixed bag of blessings and neighborly tensions. It explains why the city’s geographical shape is unusually elongated. It explains the community’s embrace of its small-town atmosphere, its commitment to green and sustainable practices, its on-going efforts to clean up and repurpose industrialized areas of the city.



#### Vision statement

The vision that emerged from the comprehensive planning process in 2010 involved hundreds of residents, many public discussions and exercises, and the active involvement of a full array of community leaders, organizers and decision makers. The agreed upon vision was this:

*Commerce City will have a robust economy, drawing on its strength as a business-friendly city. It will have a quality natural and built environment with great neighborhoods, parks, and places in which to live, work, and play safely. The community will celebrate its culture and history, and promote conservation and stewardship of resources for present and future generations.*

While the 12 guiding principles that form the framework for the 2010 Comprehensive Plan are deeply inter-related – what happens in other sectors has an impact on housing – this housing needs assessment focuses primarily on the two principles directly related to housing, specifically housing/neighborhoods and land use and growth.

#### 2010 Comprehensive Plan Guiding Principle #4

Provide multiple types of housing serving a range of current and future residents and incomes in vibrant neighborhoods where people want to live.

#### Housing/neighborhoods

With development, Commerce City has worked hard to remake its image from its industrial past, an effort that is largely succeeding. The former U.S. Army Rocky Mountain Arsenal, located in the central section of Commerce City, was constructed during World War II to build chemical weapons. In the 1960s, it was converted to a chemical facility for Shell Petroleum. Cleanup of the site began in 1997. Today, it is one of the largest urban wildlife refuges in the country, home to a healthy population of bison.

Approval of an in-perpetuity 1-percent sales and use tax in 2013 to fund parks, streets and recreation kicked into motion the construction of Bison Ridge Recreation Center, a nearly completed \$60.9 million state-of-the-art facility to serve the city’s northern edge. Paradise Island Pool at Pioneer Park features a 2-acre water park. The city has 840 acres of parks and open space and 25 miles of trails.

One of the Denver region’s premiere golf courses is the city’s Buffalo Run Golf, an 18-hole championship course with views of the Rocky Mountains. Commerce City is home to the Colorado



Buffalo Run Golf Course



## C3 Vision Plan for Commerce City

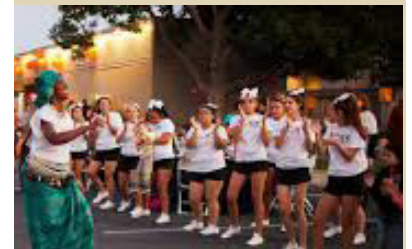
This C3 Vision Plan from the 2010 Comprehensive Plan addresses community sustainability by linking the city's goals to the three Cs of sustainability:

- Commerce And Economy
- Context And Environment
- Community And Social Well-Being

Twelve guiding principles are intrinsic to Commerce City's C3 Vision Plan. Knowing them is essential to understanding the driving spirit behind the community.

1. **Land use and growth.** Grow Commerce City in a balanced and compact pattern of neighborhoods and commerce centers, where residents have access to employment, services, and shopping. Promote infill and phase new growth to avoid inefficient and costly leapfrog development.
2. **Economic development.** Maintain a strong employment base; help create a jobs/housing balance; define appropriate locations for a range of industry and businesses (including green businesses); and be a home for major corporations.
3. **Fiscal stability.** Continue as a fiscally stable city by fortifying revenues while efficiently maintaining and providing services and infrastructure.
4. **Housing / neighborhoods.** Provide multiple types of housing serving a range of current and future residents and incomes in vibrant neighborhoods here people want to live.
5. **Redevelopment / reinvestment.** Promote new centers while maintaining the integrity of existing districts by continually renewing and reinvesting.
6. **Transportation.** Ensure a quality community by providing efficient, effective, and varied modes of transportation that integrate and connect neighborhoods, the community, and the region.
7. **Safety and wellness.** Increase the health and well-being of residents through healthy living, access to medical facilities, and public safety and hazard planning.
8. **Parks, open space / recreation.** Provide ample and well-distributed parks and recreation facilities, and a connected system of trails and open space, to provide for outdoor recreation, relaxation, rejuvenation and to protect views.
9. **Facilities and infrastructure.** Ensure adequate and efficient public facilities and infrastructure for current and future residents and businesses.
10. **Appearance and design.** Enhance the positive image of the city at all gateways, along corridors, and in neighborhoods and commercial districts.
11. **Cultural / tourism.** Become a destination for tourism and visitors, drawing people and businesses to arts, history, culture, sports, commerce, and other attractions.
12. **Environmental conservation / stewardship.** Increase recycling, conservation, and the use of renewable energy sources, while reducing energy and resource use overall.

*The city has long been committed to the goal of providing decent, safe, and affordable housing and improving the quality of life and economic livelihood of its residents.*



Rapids pro soccer team and the 20,000-seat Dick's Sporting Goods Park Stadium and Field Complex that hosts more than 1.6 million visitors annually. The planned Victory Crossing development there will add 1 – 1.5 million square feet of mixed use retail, entertainment, office and accommodations space with \$100 million already invested.

### Historic city

In the historic area in the south part of Commerce City, the city has an aging housing stock, most dating to the 1960s and some much older. Vestiges of its early industrial past can be seen in old plat maps with tiny lots. The network of roads and rail lines were built to serve the needs of industries with little regard for the people who lived and worked in the city.

*Through public-private partnerships, the URA has begun to use tax increment financing to attract private investment in blighted areas.*

The city undertook a \$10 million renovation of the 30-year-old Eagle Pointe Recreation Center, set into motion infrastructure improvements in Irondale, and developed bike and walking paths along the banks of the South Platte River. The city is revisiting zoning to allow for adaptive reuse of buildings in disrepair and is providing home repair loans to assist homeowners in making needed repairs to aging homes.

### **Northern range**

The conditions of and issues facing the newly annexed areas are very different than those in the old city. In the north area of Commerce City, known as the northern range, the housing stock and infrastructure is largely less than two decades old and most everything has been built up with the full benefit of planned unit development and application of the city's planning efforts. Neighborhoods were built with carefully thought-out elements designed to give residents easy access to services, recreation, parks, businesses and entertainment with roads that allow traffic to move smoothly. Almost all the homes in the northern range are single-family with yards primarily owner-occupied. It is the reason Commerce City has the highest percentage of single-family homes of any community in the region. The planned communities are built around practices of renewability and sustainability.

Even acknowledging the marked differences between the historic city and the northern range, both areas have two major housing issues in common: a lack of affordable housing and a lack of diverse housing stock.

There are few rental options in the north area and even fewer that are affordable. As housing costs have risen, those in the workforce who serve the community are being closed out because they can't afford to live where they work. Many of these are the people who provide critical community services to Commerce City, including teachers, police officers, fire fighters, health care workers and the many others who are essential to the community but who earn modest incomes.

#### **2010 Comprehensive Plan Guiding Principle #1**

Grow Commerce City in a balanced and compact pattern of neighborhoods and commerce centers, where residents have access to employment, services, and shopping. Promote infill and phase new growth to avoid inefficient and costly leapfrog development.

### **Land use and growth in brief**

Because of the tremendous amount of land in the growth boundary, Commerce City is in a position to continue its robust annexation efforts, a position that makes it unique compared to other municipalities in the Denver-metro area. The city's eventual growth boundary contains more than 61 square miles, offering green-field sites for new development.

Nearly 12 square miles of land in Commerce City that directly borders DEN are available for development. Many of the existing businesses in the DEN Aerotropolis are aviation-oriented. Greenfield sites, including a number of

40-plus acre sites, also exist along primary corridors, offering prime locations for corporate campuses and headquarters.

The Commerce City Urban Renewal Authority (URA) has identified a number of blighted areas for redevelopment. Through public-private partnerships, the URA has begun to use tax increment financing to attract private investment in blighted areas. The public investment is supported by tax increment financing where the additional taxes collected within the urban renewal area are used to finance the debt that was issued to pay for the project. Land use is explored in more detail on pages 26-29.

### **Home rule municipality**

The City of Commerce City, Colorado, incorporated in 1952 as Commerce Town, is a home rule municipality located in Adams County. The city was renamed Commerce City in 1962 and is considered a northern suburb of Denver. Under home rule, city council establishes the laws that are enumerated in the city's Revised Municipal Code. Commerce City operates under a council-manager form of government – city council sets the vision, objectives and budget,

while the city manager executes it through city departments. Commerce City's biennial budget provides the city budget for the coming fiscal year and the financial plan for the following year.

**TABLE 1:** Commerce City population compared to county and state

|               | 2000      | 2010      | 2017   | 2010-17<br>% change | 2000-17<br>% change |
|---------------|-----------|-----------|--|---------------------|---------------------|
| Commerce City | 20,991    | 45,913    | 57,256<br><small>Source: Commerce City Community Development Dept. as of 1/18.</small> | 16.59%              | 155%                |
| Adams County  | 363,857   | 441,603   | 499,042  | 15.58               | 37.15%              |
| Colorado      | 4,301,261 | 5,029,196 | 5,594,670  | 11.24%              | 30.07%              |

Sources: U.S. Census; 2017 ESRI population estimates

The city is framed by the communities of Aurora, Thornton, Brighton and Denver, along with two wildlife parks – Barr Lake State Park to the north and the Rocky Mountain Arsenal National Wildlife Refuge to the southeast – and the Denver International Airport (DEN). The city comprises 41 square miles with a total build-out area of more than 61 square miles, according to the 2010 Comprehensive Plan.

### Who lives in Commerce City

The community has experienced major growth since 2000, more than doubling its population to 57,256, according to the estimate provided by the Commerce City Community Development Department as of January 2018. This population surge has come about as a result of major annexation activity. This makes it the 18th most populous municipality in Colorado, marking a rate of growth that exceeded population forecasts made by the Denver Regional Council of Governments. TABLE 2 shows the growth in population from 1960-2017.

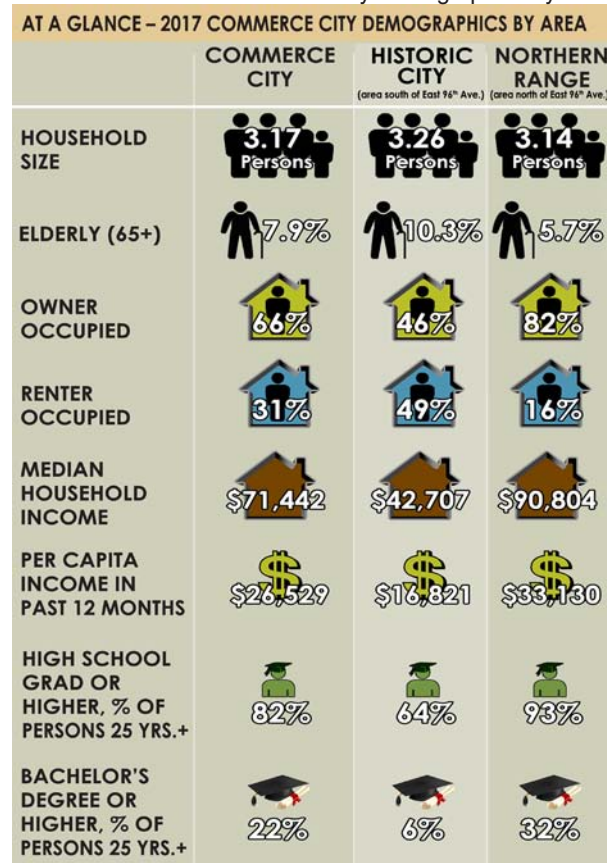
When compared to other municipalities, it is clear that the population growth in Commerce City is an outlier. Since 2000, the population in Commerce City has grown by 155 percent. By contrast, the countywide and statewide growth rates for the same period were 37 and 30 percent, respectively.

**TABLE 2:** Commerce City population growth 1960-2017

| Year | Commerce City population   | Percent change |
|------|--|----------------|
| 1960 | 8,970  | --             |
| 1970 | 17,407   | 94.1           |
| 1980 | 16,234   | -6.7           |
| 1990 | 16,466   | 1.4            |
| 2000 | 20,991   | 27.5           |
| 2010 | 45,913   | 118.7          |
| 2017 | 57,256<br><small>Source: Commerce City Community Development Dept. as of 1/18.</small> | 16.6           |

Sources: U.S. Census; 2017 ESRI population estimates

**INFOGRAPHIC 3:** Commerce City demographics by area



Sources: U.S. Census; 2017 ESRI population estimates. Graphic: Civitas, LLC

*The community has experienced major growth since 2000, more than doubling its population.*

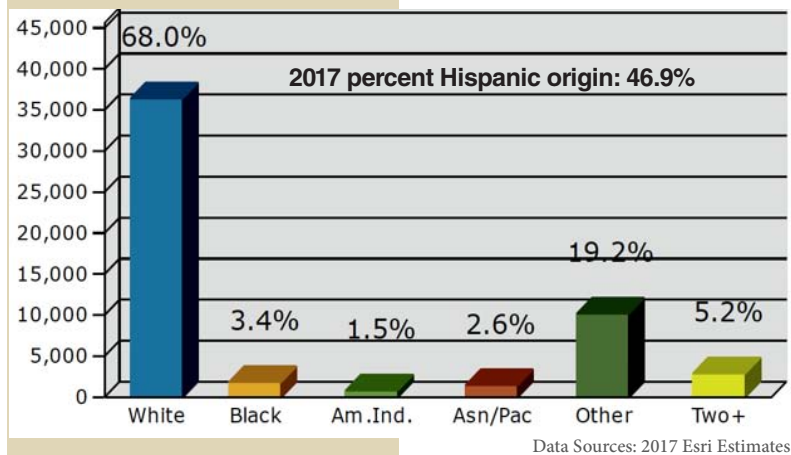
## Section 2: COMMUNITY COMPOSITION AND HISTORY

### Population and employment projections

The Denver Regional Council of Governments (DRCOG) projects that by the year 2040 Commerce City's population will reach 86,258 persons, almost double what it was in 2010. Useful to note that population estimates for 2016 (54,869 persons) have already surpassed DRCOG projections for 2020 (52,999 persons). Population growth would show an increase of 93.3 percent from 2010 to 2040 if DRCOG projections hold. Commerce City is projected to grow faster than the region.

Commerce City's population represents a growing percentage of the county's overall population. In 2000, Commerce City made up 5.8 percent of the total population in Adams County; in 2017, it made up 11 percent.

**CHART 1:** Commerce City population by race and ethnicity



**TABLE 3:** Commerce City race and ethnicity comparisons by state, county

|          | Colorado | Adams County | Commerce City |
|----------|----------|--------------|---------------|
| White    | 84.3%    | 82.8%        | 84.3%         |
| Black    | 4.1%     | 3.2%         | 3.2%          |
| Hispanic | 21.1%    | 38.9%        | 45.6%         |

Source: Esri

### Diversity

A diversity index score measures the probability that any two residents, chosen at random, would be of different ethnicities. If all residents are of the same ethnic group, the diversity index is zero. If half are from one group and half from another it is .50.

Commerce City has a diversity index score of 77. By comparison, the state of Colorado's is 58. Sixty-eight percent of the population is white and a large percentage (47 percent) of the population is Hispanic, based on 2017 Esri estimates. The highest concentration of Hispanics, 70 percent, live in the historic area of Commerce City. By contrast, Hispanics represent 38 percent of the population in Adams County, 33 percent in the city of Denver and 22 percent in the state. More than 33 percent of households in Commerce City primarily speak Spanish. Nearly 20 percent of the population identify as "Some Other Race" (as categorized by the U.S. Census Bureau), which often includes residents who primarily identify as ethnically Hispanic but not as any of the identified races.

### Age

Overall, Commerce City is relatively young. More than 42 percent of the population is between the ages of 25-54 and the median age is 31.7, which is significantly lower than the national median age of 38.2. The median age in Adams County is 33.7 years. In the city of Denver, it is 34.7.

**TABLE 4:** Commerce City population by age

|             | 2010   |       | 2017   |       | 2022 (Projection) |       |
|-------------|--------|-------|--------|-------|-------------------|-------|
|             | #      | %     | #      | %     | #                 | %     |
| Under 25    | 18,594 | 40.8% | 21,968 | 41.0% | 28,159            | 41.4% |
| 25-64       | 24,353 | 53.4% | 27,314 | 51.0% | 33,903            | 49.9% |
| 65 or Older | 2,645  | 5.8%  | 4,248  | 7.9%  | 5,812             | 8.6%  |

Source: Esri

Commerce City's under 25 demographic has remained relatively unchanged since 2010 and that trend is expected to continue. Similarly, the 25-64 age group has declined since 2010, a trend that is likewise expected to persist.



While the elderly account for the smallest portion of Commerce City's population at 8 percent, it is the only age group that is consistently growing. And what's more, this growth is happening at a faster rate in Commerce City than elsewhere in the region. From 2000 to 2017, the number of persons aged 65 and older grew by 119 percent. According to American FactFinder U.S. Census Data, in 2000, there were 1,931 seniors compared to 4,229 in 2017.

The growing numbers of seniors are projected to keep rising in Commerce City in the coming years, heightening the need for appropriate and affordable senior housing.

### Workforce

Of the 22,320 workers in Commerce City, just over half are white collar, 18 percent are service-oriented, and approximately 32 percent are blue collar. The unemployment rate at 2.6 percent is below the national average of 4.1, but within close range of the Denver Metro Area (2.8 percent) and Adams County (3.1 percent). Of those, 79.7 percent drive to work and most of those drive about a half an hour in a car by themselves to get there.

**TABLE 5:** Commerce City employment and population projections

| Commerce City | 2010   | 2015   | 2020   | 2025   | 2030   | 2035   | 2040   |
|---------------|--------|--------|--------|--------|--------|--------|--------|
| Population    | 44,626 | 48,862 | 52,999 | 60,559 | 69,448 | 78,655 | 86,258 |
| Households    | 14,146 | 16,312 | 19,327 | 22,474 | 26,112 | 29,733 | 32,933 |
| Employment    | 28,012 | 29,778 | 31,701 | 33,836 | 36,321 | 39,267 | 41,395 |

Source: Denver Regional Council of Governments - data projections  
Note: The 2020 population projections have already been surpassed

The median household income is lower than the rest of the county and state at \$71,442, but notably above the national. Between 2015 and 2016, U.S. median household income rose 3.2 percent from \$57,230 to \$59,039, according to the U.S. Census Bureau.

Since 2000, the crime rate in Commerce City has declined and education levels have risen. Many new residents are young, college-educated professionals who are married and have a child or two. They are drawn by modern single-family homes in the annexed planned unit developments in the northern range, attracted by the balance of greenspace and easy access to shops, services, recreation and walking and bike paths, larger lots and are within reasonable striking distance of downtown Denver. Homeowners can buy bigger homes than their dollars would purchase in the Mile High City.

### Growth

Most of Commerce City's growth has occurred in these northeast neighborhoods, one of two distinct areas that make up the community with East 96th Avenue as the line of demarcation. The distinctions between the old industrial section of the city to the south and the newly annexed section to the north are evident along every demographic dimension. The differences in composition between these two areas will be explored in greater detail later in this section. Understanding these differences is crucial to understanding the community's housing issues and needs.

## History

Though Commerce City wasn't incorporated until 1952, settlement of the area dates to Colorado's earliest days. Given Commerce City's close proximity to Denver and the presence of the Burlington Northern and Union Pacific Railroad lines, it was a natural place for agriculture and industry to the develop.

Derby, a Burlington Railroad station in 1887, was laid out as a town in 1889, although it was largely vacated by 1891. Dupont and Irondale also were first settled in 1889, communities established to serve a burgeoning industrial economy. Meanwhile, agriculture drove development in nearby Rose Hill, Derby and Adams City.



Denver International Airport

*One key benefit to Commerce City's population growth is hitting the important 50,000 population threshold that qualifies it for federal funding through HUD's Community Development Block Grant (CDBG) program.*

On July 8, 1952, area residents voted to incorporate Commerce Town, comprising the neighborhoods of Rose Hill and southern Adams City. Commerce Town annexed part of Derby in 1962, increasing the population more than fourfold, enough for the town to gain the status of a city and avert Denver's annexation effort. The city name was changed to Commerce City, and its home-rule charter went into effect by 1970, along with a council-manager form of city government. The city's population then was about 16,000 people.

In 1987, Adams County voters allowed Denver to annex lands from unincorporated Adams County to build Denver International Airport, which opened in 1995. Commerce City's proximity to the airport and the transportation systems built to serve it have profoundly impacted the economy of Commerce City. The construction of E-470 and the city's location along the major travel routes of I-76 and I-279 and the Burlington Northern/Santa Fe and Union Pacific railroads informs the prevalence of transportation

and warehouse-driven businesses, which account for approximately 30 percent of all industry jobs in Commerce City. United Parcel Service is Commerce City's largest employer, followed by Adams County School District 14, then Federal Express.

In 1999, voters approved an initiative to not restrict growth in the northern section of Commerce City, a vote that was bolstered by negotiated agreements to bring water and sewer services to the undeveloped area. One of the first housing developments to be constructed that year was the Eagle Creek subdivision, located at East 96th Avenue and Highway 2. This is the line of demarcation between the old historic city and the new northern range. River Run came next at 112th Avenue and Peoria Street, followed by Belle Creek in 2002, and Reunion and Fronterra in 2003. All of this was the beginning of a major wave of residential and retail construction. The city's eventual growth boundary offers green-field sites for more development.

## Land use

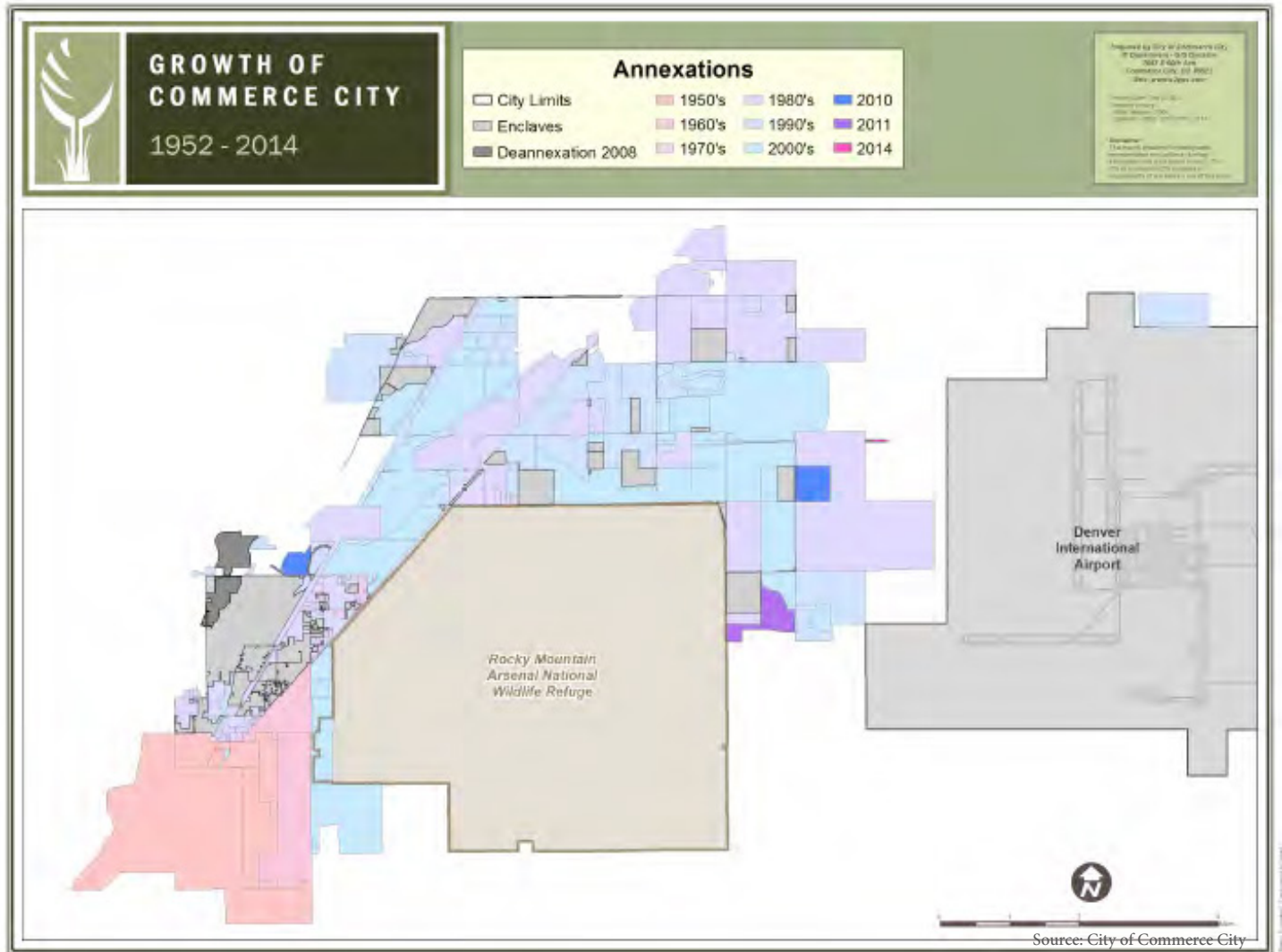
In the northern section of Commerce City, the growth boundary area has a generous supply of land available to accommodate anticipated growth and development. Of the 68-square miles (43,600 acres) of land contained in the Growth Boundary area, 41-square miles (26,000 acres) are currently within the city limits. The challenge is how to balance economic growth of this order with residential interests.

### Annexation

Because of the tremendous amount of land in the city's growth boundary, Commerce City is in a position to continue its robust annexation efforts, a position that makes it unusual compared to other municipalities in the Denver-metro area.

Under the rules of annexation in Commerce City, unincorporated areas of Adams County can become part of Commerce City provided the property is "contiguous to" (next to and touching)

**MAP 2: Growth and annexations in Commerce City 1952-2014**



existing Commerce City boundary lines. The property is considered within the boundary of the city limits once annexation is complete. After annexation, a property also becomes subject to the municipality's local regulations.

The city continues to bank its future on commercial, retail and industrial expansion – economic drivers that support residential development, but that can pose challenges of livability. Issues of pocketed neighborhoods, as well as the noise and smells that come with industry, require planning with all interests in mind.

### Vacant land

While the vast majority of land available for development is agricultural, there are some remaining opportunities for infill development of vacant properties. The amount of vacant land without entitlements in each focus area is listed below (Source: 2010 Comprehensive Plan):

- Historic City: approximately 132 acres;
- Irondale: approximately 360 acres;
- Northern Range: approximately 271 acres;
- E-470 Influence: approximately 18 acres; and
- DEN North: approximately 377 acres.



### Green space and recreation

Commerce City's Planning efforts include a strong commitment to green space and recreation. The city has 840 acres of parks and open space, 25 miles of trails and a championship golf course. Two city recreation centers offer 200 classes and programs for adults and children. The 68,000-square-foot Eagle Pointe Recreation Center, 6060 E. Parkway Dr., in the southern area of Commerce City is undergoing a major renovation. The 108,000-square-foot Bison Ridge Recreation Center, serving residents of the northern edge at East 112th Avenue and Potomac Street is nearly completed.

The 15,000-acre Rocky Mountain Arsenal Wildlife Refuge features 10 miles of hiking trails, recreational fishing opportunities, and is home to more than 330 species of animals, including bison, bald eagles, black-footed ferrets, coyotes, deer and owls. Its location on the eastern edge of Commerce City provides a tranquil and appealing community asset, with opportunities for hunting and recreation.

Other noteworthy open space areas include the city's Veterans Memorial Park, Sand Creek Greenway, O'Brian Canal, Ragweed Draw, Second Creek, Prairie Gateway and the nearby Barr Lake State Park. Many have trails and other amenities ranging from playgrounds to ball fields to shelters for interactive use. The city also operates and maintains the Buffalo Run municipal 18-hole golf course.

As the city has worked to remake itself into a people-centered community with a hometown feel, attempts were made to "rebrand" the town with a new name. Facing a 2007 referendum to change the name, residents of Commerce City overwhelmingly voted it down. This was considered an expression of community pride by many.

### A tale of two cities

Most of Commerce City's growth has occurred in the northeast neighborhoods, the newer of the two distinct areas that make up the community, removed from the older, industrial core. The southern area developed out of that core, neighborhoods built to house the blue-collar labor force that worked at the refineries and the former U.S. Army arsenal. Homes there are older, more modest structures. Property values are lower, and many who live there have lower incomes, less education and higher rates of unemployment. The majority population there is of Hispanic descent. With a score of 80, south Commerce City has a diversity

index rating slightly higher than Commerce City as a whole and significantly higher than the northern range.

By contrast, north of East 96th Avenue – the recognized dividing line between north and south Commerce City – the annexation and building boom of the past two decades has attracted young, first-time homeowners with higher incomes, education and employment. The racial profile is less diverse, with 76 percent of the population being white and a diversity index score of 67.



Suncor, USA





Bison at Rocky Mountain Arsenal Wildlife Refuge.



Bike path along South Platte River

Across almost every meaningful data point there are significant disparities between the northern range and the historic city.

### **Commerce City addresses housing issues**

Commerce City's 2016-2020 Consolidated Plan is a comprehensive planning document promoting a coordinated approach to housing and community development needs. The year 2016 was the first the city met the population threshold to receive funds directly from the federal Block Grant program.

The plan identifies moderate- and low-income housing as high priority needs and underlines the city's commitment to supporting area nonprofits that address homelessness. Working in collaboration with the Commerce City Housing Authority and through its Quality Community Foundation, the city supports and funds efforts by local nonprofits, including those addressing housing issues such as emergency shelter and transitional housing needs. These efforts are explored in greater detail in the housing profile in section four.

*Because of the tremendous amount of land in the city's growth boundary, Commerce City is able to continue its robust annexation efforts, a position that makes it unique compared to other municipalities in the Denver-metro area.*

# SECTION 3

# Economic profile

## SECTION 3: Economic profile

### Overview

Understanding Commerce City's workforce profile is an important part of examining its housing needs. Although general characteristics of the economic condition of the residents in the city are covered in the community profile, this section analyzes the workforce and considers economic factors that influence the housing landscape. The economic and workforce profile of Commerce City is also affected by other factors such as transportation and commuting, participation from neighboring communities' workforces and industry trends. This

analysis gathers relevant data to draw a more direct relationship between the workforce and housing in the city.

Commerce City is home to more than 1,400 companies, a diversity of businesses from oil and steel industries to clean energy, health care, high-tech, warehousing, transportation and agriculture. With its proximity to the Denver International Airport (DEN), the city has become a global leader for logistics and distribution, with more than 100 companies involved in such services, including UPS and Fed Ex. Commerce City has nearly 12 square miles of available land directly bordering DEN, the sixth busiest airport in the U.S. Many aviation-oriented businesses are part of the DEN aerotropolis.

Addressing the housing needs of Commerce City requires analyzing the

factors that impact both the supply and the demand for housing. The number and type of jobs available to residents has a significant impact on the demand for housing. This section details business incentives Commerce City uses to attract new business and industries to the community, and profiles a number of high-impact businesses that have chosen to locate there. It also includes an analysis of labor force participation, unemployment, the prevalence of different industries, and relationships between social factors and income. Whenever possible, details are provided showing the distinctions between the north and south areas of the city.

### Labor force participation

Commerce City is ripe with economic opportunities and a available labor force. The labor force participation rate, which is defined as "people who are either employed or are actively looking for work," has grown considerably since 2000. The unemployment rate is defined as the percentage of people who are unemployed but are in the labor force. The unemployment rate

**TABLE 6: Comparative unemployment rates**

|               | 2000 | 2010 | 2017 |
|---------------|------|------|------|
| Commerce City | 4.3% | 9.5% | 2.9% |
| Adams County  | 2.8% | 10%  | 2.8% |
| Colorado      | 2.8% | 8.7% | 2.7% |

Source: Bureau of Labor Statistics



Mile High Greyhound Park demolition

*Over the past several years, Commerce City has attracted a number of manufacturing and distribution companies, bringing more than 500 new jobs to the city.*



in Commerce City, though higher in 2010 due to the economic downturn, has since recovered.

According to the most recent American Community Survey (ACS) estimates, the unemployment rate in Commerce City was 5.8 percent in 2016.

From 2010 to 2016, the unemployment rate has fluctuated some but overall has been decreasing at a pace similar to Adams County. In that period, the rate has risen and fallen by several percentage points. Similar trends were experienced throughout the county and state.

Labor force data show a fairly strong economy in Commerce City, but it bears examining the differences in the economy in the historic city compared to the northern range. The northern area has a higher labor participation force and lower unemployment rate than the southern area of Commerce City. These variances reveal two distinctively different economic profiles.

Another necessary point of comparison is among racial and ethnic groups in Commerce City. While the average unemployment rate in the city was 5.8 percent in 2016 according to the ACS 2012-2016 estimates, the rate varied between the different racial/ethnic groups. It should be noted that ACS rates will differ slightly than the BLS rates presented earlier in this section. Utilizing both sources provides a more well-rounded view of the statistical picture. Whites (5.4 percent) and Asians (4.2 percent) both had lower rates than the city average. Blacks (9.5 percent), Hispanics (8.3 percent), “two or more” (6.2 percent) and “some other race” (13.2 percent) were all higher than the city average.

“Some other race” had by far the highest unemployment rate in the city. According to the Census Bureau, relatively large portions of Hispanics reported multiple race combinations such as white and “some other race.” The latter is defined in “Overview of Race and Hispanic Origin 2010, 2011.”

Respondents reporting entries such as multiracial, mixed, interracial or a Hispanic or Latino group (for example, Mexican, Puerto Rican, Cuban or Spanish) in response to the race question are included in this category.

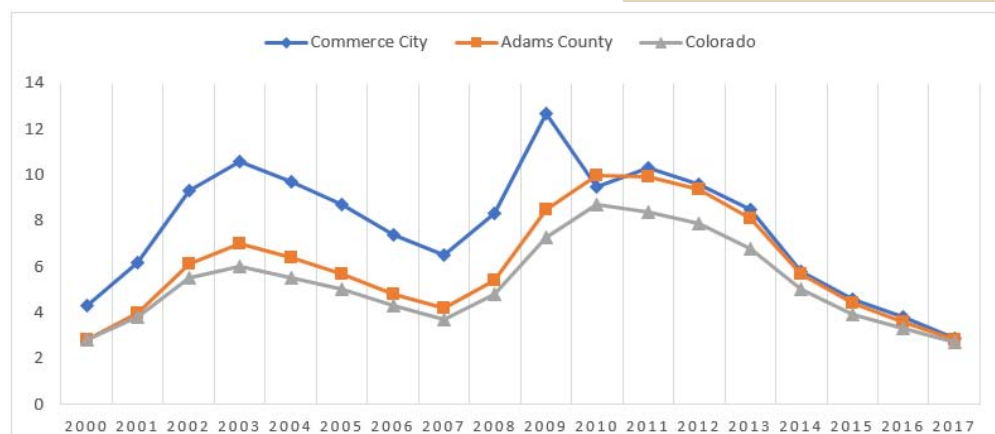
When compared to neighboring cities, Commerce City has many job opportunities, with a jobs-to-household ratio of 2.04, meaning there are more job opportunities than there are households in the city. In this case, there are two jobs per household. According to the 2015 Longitudinal Employer–

**TABLE 7:** Workforce growth 2000-2016 by city in Adams County

|                 | Employed in 2000 | Employed in 2016 | Percent change from 2000-2016 |
|-----------------|------------------|------------------|-------------------------------|
| Commerce City   | 8,497            | 24,093           | 184%                          |
| Arvada          | 54,614           | 61,333           | 12%                           |
| Aurora          | 143,506          | 175,252          | 22%                           |
| Brighton        | 9,518            | 16,962           | 78%                           |
| Federal Heights | 6,069            | 6,191            | 2%                            |
| Northglenn      | 16,584           | 19,803           | 20%                           |
| Thornton        | 44,181           | 67,944           | 54%                           |
| Westminster     | 57,705           | 60,144           | 4%                            |
| Adams County    | 181,721          | 238,687          | 31%                           |

Source: 2012-2016 American Community Survey 5-Year Estimates

**CHART 2:** Change in unemployment rate from 2000 to 2017, Commerce City with county and state



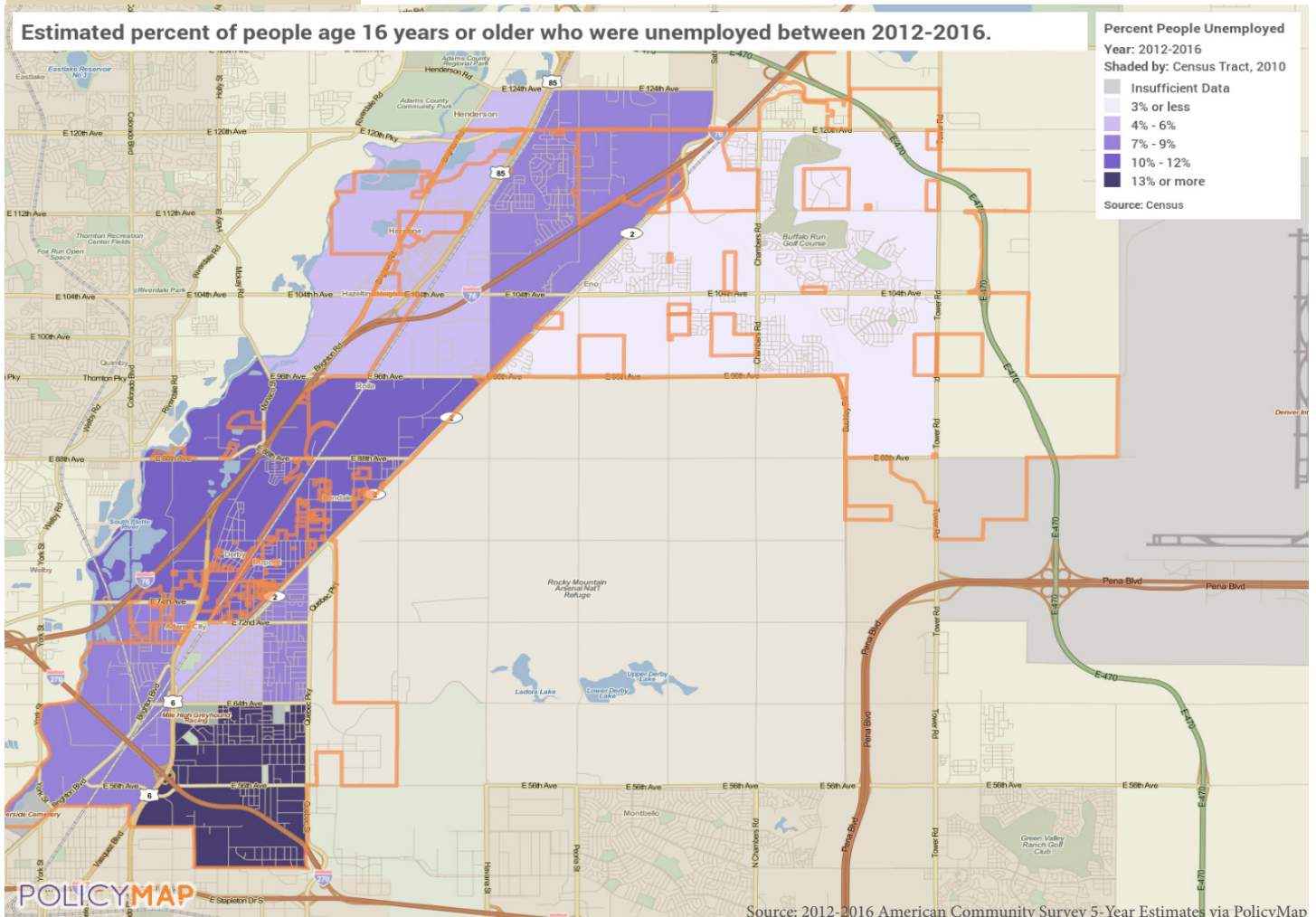
**TABLE 8:** Labor force and unemployment rate north to south

| Area                | Estimate of labor force (civilian) | Unemployment rate |
|---------------------|------------------------------------|-------------------|
| North Commerce City | 98.6%                              | 1.4%              |
| South Commerce City | 95.1%                              | 4.9%              |

Source: Esri 2017 Estimates

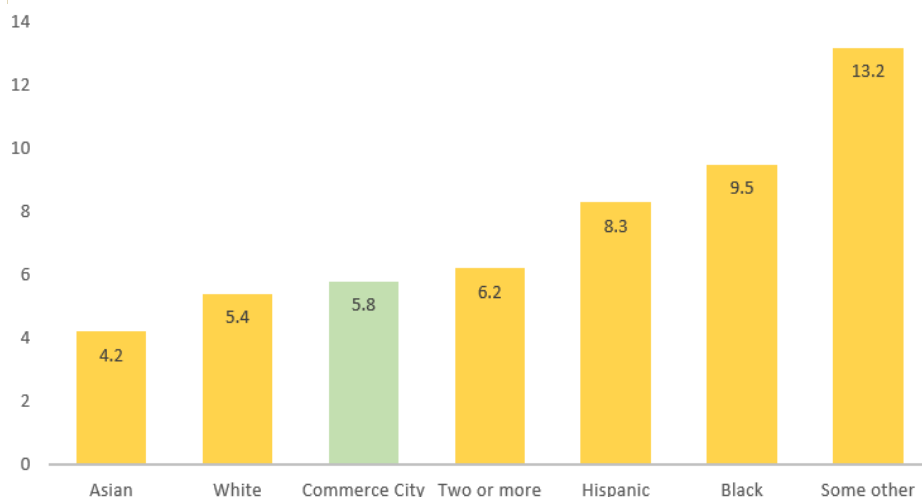
## Section 3: ECONOMIC PROFILE

**MAP 3: Unemployment by location, Commerce City**



**UNEMPLOYMENT BY LOCATION** – This map shows the geographical distribution of the unemployment rate throughout Commerce City. The lightest shade of purple represents areas with the lowest unemployment rate, and the unemployment rate increases as the shade darkens. Generally, the southwest areas of the city have the highest percent of the labor force that is unemployed. Census Tract 08001008709 furthest south, located in the historic city area of Commerce, has a 15.69 percent unemployment rate.

**CHART 3: Unemployment rate by race, Commerce City (%)**



Source: 2012-2016 American Community Survey 5-Year Estimates (S2301)

Household Dynamics (LEHD), almost 14 percent of jobs in the city paid \$1,250 or less per month (roughly the federal minimum wage at full-time hours of 40 hours/week), and 55.4 percent were paid more than \$3,333 per month or a little more than \$20/hour full-time.

LEHD data are the result of a partnership between the Census Bureau and U.S. states to provide high quality local labor market information and to improve the Census Bureau's economic and demographic data programs. LEHD data are based on different administrative sources, primarily Unemployment Insurance (UI) earnings data and the Quarterly Census of Employment and Wages (QCEW), and other censuses

and surveys. Firm and worker information are combined to create job level quarterly earnings history data, data on where workers live and work, and data on firm characteristics, such as industry.

### Jobs-to-household ratio

A jobs-to-household ratio of less than 1.0 means that there is less than one job available within the municipality for each household. Such a ratio suggests that some residents commute to other cities. Commerce City has by far the highest job ratio in the surrounding area, nearly twice that of most other communities.

According to the ACS, in 2000 Commerce City made up less than 5 percent of the county's workforce. This increased to almost 10 percent in 2015 – making the city an important economic stakeholder in the region. During this period, the percent change of employed persons grew 184 percent – more quickly than any other city in the county.

**TABLE 9: Jobs-to-households ratio by city in Adams County**

|                 | Households (ACS) | Jobs (LEHD) | Jobs-to-households ratio |
|-----------------|------------------|-------------|--------------------------|
| Commerce City   | 14,704           | 30,003      | 2.04                     |
| Arvada          | 44,615           | 25,626      | 0.57                     |
| Aurora          | 124,031          | 123,003     | 0.99                     |
| Brighton        | 10,832           | 13,746      | 1.26                     |
| Federal Heights | 4,327            | 2,832       | 0.65                     |
| Northglenn      | 13,886           | 13,658      | 0.98                     |
| Thornton        | 42,679           | 21,630      | 0.51                     |
| Westminster     | 42,239           | 42,901      | 1.01                     |
| Adams County    | 156,628          | 187,116     | 1.19                     |

Source: 2011-2015 American Community Survey 5-Year Estimates (Households), 2015 Longitudinal Employer-Household Dynamics (Jobs)

**MAP 4: 40-plus acre designated employment centers and large mixed-use development opportunities**





## Key projects and industry in Commerce City

Nearly 12 square miles of land in Commerce City that directly borders DEN are available for development. Many of the existing businesses in the DEN Aerotropolis are aviation-oriented. Greenfield sites, including a number of 40-plus acre sites, also exist along primary corridors, offering prime locations for corporate campuses and headquarters.

The Commerce City Urban Renewal Authority (URA) has identified a number of blighted areas for redevelopment. Through public-private partnerships, URA makes use of tax increment financing to attract private investment in blighted areas. The public investment is supported by tax increment financing where the additional taxes collected within the urban renewal area are used to finance the debt that was issued to pay for the project.

Over the past several years, Commerce City has attracted a number of manufacturing and distribution companies, bringing more than 500 new jobs to the city. Most are located in the historic city in south Commerce City, below the East 96th Avenue, including providers of steel, heavy duty pumps and wholesale food

service. Notably, investment by a major steel distributor to construct a 234,000-square-foot industrial facility in Irondale spurred city council to undertake a \$120,000 planning effort to upgrade seriously outdated drainage, road, sewage and utility systems.



Victory Crossing site plan

**TABLE 10:** Industry change (jobs), Commerce City

|  | 2000  | 2009   | 2016   | 2000-16<br>% change |
|--|-------|--------|--------|---------------------|
| Civilian employed population 16 years and older        | 8,497 | 19,919 | 24,093 | 184%                |
| Agriculture, forestry, fishing, hunting, mining        | 81    | 137    | 487    | 501%                |
| Construction   | 1,288 | 2,629  | 2,736  | 112%                |
| Manufacturing  | 1,086 | 1,519  | 1,847  | 70%                 |
| Wholesale trade  | 581   | 1,281  | 1,126  | 94%                 |
| Retail trade   | 1,140 | 2,413  | 3,013  | 164%                |
| Transportation and warehousing, utilities              | 903   | 1,607  | 2,033  | 125%                |
| Information  | 172   | 594    | 595    | 246%                |
| Finance, insurance, real estate, rental, leasing       | 322   | 1,113  | 1,117  | 247%                |
| Professional, scientific, administrative, waste manage | 698   | 2,354  | 2,934  | 320%                |
| Education, health care, social assistance              | 778   | 2,599  | 4,136  | 432%                |
| Arts, entertainment, recreation, accommodation, food   | 623   | 2,002  | 1,710  | 175%                |
| Other services, except public administration           | 522   | 888    | 1,049  | 101%                |
| Public administration                                  | 303   | 783    | 1,310  | 332%                |

Source: 2000 Census, 2005-2005 and 2012-2016 American Community Survey 5-Year Estimates (DP-03)



Commerce City offers many incentives to attract businesses and industries. For qualified businesses needing assistance with expansion or relocation plans, Commerce City offers incentive and assistance programs based on the total proposed capital investment, number of jobs and wage levels.

Overall employment numbers, while important, need to be considered in the context of type of jobs. In general, white collar jobs have greater pay, benefits and job security than blue collar jobs. In Commerce City, white collar jobs are more common with residents in the north than in the south part of the city. The southern Tracts of Commerce City also have a higher percentage of service-oriented jobs than northern Tracts.

**TABLE 11:** Commercial/industrial vacancy & lease rates by property type

| Total sq. footage      | Vacancy rate | Average lease rate (per sq. ft.) | Average lease rate (per sq. ft.) |
|------------------------|--------------|----------------------------------|----------------------------------|
| Office                 | 445,311      | 16.4%                            | \$22.93                          |
| Retail                 | 1,470,328    | 3.4%                             | \$17.44                          |
| Flex                   | 243,132      | 3.2%                             | \$12.00*                         |
| Industrial - warehouse | 7,378,785    | 2.1%                             | \$10.31                          |
| Industrial - all other | 2,381,002    | 1.1%                             | \$10.10                          |

Source: CoStar Realty Information Inc., December 2017. Note: Vacancy rate and average lease rates are for direct space only (excludes sublet space.) Industrial, flex and retail lease rates are triple-net; office rates are full service.

## Key projects under way in Commerce City

The city, through public/private partnership, has made use of a number of business incentives to attract private investment in Commerce City.

- **Derby District infrastructure improvements**, 72nd Place and Monaco Street. Since 2005, the city has implemented several programs to support redevelopment in Derby in order to strengthen the business community with new shops, restaurants and other services while also supporting the growth of existing businesses.

A combination of grant funding and private investment has contributed to these efforts. The city is currently working on a plan to upgrade both street lighting and signage elements in the Derby Downtown District. Improved lighting will make the district safer and more welcoming, wayfinding signage will help direct visitors to destinations in Derby, and both will contribute to the area's unique identity within Commerce City.

- **Mile High Greyhound Park**. The redevelopment project for the former Mile High Greyhound Park site is currently in the zoning and entitlements process, which will determine land use across the 65-acre site. A master development agreement with Real Estate Generation, LLC was approved by the URA and City Council on April 18, 2016, allowing for the development process to move forward.

The site is envisioned to become a vibrant, mixed-use area in the coming years, combining residential, retail, office, civic and educational spaces to help revitalize this historic part of Commerce City. The community-supported vision for the site is a diverse mixed-use development that at full build out could create 1,454 permanent employees, generating \$65.4 million in income on an annual basis. The URA has invested more than \$6 million in the property to date, including the abatement and demolition of 157,947 square feet of structures. The site is located in a Colorado Enterprise Zone and Urban Renewal Area, with access to several interstates and highways.

- **Victory Crossing**, located at 60th Avenue and Quebec Street, one mile north of the Stapleton redevelopment project, is a large-scale, mixed-use destination in the making. More than \$100 million already has been invested in this location, which is home to Dicks Sporting Goods Park's 20,000-seat sports and entertainment stadium, premiere youth field complexes and the Commerce City Civic Center. More than 200 acres are designated for commercial use with 600 acres for conservation.

*With its close proximity to the Denver International Airport (DEN), Commerce City has become a global leader for logistics and distribution with more than 100 companies involved in the control and flow of goods and services.*



Since 2000, the number of people employed in Commerce City has grown by nearly 200 percent. The fastest growing industries include agriculture, forestry, fishing, hunting, mining; education, health care, social assistance; public administration; and professional, scientific, administrative, waste management, all of which grew by more than 300 percent. The slowest-growing fields include

**TABLE 12:** Industry and jobs broken out north to south

|   | Northern Range |               | Historic City |               | Commerce City |               |
|---|----------------|---------------|---------------|---------------|---------------|---------------|
|   | # of jobs      | % of all jobs | # of jobs     | % of all jobs | # of jobs     | % of all jobs |
| Agriculture, forestry, fishing, hunting, mining | 4              | 0.1%          | 3             | 0.0%          | 5             | 0%            |
| Mining  | 77             | 1%            | 6             | 0.0%          | 83            | 0.3%          |
| Utilities                                       | 32             | 0.4%          | 30            | 0.1%          | 30            | 0.1%          |
| Construction                                    | 1,535          | 21%           | 4,028         | 16.6%         | 5,121         | 16%           |
| Manufacturing                                   | 660            | 9%            | 1,545         | 6.4%          | 2,663         | 9%            |
| Wholesale Trade                                 | 898            | 12%           | 3,127         | 12.9%         | 3,671         | 12%           |
| Retail Trade                                    | 899            | 12%           | 2,714         | 11.2%         | 2,779         | 9%            |
| Transportation and Warehousing                  | 788            | 11%           | 2,436         | 10.1%         | 3,649         | 12%           |
| Information                                     | 35             | 0.5%          | 99            | 0.4%          | 126           | 0.4%          |
| Finance and Insurance                           | 43             | 0.6%          | 149           | 0.6%          | 190           | 0.6%          |
| Real Estate, Rental & Leasing                   | 210            | 3%            | 493           | 2.0%          | 612           | 2%            |
| Professional, Scientific & Tech Services        | 161            | 2%            | 541           | 2.2%          | 677           | 2%            |
| Management of Companies                         | 0              | 0%            | 2             | 0.0%          | 2             | 0%            |
| Administrative, Support, and Waste Management   | 287            | 4%            | 1,687         | 7.0%          | 1,887         | 6%            |
| Educational Services                            | 831            | 11%           | 1,949         | 8.1%          | 2,432         | 8%            |
| Health Care and Social Assistance               | 221            | 3%            | 463           | 1.9%          | 673           | 2%            |
| Arts, Entertainment, and Recreation             | 102            | 1%            | 934           | 3.9%          | 1,137         | 4%            |
| Accommodation and Food services                 | 341            | 5%            | 715           | 3.0%          | 1,031         | 3%            |
| Other   | 234            | 3%            | 1,331         | 5.5%          | 1,560         | 5%            |
| Public Administration                           | 56             | 0.8%          | 1,909         | 7.9%          | 2,923         | 9%            |
| Unclassified                                    | 11             | 0.1%          | 50            | 0.2%          | 57            | 0.2%          |

Source: 2000 Census, 2005-2005 and 2012-2016 American Community Survey 5-Year Estimates (DP-03)

**TABLE 13:** Employment type north to south

|              | North Commerce City | South Commerce City |
|--------------|---------------------|---------------------|
| White collar | 58%                 | 33%                 |
| Services     | 15%                 | 23%                 |
| Blue collar  | 26%                 | 44%                 |

Source: 2012-2016 American Community Survey

manufacturing; wholesale trade; other services; construction; and transportation and warehousing; and utilities, which all grew by less than 150 percent. In the north, a greater percentage of the population works in construction, educational services and health care than in the south part of the city. Residents of the historic city work in administrative support, waste management, public administration, and arts, entertainment and recreation.

Though not a large sector of Commerce City's economy, public administration is one of the fastest-growing industries in the city. It also has jobs with the highest incomes. Education, healthcare and social assistance was the largest industry sector and the second fastest-growing industry in the city. Retail trade, the second-largest industry in the city, had the third-lowest income earning jobs.

According to one report, "A Look at Low-Wage Employment in Colorado" by the Colorado Fiscal Institute, those working as retail salespersons had a median hourly wage of \$11.99 in 2001 and in 2016, it decreased to \$11.37 – a 5 percent decline in wages. Cashiers went from \$11.07 to \$10.14 in the same period – a decline of 8.4 percent.

Jobs in the arts, entertainment, recreation, accommodation and food industry (particularly food service) sector also have not fared well. Workers such as food preparers, servers, cooks, fast food workers and restaurant hosts all saw varying degrees of decreasing median wages from 2001 to 2016 in the state. For Commerce City, this suggests that workers in this sector with already low wages will continue to face eroding wages in coming years. Declining wages coupled with increasing cost of housing is an untenable condition for many, leading to displacement, doubling and tripling household numbers or homelessness.

# Education and income

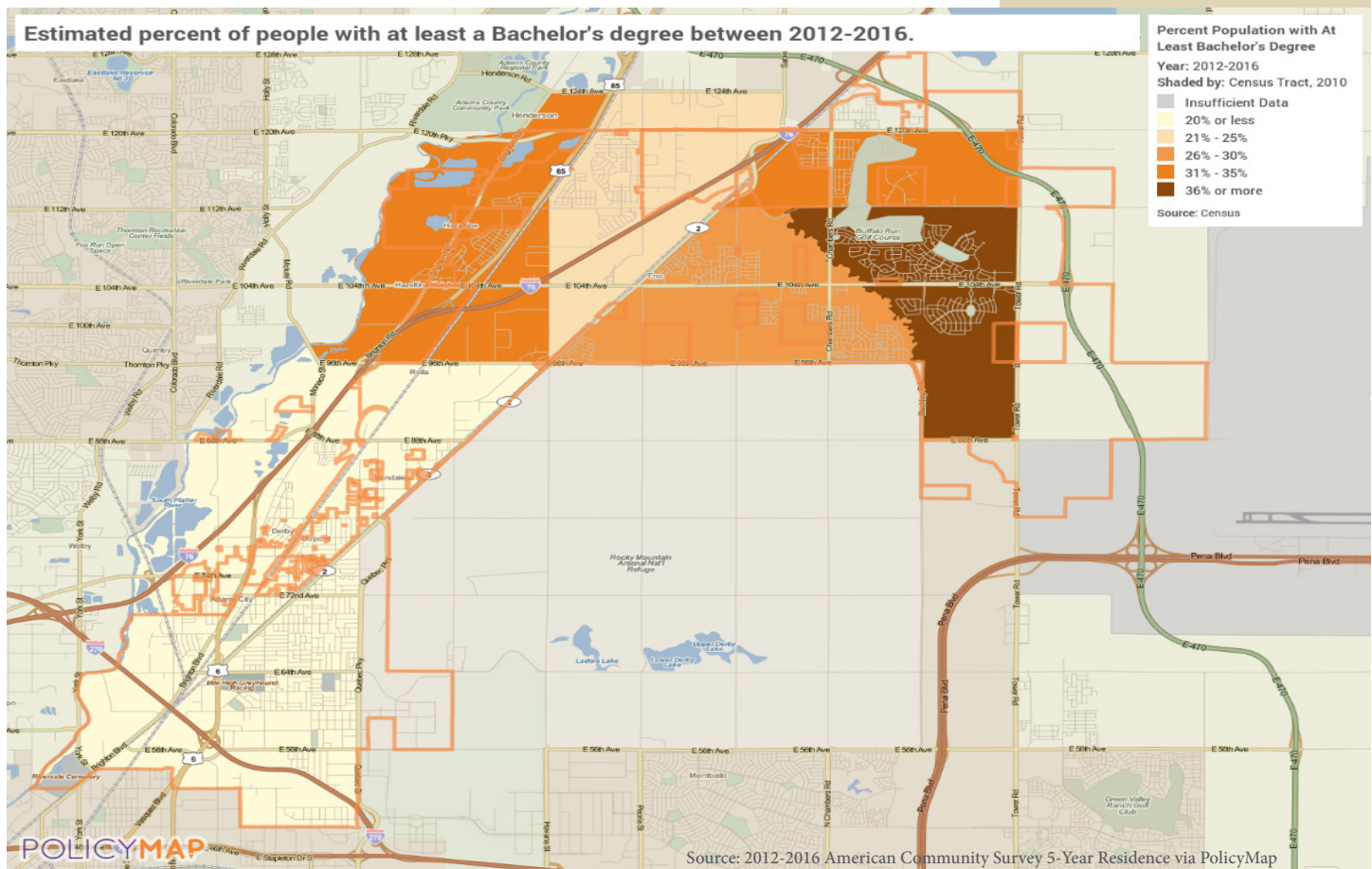
Access to high-paying jobs is based on a variety of factors but of primary importance is education. A workforce with high-quality education has access to better jobs with higher salaries, better benefits and greater job security. Additionally, a community with an educated workforce can attract employers to their area. In Commerce City, those with less than a high school degree or equivalent earned \$29,219 annually. With a college degree, they could expect to earn \$52,141 or 75 percent more. With the number of workers with a bachelor's degree growing quickly, those with lower education attainment will continue to face difficulty finding higher income employment. While wages are slightly higher in Commerce City than Adams County for residents with less than a bachelor's degree, educational attainment varies throughout the city. Fewer than 6 percent of those in the city's historic city have a bachelor's degree or higher, while more than 32 percent of those in the northern range of Commerce City have a bachelor's degree.

**TABLE 14: Median earnings by education attainment (population 25 years+)**

|                                    | Commerce City | Adams County |
|------------------------------------|---------------|--------------|
| Less than H.S. graduate            | \$29,219      | \$24,890     |
| H.S. grad (and equivalent)         | \$34,351      | \$31,930     |
| Some college or associate's degree | \$39,433      | \$38,126     |
| Bachelor's degree                  | \$52,141      | \$52,235     |
| Grad or prof degree                | \$57,726      | \$61,015     |

Source: 2012-2016 American Community Survey 5-Year Estimates (S1501)

**MAP 5: Estimated percentage of persons with at least a bachelor's degree**



# SECTION 4



# Housing profile

## SECTION 4: Housing profile

### Overview: 2010 Comprehensive Plan housing and neighborhood goals

**M**any of the dynamics that affect Commerce City today were in play when the city released its comprehensive plan in 2010. Here we review in summary fashion the conditions at the time affecting housing, and the goals that emerged as part of the planning process.

The burgeoning population growth was already substantially in evidence at the time of the 2010 plan. The population had doubled since the beginning of that decade and the number of housing units also doubled during the same period, with most of the growth occurring in the northern range. In 2007, Commerce City had an estimated 14,037 housing units, compared to 6,907 housing units in 2000.

For those who sought to own homes, there were affordable options for traditional neighborhoods in the historic city and new planned subdivisions in the northern range. What was lacking at that time was affordable rental options at one end of the spectrum and luxury home options at the other. The historic city, then as now, had a higher percentage of rental units than in the north. Housing in the north is still predominantly single-family and owner-occupied.

Married couples made up a slight majority of city households. The city also had a younger population than in neighboring communities. All of that holds true today as does the proportion of seniors, which is lower than other communities in the Metro area, but that population is growing at a faster rate than in neighboring communities.

The following goals, policies and strategies were drawn from Commerce City's 2010 Comprehensive Plan, focusing on housing and neighborhoods. It is well worth noting that when the Comprehensive Plan was developed it predated the escalation in housing costs that has resulted in housing affordability gap. At that time, households earning 80 percent median household income could afford a home listed at or below the median sale price. By 2015, the situation changed markedly with housing price increases significantly outpacing household income growth. That issue aside, the housing problems identified in 2010 and the strategies to address them remain as relevant today as they did when they were written. The 2010 housing goals and strategies are provided here in summary fashion.

### Housing and neighborhoods goals and policies

#### Goal HN 1 – Reinvest in and rehabilitate aging housing stock

The city will reinvest in existing, aging housing stock to stabilize neighborhoods for current resident occupants, especially seniors aging in place. Reinvesting contributes to neighborhood vitality and strength.

#### Citywide policies:

##### HN 1.1—Rehabilitated homes

The preservation of existing housing stock (rental and ownership housing) and its rehabilitation helps prevent loss due to deterioration. It ensures that it will remain available to working families. Rehabilitated homes should be evaluated for environmental hazards. Identified hazards (e.g., lead-based paint, friable asbestos) will be mitigated before houses are re-occupied.



## 2010 Comprehensive Plan guiding principle #4

**Provide multiple types of housing serving a range of current and future residents and incomes in vibrant neighborhoods where people want to live.**

The 2010 Comprehensive Plan focuses on the following goals:

### **Expanded mix of housing**

As families and the population ages and grows, a greater variety of housing types and price ranges will be increasingly important. This Plan promotes quality neighborhoods near schools and services with all types of housing and price ranges available for a diverse community in order to support residents through their entire life (from birth to old-age).

### **Housing affordability**

Housing that is affordable, not only to buy or rent but also that is cost-efficient and healthy to live in, is important to enable more residents to live near where they work to allow them to become economically self-sufficient. Affordable housing should be accessible to transit.

### **Senior housing and universal design**

While Commerce City has a lower proportion of seniors than surrounding communities, its population is aging like the Denver Metro Area as a whole. Currently, the community has very limited senior housing available. For seniors to be able to stay in the community, new senior housing will be necessary.

### **HN 1.2—Neighborhood infrastructure investment**

To support private investment in housing and neighborhoods, the city will focus on reducing blight factors in neighborhoods (such as deteriorating infrastructure), preserving and building upon the character of tree-lined streets, and identifying priority reinvestment areas. As funds are available, the city will invest in infrastructure, spurring private investment in housing stock and neighborhoods. In addition, the city can provide incentives for, and provide standards to ensure appropriate types of infill through its development code.

### **HN 1.3—Property maintenance**

Increase property maintenance requirements to improve safety, appearance, and function of housing and neighborhoods and to consistently apply code enforcement.

## **Goal HN 2 – Increase housing types to meet current and future needs**

**Commerce City will expand the variety of housing types throughout quality neighborhoods for life-long living. Housing should accommodate students, families, singles, aging seniors, and people with disabilities, all at multiple-income levels.**

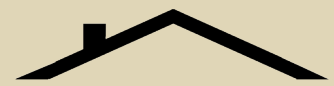
### **Citywide policies:**

#### **HN 2.1—Variety of housing types and mixed-uses within neighborhoods**

Encourage new neighborhoods that contain a mix of housing types, ranging from single-family detached, attached, townhomes, apartments, lofts, and housing for special needs (e.g., seniors). Site plans should include a mix of lot sizes, development densities, as well as housing types and styles, with high-density and multi-family housing near collector and arterial streets, transit, and services.

#### **HN 2.2—Energy-efficient and healthy homes**

Promote programs to reduce costs associated with energy, transportation, and utilities by focusing on environmentally-friendly materials, construction methods, and design to improve efficiency.



### **Housing and Neighborhoods goals address:**

1. Reinvesting in existing neighborhoods and housing stock;
2. Increasing housing choices and variety;
3. Increasing the price range of housing; and
4. Neighborhood accessibility to all modes of travel.



Green homes promote better health by improving ventilation and air quality, and reducing toxins. They also help decrease greenhouse gas emissions and transportation-related air pollution.

### **HN 2.3—Housing with transportation options**

New housing should offer residents a variety of transportation options that are energy-efficient and affordable, including transit. It should also be located near jobs and services. Neighborhoods should be walkable to support a healthier lifestyle. See Chapter 4, Land Use and Growth, related to strengthening city neighborhoods.

### **HN 2.4—Housing for seniors and special needs population**

Promote senior housing and housing for individuals with special needs, including physical or mental disabilities. Senior housing types should range from affordable to higher-end retirement housing. Higher densities may be appropriate targeted locations to accommodate these needs. The city should modify regulations to allow senior housing and facilitate new housing practices that specifically accommodate seniors and people with disabilities. This type of housing should be highly accessible to transit.

### **Goal HN 3 – Increase range of housing prices**

**Commerce City will continue to focus on expanding housing price ranges, so that people of all incomes are able to live in the community.**



### **Citywide policies:**

#### **HN 3.1—Neighborhoods for mixed incomes**

New neighborhoods should contain a range of housing priced at different points for mixed incomes, including high-end homes, to achieve overall diversity.

#### **HN 3.2—Executive housing**

To aid in attracting additional executive housing and opportunities for residents to move up to higher-end housing, provide incentives for and require developers to provide amenities in neighborhoods such as additional open space, recreational facilities, and commercial services.

#### **HN 3.3—Affordable housing options maintained**

Continue to support existing affordable housing options, partnerships, and programs to address the continued maintenance of the city's affordable stock, including existing maintained mobile home parks in the historic city; multi-family housing; and affordable, small, single-family



homes. Future affordable housing will be located throughout the community near jobs and services, so that pockets of low-income housing do not occur.

#### **Goal HN 4 – Ensure neighborhood accessibility to all modes of travel**

**Commerce City will encourage development of convenient access to transit routes, sidewalks, trails and bicycle facilities from neighborhoods and employment centers.**

##### **Citywide policies:**

##### **HN 4.1—Multi-modal level-of-service criteria**

Establish multi-modal level-of-service criteria to be achieved in new and redeveloping areas.

##### **HN 4.2—Pedestrian/bicycle connectivity guidelines**

Establish guidelines for development to assure convenient pedestrian and bicycle connectivity to transit routes.

##### **HN 4.3—Guidelines for residential development**

Establish guidelines for residential development to assure efficient internal transit circulation by minimizing cul-de-sacs and linking roadways in adjacent development tracts.

##### **HN 4.4—Contiguous network of collector streets**

Provide a contiguous network of collector streets within the arterial grid to promote efficient circulation of all modes of travel.

#### **Housing and neighborhoods strategies**

The 2010 Comprehensive Plan offers a number of strategies to address Commerce City's housing issues. This housing needs assessment and the city's 2018 Balanced Housing Plan revisit and update these strategies. The following are the strategies and specific actions outlines in the comprehensive plan:

#### **Strategy for goal HN 1 – Reinvestment and rehabilitation of aging housing stock**

##### **Strategy HN 1a — Citywide housing plan**

Develop a citywide Housing Plan to help refine needs and targets.

##### **Strategy HN 1b — Housing program**

Establish programs to preserve and recycle housing stock (e.g., acquire, redevelop, and resell single-family homes at affordable prices, and provide accessibility improvements), particularly in the historic city.

##### **Strategy HN 1c — Improvement plans for historic city focus areas**

Determine Neighborhood Focus Areas within Historic City (e.g., Southern Core/Rose Hill, Northern Core/Derby/Tichy, Fairfax/Dupont, and Adams City) where the city will develop improvement plans and seek funding to stabilize and improve conditions. Invest to the extent funds are available.





### Benefits of strong neighborhoods with a mix of housing include:

1. Increased housing options near jobs, services, schools, parks and open space, and other community infrastructure
2. Vibrant, safe neighborhoods where people want to live
3. Reduction in travel miles and vehicle use when housing is near schools, jobs, and services
4. Ability for residents to comfortably and safely age in place
5. Potential cost savings on energy, transportation, and utilities in well-located and energy-efficient homes
6. Potential reductions in greenhouse gas emissions (for homes with energy upgrades) and from reduced commute times

### Strategy HN 1d — Proactive property maintenance

Explore ways to make code enforcement more proactive, to ensure property maintenance and prevent further zoning and municipal code violations.

### Strategy NH 1e — Zoning amendments for compatible infill

Evaluate/explore downzoning certain residential areas of the Historic City from R-2 to R-1, to ensure compatible neighborhood infill that strengthens neighborhoods.

### Strategy HN 1f — Neighborhood planning/support

Support a neighborhood planning program, particularly for neighborhoods identified above (see HN 1c).

### Strategy HN 1g — Education about development permitting

Provide educational materials regarding the development permitting process and where it applies. (See also Chapter 13, Appearance and Design, and Chapter 15, Environmental Conservation and Stewardship for strategies related to tree planting, energy efficiency, community gardens, and other neighborhood-related topics.)

## Strategy for goal HN 2 – Variety of housing types to meet needs

### Strategy HN 2a — LDC amendments: accessory dwelling units

Explore concept to allow Accessory Dwelling Units (ADUs) in new and existing neighborhoods where lot sizes would permit them.

### Strategy HN 2b — Household energy programs

Provide programs to reduce household energy costs (costs associated with energy consumption, transportation, and utilities).

### Strategy HN 2c — Foreclosure prevention programs

Work with all housing agencies to ensure that Commerce City residents are aware of and have access to the foreclosure prevention and assistance programs administered by Adams County.

### Strategy HN 2d — Senior housing programs

Pursue federal, state, and local programs to build senior housing, such as Section 202 developments (affordable housing with supportive services) and senior housing for all income levels.

### Strategy HN 2e — Senior housing LDC amendments

Revise the LDC to allow higher density senior housing in mixed-use centers. Promote a visitability ordinance (to accommodate people in wheelchairs or with frailties).

### Strategy HN 3a — Education and counseling

Inform renters and homeowners about

2018 Housing Needs Assessment





### Strategy for goal HN 3 – Increased range of housing prices

options (education and counseling, foreclosure prevention strategies).

#### Strategy HN 3b — Affordable rental options

Continue support for all housing agency efforts to provide quality, affordable rental properties dispersed in different parts of the community (including subsidized housing).

#### Strategy HN 3c — Mixed-Income projects

Require new development to include a mix of price ranges, potentially combining market-rate housing with affordable housing.

#### Strategy HN 3d — Housing authority

Evaluate increased responsibilities and scope for both the Housing Division and Housing Authority.



### Strategy for goal HN 4 Neighborhood accessibility to all modes of travel

#### Goal T 1 Balanced, Comprehensive Transportation System

#### Strategy T 1a — Road network

Implement improvements to roadway network, signals, and intersections, based on a 5-year Capital Improvement Plan (CIP) with priorities as determined by the Transportation Plan. Priorities will be based on safety, congestion relief, connectivity, multi-modal, and implementability.

#### Strategy T 1b — Fees

Determine potential new sources of funding for transportation improvements (e.g., road impact fees, street fees, etc.).

#### Strategy T 1c — Transportation for special needs (and all demographic groups)

Research best practices for design elements to accommodate the aging and disabled (e.g., lighting, materials, other visual and auditory cues, traffic control measures and crosswalks, traffic calming, etc.).

### Goal T 2 Connected transportation system

#### Strategy T 2a — Right of way reserved

Reserve right-of-way for future roads identified (especially the Northern Range and E-470 Influence Area) based on road classifications and standard cross sections.

### Goal T 3 Improved bicycle, pedestrian system

#### Strategy T 3a — Traffic calming

Implement traffic calming measures, as addressed in the Transportation Plan.



#### Strategy T 3b — Bicycle/pedestrian components

Include bicycle and pedestrian components in the Transportation Plan. Research best practices for bicycle and pedestrian system design criteria to be used for new construction and possible improvements to the existing transportation network.

#### Strategy T 3c — Prioritize pedestrian improvements

Coordinate high-priority pedestrian improvement areas with the Transportation Plan Capital Improvements Plan.

#### Strategy T 3d — Prioritize traffic safety improvements

Monitor (vehicle, pedestrian, and bicycle) traffic accident data to prioritize areas for traffic safety improvements.

#### Strategy T 3e — Bicycle plan

Prepare a Citywide Bicycle Plan (that might include component such as Adopt-a-Bikeway program to allow residents to adopt a bikeway route, report obstructions, and keep it clean; bicycle racks, lockers, and structures; Bike to Work Day – City promotes bicycling, working with businesses to provide free breakfast; C3 Bikes – City sponsors bicycling and program to promote safety, so students will use alternative transportation to/from school.

### Goal T 4 Improved transit

#### Strategy T 4a — Alternative modes – city employee

Promote employee use of alternative modes, including bicycle commuting and transit.

#### Strategy T 4b — FasTracks North Metro corridor

Work with partners, including RTD, to ensure that Commerce City's FasTracks' North Metro Corridor station is built to serve Commerce City and that the station is well connected to the entire community through sidewalks, bikeways and local transit service.

#### Strategy T 4c — FasTracks East corridor

Work with partners, including RTD, to ensure that stations on FasTracks' East Corridor are built



to serve and are well connected to Commerce City through sidewalks, bikeways and local transit service.

#### **Strategy T 4d — Future commuter rail**

Work with RTD to develop an alignment and station locations along the NATE rail corridor that best serve Commerce City.

#### **Strategy T 4e — Bus transit corridors**

Include provision for bus transit priority features along congested transit corridors. These could include queue jump lanes or transit signal priority equipment. Ensure land use and design standards support future transit goals; design for pedestrian connectivity.

#### **Strategy T 4f — Northern range bus routes**

Identify transit services that connect the northern range developments to their primary destinations such as the historic city, downtown Denver and DIA through the use of local bus services and planned commuter rail routes.



#### **Strategy T 4g — Future rail transit corridor**

Work with partners, including E-470 Authority, RTD, and Rocky Mountain Rail Authority to develop an alignment and station locations along the E-470 corridor that best serve Commerce City.

### **Goal T 5 Multi-use trails connected**

#### **Strategy T 5a — Trails plans**

Implement Trails Plans.

### **Goal T 6 Regional coordination of transportation**

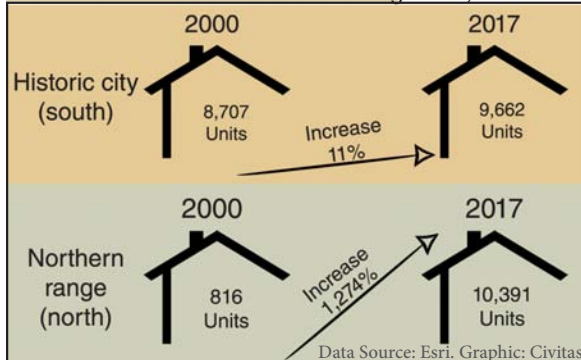
#### **Strategy T 6a — Intergovernmental agreements/joint funding**

Explore/develop intergovernmental agreements with adjacent jurisdictions to apply for joint project funding, to promote seamless connectivity, and to negotiate complementary standards for the transportation network.

## Current housing overview

Since the release of the 2010 Comprehensive Plan, the differences between the historic city in the industrial area of Commerce City and the northern range in the city's newly developed areas have grown more extreme. The oldest part of the community dating back to the beginning of industries there, experienced commercial and industrial growth during this period but little population growth. The number of housing units – both rental and owner-occupied – increased 11 percent.

**INFOGRAPHIC 4: Growth of housing north, south**



From 2000-2017, the number of housing units in the historic city increased 11 percent. In the northern range, the number increased 1,274 percent.

The numbers in northern range for the same period tell a very different story. In 2000, before development of the annexed areas took off, there were only 816 housing units. By 2017, the number of housing units had grown to 10,391 – a marked increase of 1,274 percent (see INFOGRAPHIC 4).

In 2000, when annexation and the rapid expansion of the northern range was just getting started, there were only 816 housing units there, of which 79.9 percent were owner-occupied homes and 12 percent were renter occupied. At the same time in the historic city, more housing units were owner-occupied (62.5 percent) than renter-occupied (34.6 percent). Vacancy rate was low at 2.9 percent.

In 2017, there were more renters (48.9 percent) in the historic city than owners (46.4 percent), while in the north area the percentage of renter-occupied housing went up only slightly to 16.2 percent. Vacancy rates in the south area were low at 4.8 percent and even lower in the north area at 1.8 percent.

Much of the housing stock and plat-design of the historic city dates from the late 1800s to the mid-20th century, long before zoning codes and comprehensive plans. The residential sections grew up within wagon or walking distance of the mills, ironworks, oil refineries and other industries that congregated in the area just north of Denver, a natural landing place for early industrial development given easy access to railroads and distribution pipelines.

### Commerce City's evolution from industrial core to urban family community

The area that became Commerce City has always been connected to the economy of Denver – at once close enough to be considered a Denver suburb but far enough away that the smoke stacks didn't interfere. The neighborhoods that evolved served the hard-working mill and refinery laborers who were there to serve the industries. The plat-maps of the late 1800s, with plats as small as 50-square-feet, reflect a low-paid workforce with easy access to industrial workplaces.

**INFOGRAPHIC 5: Demographic comparisons north, south**

| New city (northern range)   | Old city (historic city)   |
|---|--|
| <ul style="list-style-type: none"> <li>↑ Higher population growth 1,361%</li> <li>↑ Higher household income               <ul style="list-style-type: none"> <li>• Median household income \$90,804</li> <li>• Per capita income \$33,130</li> <li>• Median net worth \$216,547</li> </ul> </li> <li>↓ Lower unemployment 1.4 percent</li> <li>↑ Higher educational attainment 31%</li> <li>↓ Smaller Hispanic population 30%</li> <li>↑ Higher percentage of single-family detached homes 86%</li> </ul> | <ul style="list-style-type: none"> <li>↓ Lower population growth 14%</li> <li>↓ Lower household income               <ul style="list-style-type: none"> <li>• Median household income \$42,707</li> <li>• Per capita income \$16,821</li> <li>• Median net worth \$27,732</li> </ul> </li> <li>↑ Higher unemployment 4.9 percent</li> <li>↓ Lower educational attainment 6%</li> <li>↑ Larger Hispanic population 70%</li> <li>↓ Lower percentage of single-family detached homes 64%</li> </ul> |

Graphic: Civitas, LLC.

Over time, as business and industry have changed, community priorities have as well. The cleanup of the Rocky Mountain Arsenal that occurred in the 1990s converted an industrial area of Commerce City into a haven for wildlife. The wildlife refuge hugs the southeastern edge of Commerce City, a place that today is home to bison, eagles, deer and 330 other species of wildlife. The nature of new industry establishing in the area is changing as well, attracted by Commerce City's reputation as a distribution center, a natural development given its access to major roads and railways and proximity to the Denver International Airport.

Commerce City's commitment to healthy, family-friendly neighborhoods is manifest in its

on-going efforts to improve the quality of life for all its residents. In south Commerce City that has meant a \$10 million renovation of the 30-year-old Eagle Pointe Recreation Center, pending infrastructure improvements in Irondale, the development of bike and walking paths along the banks of the South Platte River and throughout the community, the addition of parks and greenspace, the influx of social service organizations dedicated to helping residents improve access to health care, education, job training and affordable, quality housing. It has meant revisiting old plat maps and zoning to allow for adaptive reuse of buildings in disrepair. It has meant rethinking neighborhoods that are disconnected because of the matrix of roads and rail lines. It has meant development of programs and efforts to adapt and repair homes that are aging. It focuses on getting those who grow up there to want to stay and raise their families there.

In the north area of Commerce City, most everything is new and has been built up with the full benefit of planned unit development and application of the city's comprehensive planning efforts. Neighborhoods are being built with carefully thought-out elements designed to give residents easy access to schools, healthcare, recreation, parks, businesses and entertainment with roads that allow traffic to move smoothly. The planned communities are built around practices of renewability and sustainability.

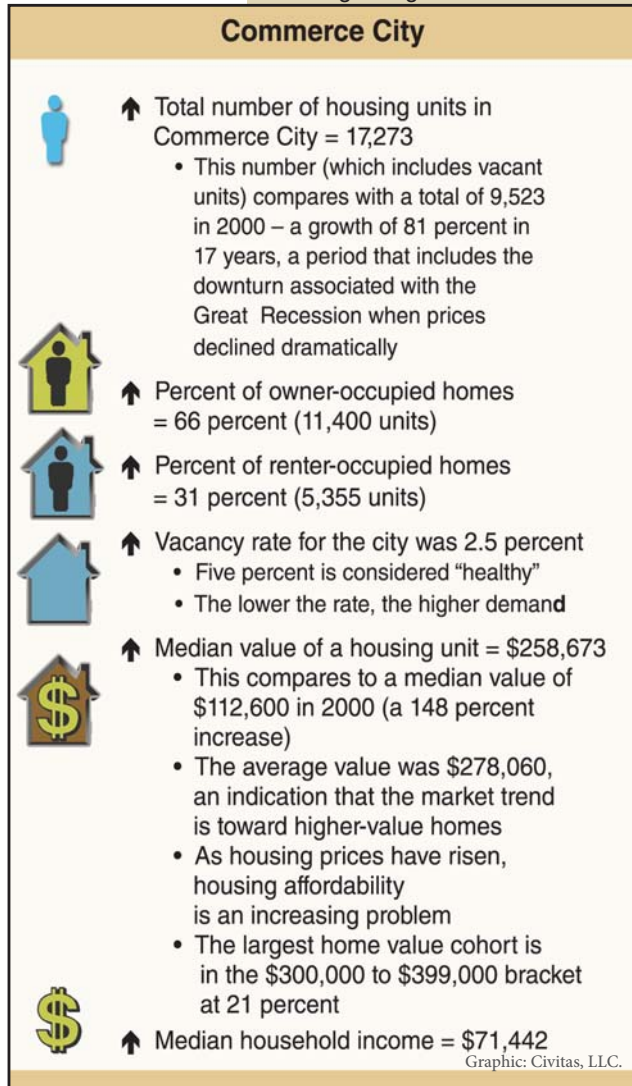
The issues facing the newly developed annexed areas are matters of affordability and a lack of diverse housing stock. Indeed, today, Commerce City as a whole has a higher percentage of single-family detached homes in its housing stock than any other community in the region. But that number is even higher in the north area.

There are few rental options in the north area and even fewer that are affordable. High-density housing and housing that accommodates the needs of the elderly and disabled are likewise rare. As housing costs have risen, those in the workforce who serve the community are being closed out because they can't afford to live where they work. Many of these are the people who provide critical community services including teachers, police officers, fire fighters, waiters, health care workers and the many others who make a community tick but who earn modest incomes.

Understanding the local housing market, the existing housing inventory and its characteristics is crucial in assessing current and future needs and in crafting a plan moving forward. This section details new home sales, building permit data and projections, and shows the correlation between home prices and gross rents to household income and housing affordability. Some of the data is rendered for the whole city. Where possible, though, we offer a more detailed view showing north and south data breakdowns.

The residential sales trends section analyzes housing transaction data from two market level data sources, the Denver Metro Association of Realtors (DMAR) and

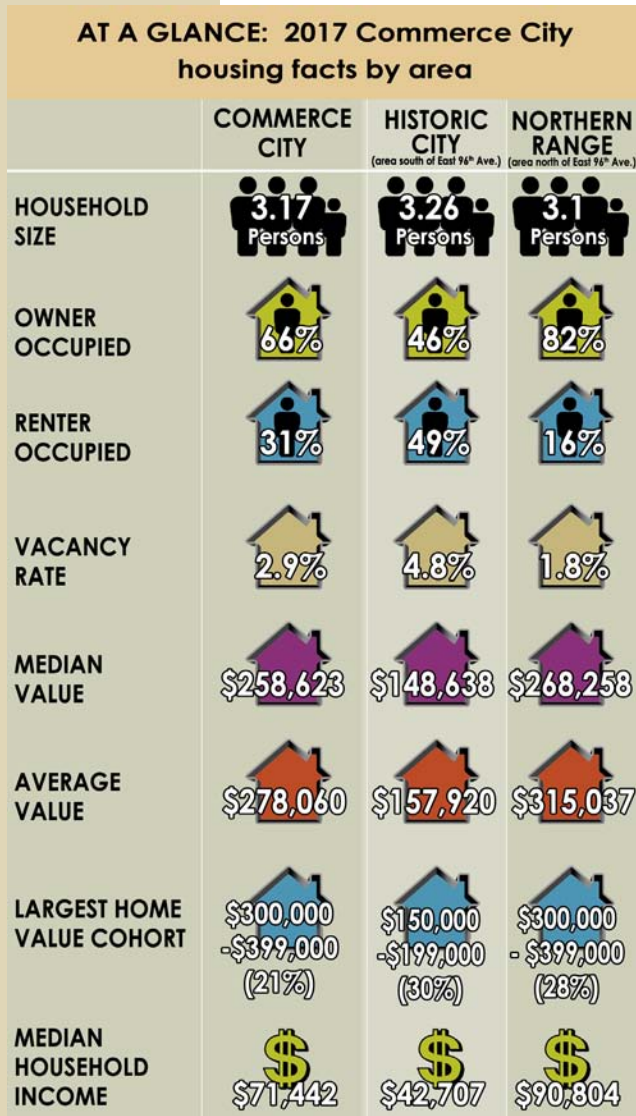
## INFOGRAPHIC 6: 2017 housing at a glance



## Section 4: HOUSING PROFILE



INFOGRAPHIC 7: 2017 housing facts by area



Source: 2017 Esri. Graphic: Civitas

on the market and the number of households looking for housing. Housing must be the proper type and price for the consumer. If there is an imbalance between the housing supply and demand, residents may decide to live elsewhere even if they would prefer Commerce City.

Market rates of homes and rentals will be explored in detail later this section using multiple indicators from the U.S. Census Bureau, the Denver Board of Realtors and Boxwood Means.

Some of the housing market is beyond the influence of citywide policy. These include the proximity to weekend destinations or the availability of metro-wide public transportation infrastructure. But there are ways to incentivize housing growth within a jurisdiction. Local governments have some latitude with policies that can attract more residents and jobs to their jurisdictions.

Boxwood Means (BM), a national real estate research firm, to show recent price points as well as trend lines from the last few years. A major benefit of these sources is that they reflect actual sales price data from the market (as opposed to the U.S. Census Bureau's American Community Survey, which only shows self-reported home value).

In addition to sales trends, the Housing Profile offers a breakdown of the city's housing stock from multiple perspectives. The primary data sources for this are ACS, Esri and the Denver Metro Association of Realtors (DMAR).

Esri estimates from 2017 were the most current data source as of the writing of this report. While these data are estimates, they are based on analytics and statistical models that build off of U.S. Census and ACS data, and have proven reliable over the years. Esri produced 2017 estimates for only a select few indicators, which are presented in INFOGRAPHIC 7 to provide a current snapshot of Commerce City's housing stock.

In broad, even as incomes have risen in the period from 2000 to 2017, the cost of housing has risen at an even faster rate. As has been discussed throughout this study, the data for Commerce City as a whole only tell part of the story. Within the historic city, the areas of Irondale and the historic city are explored.

## Housing needs gap

In the identification of housing needs, there are more than the differences between the raw number of homes

TABLE 15: Household problems of occupied units

|                                     | Number | Percentage |
|-------------------------------------|--------|------------|
| Cost burden                         | 5,134  | 34.0%      |
| Overcrowding                        | 1,122  | 7.4%       |
| Lack of complete kitchen facilities | 64     | 0.4%       |

Source: 2012-2016 American Community Survey 5-Year Estimates (B25048, B25052, DP04)



## Homeowner affordability gap

One cause of a housing needs gap is the lack of affordable housing. While what is considered “affordable” can vary significantly, according to HUD those who spend more than 30 percent of their income on housing are considered “cost-burdened.”

More than 5,000 households in Commerce City are cost-burdened due to housing costs. Lower income residents are more likely to be cost-burdened. The availability of less-expensive housing of the same quality can help close part of the housing gap.

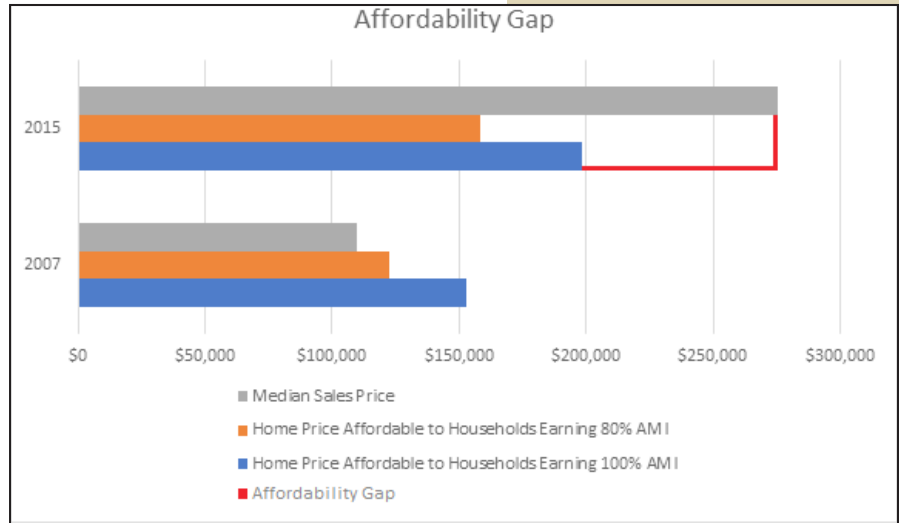
As housing costs rise, overcrowding also rises as households attempt to reduce housing costs. Overcrowding is defined as “more than one person per room.” In Commerce City, 7.4 percent (1,122 households) are overcrowded.

As household income increases, the likelihood of a family being cost-burdened decreases, but the reduction is not as dramatic as might be expected. While most households with higher income do not necessarily look for proportionally more expensive homes, still nearly 50 percent of owner-occupied households that make between \$50,000 and \$75,000 are cost-burdened. Only 27 percent of renter-occupied households in the same MHI cohort are cost-burdened. Higher-income renter households are lower-risk tenants, which means they have more rental options.

Commerce City had no affordability gap in 2007. That year the median sales price of a home in Commerce City was \$109,872. Households earning 80 percent of the median household income could afford a home listed at or below the median sales price. That meant a household earning 100 percent of the median household income could afford a home valued at more than \$150,000.


But by 2015 the situation had changed dramatically. Housing price increases far outpaced household income growth, leading to a significant affordability gap. From 2007 when homes in Commerce City were affordable to 2015 when they were not, the median sales price for a home more than doubled, while household income grew only 29 percent. Households earning 100 percent median household

**CHART 4: Affordability gap for homeowners in Commerce City**



Source: Median Sales Price, Boxwood Means via PolicyMap; Home Price Affordable, using 3x median household income from 2011-2015 ACS 5-Year Estimates (which is a common method of estimating affordability).

**TABLE 16: Total households paying more than 30 percent of income for housing**

|  | Owner-occupied housing |            |                     |              | Renter-occupied housing |            |                     |            |
|---|------------------------|------------|---------------------|--------------|-------------------------|------------|---------------------|------------|
|   | Total households       |            | Paying more than 30 |              | Total households        |            | Paying more than 30 |            |
|   | Number                 | Percentage | Percent             | Percentage   | Number                  | Percentage | Number              | Percentage |
| Less than \$20,000  | 634                    | 6.0%       | 442                 | 69.7%        | 969                     | 21.3%      | 794                 | 81.9%      |
| \$20,000-\$34,999   | 702                    | 6.7%       | 427                 | 60.8%        | 712                     | 15.6%      | 462                 | 64.9%      |
| \$35,000-\$49,999   | 1,213                  | 11.5%      | 614                 | 50.6%        | 843                     | 18.5%      | 513                 | 60.9%      |
| \$50,000-\$74,999   | 2,374                  | 22.5%      | 1,097               | 46.2%        | 840                     | 18.4%      | 223                 | 26.5%      |
| \$75,000 or more  | 5,606                  | 53.2%      | 413                 | 7.4%         | 1,074                   | 23.6%      | 149                 | 13.9%      |
| Zero or negative Income or No Cash Rent   | 15                     | 0.14%      | --                  | --           | 119                     | 2.6%       | --                  | --         |
| <b>Total</b>  | <b>10,544</b>          | <b>--</b>  | <b>--</b>           | <b>4,557</b> | <b>--</b>               | <b>--</b>  |                     |            |

Data source: 2012-2016 American Community Survey 5-Year Estimates (B25106)

## Section 4: HOUSING PROFILE

income could no longer afford a median priced home in Commerce City. In broad, even as incomes have risen in the period from 2000 to 2017, the cost of housing has risen at a faster rate.

### Renter affordability gap

Commerce City has a higher median household income than most neighboring cities and thus lower cost burdened low-income households. While a majority of Commerce City residents are homeowners, nearly one-third of households are renters and most live in the city's southern historic city where housing is more affordable and rental properties more prevalent. The cost-adjusted rent paid by low-income households has risen, even as incomes have fallen.

The cost burdens are more pronounced when looked at by area and when taking in increases in market rental rates. In the south part of Commerce City, medium household income in 2017 was \$42,707, according to Esri estimates. Individual income was \$16,821. With increases in rental rates this suggests that renters in south Commerce City are even more cost burdened than they were based on the 2016 five-year American Community Survey (ACS) data. The median household income in the city was \$67,787 per year or \$5,649 per month. The median gross rent at that time was \$1,066. That meant that in Commerce City a household making less than \$3,553 per month was considered cost burdened renting an apartment at or above the median rent.

Based on that data, 44 percent of renters were cost burdened, spending 30 percent or more of their income on housing. Households are considered "extremely cost burdened" if they pay more than 50 percent of their income on housing. The actual median market rent is likely to be higher than \$1,066 a month, but the U.S. Census Bureau's ACS is the trusted source for housing cost burden data so its figures are used here.

## The "missing middle"

Diverse housing options are necessary for stable growth of any community. Many communities suffer from what is called a "missing middle," a term coined by Daniel Parolek of Opticos Design, Inc. in 2010 to define a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living. Researchers Michael Sivak and Brandon Schoettle from the Transportation Research Institute at the University of Michigan

**INFOGRAPHIC 8:** Missing middle housing



Source: Opticos Design, Inc.

Missing middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.

compared the percentage of people of different age groups with drivers' licenses in the United States in 1983, 2008, 2011 and 2014. The study found that in every year examined, there has been a decrease in the percentage of 16- to 44-year-olds with driver's licenses in the United States.

From 1983 to 2014, for instance, the number of 16 year olds with driver's licenses dropped by 47 percent. For those ages 20 to 24, there has been a 16 percent decrease over the same time span. And for those ages 30 to 34, a 10 percentage decrease.

Though there are many reasons for the drop in those who drive as opposed to using alternative transit, a major factor is a preference for denser urban locales with access to transit or neighborhood amenities.

Compared to other jurisdictions, Commerce City has few housing options with three or more units. The national trend toward walkable, higher density, multi-purpose developments is not reflected in Commerce City's housing stock. A factor contributing to this could be the city's land-use and zoning regulations. One way to determine the "walkability" of a community is to compare commute patterns within a region. TABLE 18 shows the percentage of the population that uses public transportation, walks or rides a bicycle to work in Commerce City and neighboring cities. Commerce City has a relatively low rate of commuting by non-motorized personal vehicle. The rate is approximately 2.4 percent lower than the county average, and only Brighton has a lower rate. Given access to public transportation, Denver, not surprisingly, has the highest percentage of people who commute by non-motorized personal vehicle. The high need for a personal vehicle often disproportionately harms low-income families. According to AAA's 2016 annual driving cost analysis, the average annual cost to maintain a small sedan was \$4,720. If a resident drives to work they should expect about \$57 in additional expenses per 100 miles.

### Commuters

In addition to the more than 5,000 cost-burdened households, there is a large population that works in Commerce City

**TABLE 17: Housing type availability by city ("missing middle")**

|               | 1 unit detached | 1 unit attached | 2 units | 3 to 4 units | 5 to 9 units | 10 to 19 units | 20 units or more | % of "missing middle" housing |
|---------------|-----------------|-----------------|---------|--------------|--------------|----------------|------------------|-------------------------------|
| Commerce City | 76.0%           | 7.4%            | 2.4%    | 1.9%         | 3.0%         | 3.5%           | 3.1%             | 14.7%                         |
| Welby         | 59.3%           | 6.6%            | 0.8%    | 4.2%         | 7.2%         | 3.5%           | 8.1%             | 18.8%                         |
| Denver        | 46.2%           | 7.8%            | 2.5%    | 3.4%         | 4.8%         | 8.6%           | 26.5%            | 18.5%                         |
| Thornton      | 62.8%           | 8.6%            | 0.1%    | 2.7%         | 3.9%         | 8.6%           | 6.8%             | 15.3%                         |
| Aurora        | 50.9%           | 10.9%           | 1.2%    | 3.9%         | 7.6%         | 10.9%          | 12.9%            | 23.6%                         |
| Brighton      | 68.3%           | 9.0%            | 1.2%    | 2.5%         | 1.9%         | 3.8%           | 9.1%             | 14.6%                         |
| Adams County  | 62.2%           | 7.5%            | 0.9%    | 2.6%         | 4.5%         | 7.3%           | 8.4%             | 15.5%                         |
| Colorado      | 63.0%           | 7.0%            | 1.6%    | 3.3%         | 4.6%         | 5.8%           | 10.4%            | 16.5%                         |

Source: 2012-2016 American Community Survey 5-Year Estimates (DP04). Note: Total housing for each location does not equal 100% because two categories ("mobile home" and "boat, RV, van") have been removed from the table



## Section 4: HOUSING PROFILE

**TABLE 18:** Transportation to work by county (non-motorized personal vehicle)

|               | Public transportation | Walked | Bicycled | Total non-personal vehicle |
|---------------|-----------------------|--------|----------|----------------------------|
| Commerce City | 2.2%                  | 0.6%   | 0.2%     | 3.0%                       |
| Welby         | 6.0%                  | 1.8%   | 0.0%     | 7.8%                       |
| Denver        | 6.8%                  | 4.5%   | 2.3%     | 13.6%                      |
| Thornton      | 2.9%                  | 0.6%   | 0.3%     | 3.8%                       |
| Aurora        | 5.6%                  | 1.7%   | 0.2%     | 7.5%                       |
| Brighton      | 0.7%                  | 1.8%   | 0.3%     | 2.8%                       |
| Adams County  | 3.8%                  | 1.3%   | 0.3%     | 5.4%                       |
| Colorado      | 3.1%                  | 3.0%   | 1.3%     | 7.4%                       |

Source: 2012-2016 American Community Survey 5-Year Estimates (S0801)

**TABLE 19:** Percentage of workforce by home by location and year

| Year | Commerce City | Denver | Aurora | Thornton | Other |
|------|---------------|--------|--------|----------|-------|
| 2002 | 6.1%          | 15.6%  | 10.2%  | 8.7%     | 59.4% |
| 2003 | 6.4%          | 15.9%  | 10.5%  | 9.2%     | 58.0% |
| 2004 | 6.1%          | 15.5%  | 10.7%  | 9.1%     | 58.6% |
| 2005 | 6.0%          | 15.2%  | 11.3%  | 8.7%     | 58.8% |
| 2006 | 5.1%          | 15.3%  | 11.6%  | 7.5%     | 60.5% |
| 2007 | 5.2%          | 14.4%  | 10.3%  | 8.5%     | 61.6% |
| 2008 | 4.8%          | 15.1%  | 10.3%  | 8.0%     | 61.8% |
| 2009 | 4.9%          | 14.2%  | 10.4%  | 8.4%     | 62.1% |
| 2010 | 5.3%          | 14.6%  | 9.7%   | 8.0%     | 62.4% |
| 2011 | 7.3%          | 14.2%  | 10.3%  | 8.5%     | 59.7% |
| 2012 | 7.4%          | 14.6%  | 9.8%   | 9.0%     | 59.2% |
| 2013 | 7.8%          | 13.8%  | 10.2%  | 8.9%     | 59.3% |
| 2014 | 7.6%          | 14.6%  | 10.6%  | 8.6%     | 58.6% |
| 2015 | 7.9%          | 16.1%  | 10.5%  | 8.5%     | 57.0% |

Source: U.S. Census Bureau, onthemap.ces.census.gov. Data note: 2015 was the most recent data available.

but commutes from neighboring communities. If these individuals lived in Commerce City, it could have the added benefit of reducing traffic and increasing the tax base in the city. Workers want convenient biking, walking and public transportation. Longer commute times are associated with decreased health and productivity, which negatively impacts the economy and quality of life.

"TABLE 18: Transportation to work by county (non-motorized personal vehicle)" shows the commute patterns of persons who work in Commerce City. Since 2002, the percentage of persons who live and work within Commerce City has increased slightly, but still more than 90 percent of the employees in Commerce City live outside the city. In 2015, there were 27,623 individuals employed in Commerce City but living elsewhere.

According to Global Workplace Analytics, the regular work-at-home population has grown 103 percent since 2005. The rate of employees who telecommute grew by 5.6 percent between 2013-2014. While the Denver Metro Area is a fast-growing, attractive hub, the area is still competing to attract and retain talent. As the information economy becomes more prevalent worldwide with more people working from home, families have more latitude to live where they choose.

TABLE 20 shows that compared to other jurisdictions, Commerce City has a lower percentage of residents who work from home.

## Community services addressing housing

There are a total of 17,273 housing units in Commerce City. Of those, 783 are low-income

**TABLE 20:** Population working from home

|               | 2009 | 2016 | Percent growth |
|---------------|------|------|----------------|
| Commerce City | 2.4% | 3.9% | 1.5%           |
| Welby         | 2.8% | 3.1% | 0.3%           |
| Denver        | 5.1% | 6.9% | 1.8%           |
| Thornton      | 3.3% | 4.7% | 1.4%           |
| Aurora        | 3.2% | 4.1% | 0.9%           |
| Brighton      | 2.4% | 6.0% | 3.6%           |
| Adams County  | 3.3% | 4.6% | 1.3%           |
| Colorado      | 6.2% | 7.0% | 0.8%           |

Source: U.S. Census Bureau, onthemap.ces.census.gov. Data note: 2015 was the most recent data available.



apartments and 262 are rent-assisted apartments. From 1999 to 2009, five low-income apartment communities containing 490 rental apartments were constructed and offered to low income persons through the Low-Income Housing Tax Credit Program. From 2010 to 2016, the number of multifamily building permits was extremely low. In 2010, multifamily building permits were issued for only 19 units. From 2011 to 2014, no multifamily building permits were issued. In 2015 and 2016, multifamily building permits were issued for 36 units.

Currently, there are 10 low income housing apartment complexes in Commerce City, containing 783 units. There are 243 Project-Based Section 8 subsidized apartments in the city. The 618 other low-income apartments do not have rental assistance but are still considered affordable housing for low-income families.

Affordable housing program eligibility is determined by income. Each household's income is compared to the incomes of all other households in the area. This is accomplished by calculating the Area Median Income (AMI) and is published each year by HUD.

Often, HUD uses an area larger than a city to determine AMI because those searches may extend beyond political boundaries. For Commerce City, AMI is calculated from all households in Adams County where HUD calculates the AMI for a family of four as \$83,900.

Belle Creek, with 155 units located at 104th Avenue and Highway 85, is currently is the only apartment complex located in north Commerce City that is considered affordable. The shortage of affordable housing for Commerce City's workforce is well-recognized by community leaders. One of City Council's goals is to fill the major gap in affordable housing, also part of the vision set forth in its comprehensive plans.

In 2017, Commerce City Housing Authority, working in tandem with the city, broke ground on a 216-unit affordable multifamily housing project. Located at the intersection of E. 104th Avenue and Sable Boulevard, the project, called North Range Crossings, will get certain tax exemptions, allowing it keep rental costs at an affordable level. Construction is expected to be completed in early 2019. The 216-unit complex targets households making 60 percent of the area median income, or about \$33,660. To put this in perspective, that is income similar to an entry-level salary for those hired for a K-12 position in the city, which translates to about \$16 per hour.



Commerce City community outreach



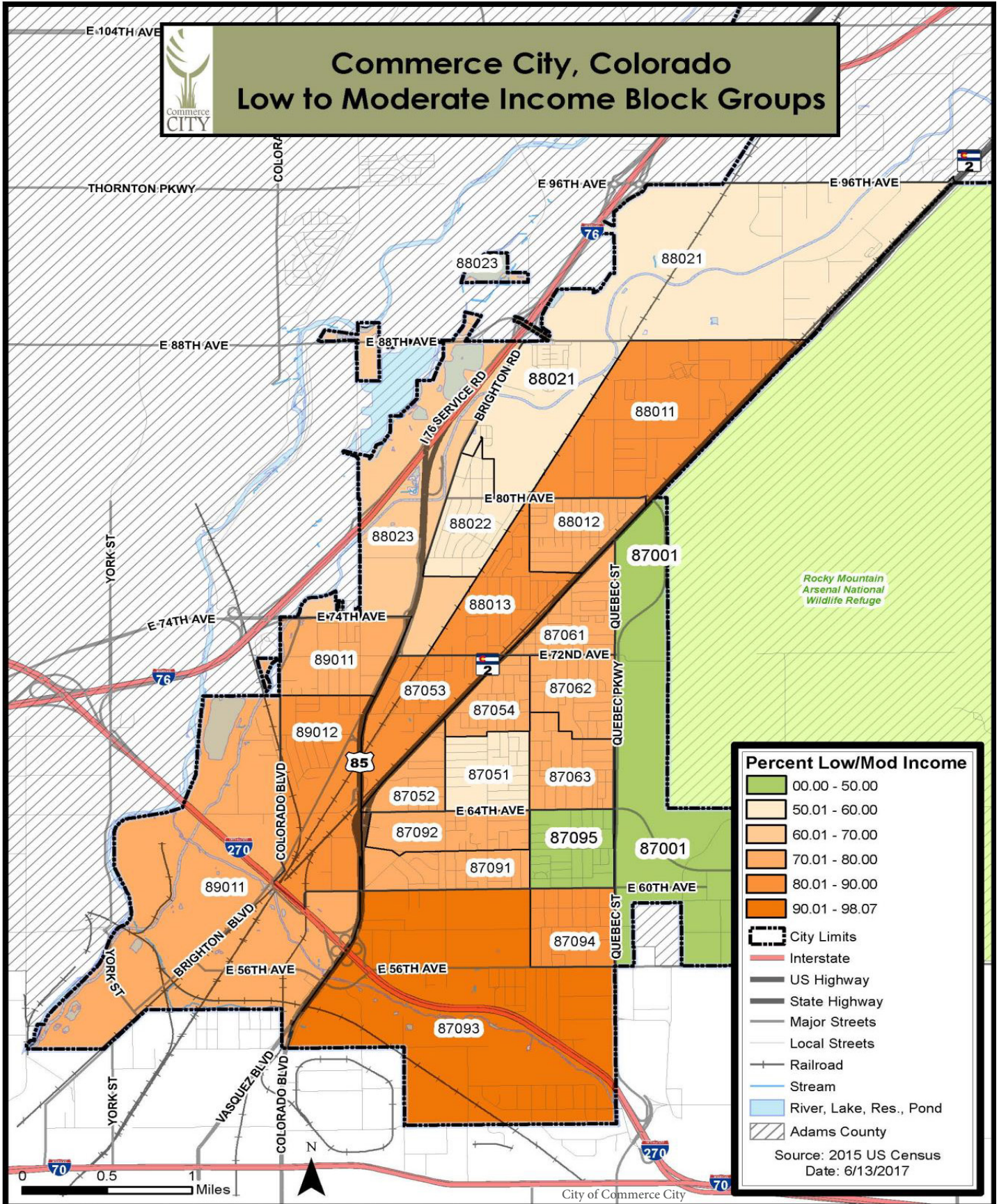
Belle Creek apartments

## Section 4: HOUSING PROFILE



## Section 4: HOUSING PROFILE

**MAP 6:** Low to moderate income block groups





## Affordable apartments in Commerce City

Nine of the existing 10 affordable apartments in Commerce City are located in the historic city between 71st Avenue south to 56th Avenue:

- Acha Rockmont Apartments, 5517 E. 71st Ave., nine units, not income-based rent, but considered affordable;
- Holly Park East, 5520 E. 60th Ave., 96 units, income-based rent;
- Pinecrest, 5655 Olive St., 112 units, not income-based rent, but considered affordable.
- Conter Estates Senior II, 6600 E. 60th Place, 114 units, not income-based, but considered affordable;
- Holly Park West, 5460 E. 63rd Place, 51 units, income-based rent;
- Kearney Plaza Apartments, 6140 E. 60th Ave., 96 units, income-based rent;
- Prairie Rose Plaza, 6285 Kearney St., 19 units, income-based rent;
- Village Crest Apartments, 6201 East 62nd Ave., 120 units, not income-based but considered affordable;
- Madonna Plaza, 6275 Kearney St., 50 units, income-based rent.

Belle Creek, with 155 units located at 104th & Hwy 85, currently is the only apartment building in north Commerce City that is considered affordable. The shortage of affordable housing for Commerce City's workforce is well-recognized by community leaders. One of City Council's goals is to fill the major gap in affordable housing, also part of the vision set forth in its comprehensive plan.

"These apartments will provide housing options for people working in the city such as teachers, counselors and skilled craftsman," Commerce City Mayor Sean Ford was quoted by the Denver Post. "This project helps fill a major gap in housing, one of city council's goals, and demonstrates our commitment to support a growing community."

Even with the addition of North Range Crossings to the affordable housing stock, demand for affordable housing continues to outpace supply.

### Homelessness

Commerce City's 2016-2020 Consolidated Plan identifies homelessness as a high priority need and underlines its commitment to supporting area nonprofits that address homelessness. Working in collaboration with the Commerce City Housing Authority and through its Quality Community Foundation, the city supports and funds efforts by the multitude of local nonprofits, including those addressing housing issues such as emergency shelter and transitional housing needs.

These efforts include production and distribution of a resident resource directory and the revival of the Community Resource Network group to help improve delivery of services and resources to the homeless and residents at risk of becoming homeless.

### Housing authority addresses housing challenges

The Commerce City Housing Authority (CCHA) has ownership interest/partnerships in 229 affordable housing units throughout Commerce City and administers approximately 110 Housing Choice Vouchers. Since 2016, CCHA:

- Increased its staff to assist in the numerous projects it facilitates at the end of 2016
- Partnered with private developers to construct a 216-unit affordable housing project to be completed in early 2019
- Conducted an evaluation of CCHA properties
- Investigated ways to expand the voucher program to help address current unmet housing needs in Commerce City.

*On the one hand, Commerce City's roadways and railroads make the community attractive for industry. On the other hand, the noisy criss-cross of railroads and thoroughfares has produced isolated pockets of neighborhoods and traffic problems that pose quality of life issues for those who live and work there.*

### Entitlement city

In 2016, Commerce City hit the 50,000 population mark that qualifies it for federal funding through HUD's Community Development Block Grant (CDBG) program among others. In the current funding period, the city will receive an estimated \$386,340 in CDBG funds, which will be used to further the first-year programs with a focus on the city's highest concentration of low-income residents, minorities and older homes in need of major repairs. The target area is the historic city south of East 96th Avenue, east of Hwy 2 and Quebec Street, then south and west to the city boundaries.

The 2017 Annual Action Plan is a cooperative effort between the city of Commerce City, the public, and housing and service providers. The plan tackles a wide range of housing and social service issues, including:

- Sidewalk Installation and Repairs – This public facilities project is a continuation of the 2016 Annual Action Plan project of installing and repairing sidewalks in the target area to improve accessibility, remove hazards and contribute to the city's goal of pedestrian connectivity throughout the city.
- Bus Stop Improvements – Installation of benches, shelters, concrete pads and trash receptacles in the most heavily used bus stops within the target area.
- Home Repair Program – A new home repair program will address the health, safety, accessibility, energy efficiency and structural integrity of owner-occupied homes through rehabilitation efforts with grants of up to \$7,500 per home.
- Support for Domestic Violence Victims – This is an expansion of an existing city program. Victims and their dependents will receive financial assistance for rent and utilities to escape their abuser.
- Residential Resource Directory – A booklet style directory will be researched, designed, printed and distributed to low- and moderate-income residents, listing area services and resources.
- Recreation Activity Scholarships – This is an expansion of an existing city program. A 50 percent discount will be made available to low- and moderate-income residents enrolling in city recreational activities.
- Affirmatively Furthering Fair Housing – Fair housing education efforts will be expanded throughout the city with the purchase display units, printing and distribution of bi-lingual resource materials, displaying posters and co-hosting a fair housing training session with Denver Metro Fair Housing Center and HUD. Educating the city on fair housing concerns will be the primary focus of the city's second year with CDBG.

- Supported efforts by the city's Neighborhood Services Division to strengthen enforcement of code violations to improve the health, safety and livability of area neighborhoods.

### Voucher program waitlist closed

The housing Choice Voucher program provides subsidies to qualified individuals who rent from private landlords. The Housing Authority annually inspects qualifying subsidized rental units to ensure they meet U.S. Department of Housing and Urban Development housing quality standards. Though demand for the Housing Choice voucher program exists, the voucher program wait list has been closed since 2014 and is not accepting applications.



## Limited affordable senior and disabled housing

Affordable housing options in the city for older adults and disabled persons exist, but they are limited and do not meet the needs that exist in the community. Nearly all are located in south Commerce City.

- Conter Estates I and II, 6600 E. 60<sup>th</sup> Place, a 114-unit affordable community for persons 55 and older, was developed in partnership with the Commerce City Housing Authority. Conter Estates I has 75 units and area II has 39. The community is gated and located in an area close to retail and medical services, RTD routes, recreation center and senior center. Gas, water, sewer and trash are included in the rent.

Conter Estates Senior II was built in part- with financing obtained through the Low-Income Housing Tax Credit (LIHTC) program. In addition to providing apartments for low-income households, this property includes some market rate units. Households earning 60 percent or less of the Area Median Income (AMI) qualify for targeted rental units in LIHTC financed housing. Units for renters with even lower incomes, from 60 percent of AMI down to 15-30 percent AMI may be designated; thus, rents charged vary based on a renter's income.

- Kearney Plaza Apartments, 6140 E. 60<sup>th</sup> Ave., has 96 units that are income-based rent.
- Madonna Plaza, 6275 Kearney St., is a three-story, 50-unit apartment building owned and operated by the Archdiocesan Housing. As an affiliate of Catholic Charities, the Archdiocesan provides affordable, service-enriched housing for individuals and families who cannot access decent housing in the broader market place. Its landscaped grounds are cared for by the residents. Madonna Plaza is within driving distance of a shopping center. The Archdiocesan Housing's mission is "to provide decent affordable housing for those most in need." In doing so, they add, "We take pride in the quality of our well-maintained developments, and strive to be good neighbors in the communities where we own, manage and operate housing."

## Tax credits provide incentives

Commerce City's need for affordable housing is indicative of a statewide need. The Colorado Housing and Finance Authority (CHFA) made record-level investments in affordable housing in 2017, helping more than 8,000 Colorado residents become homeowners and supporting development and preservation of more than 6,000 affordable rental housing units, including a new 216-unit development in Commerce City.

CHFA offers 30-year fixed rate home loans at competitive rates, with options for down payment assistance and Mortgage Credit Certificates that give homeowners a tax credit that saves up to 20 percent of the mortgage interest annually. In 2017, CHFA invested a record \$1.9 billion in first mortgages statewide. Fifty-three percent of CHA homeownership customers were from the Denver Metro Area.

To support the development or preservation of affordable rental housing in Colorado, CHFA is Colorado's allocator of federal and state Low Income Housing Tax Credits (LIHTC), and also offers financing to developers. In 2017, CHFA awarded \$53.2 million in state and federal LIHTC to support 4,397 units of affordable rental housing that will be built or preserved by undergoing renovations. This represents the most units supported by LIHTC in any single year of CHFA's history.

North Range Crossing, 104th Ave. Blvd., Commerce City, a 216-unit affordable housing project currently under construction, and Conter Estates Senior II, 6600 E. 60th Place, a 114-unit affordable senior community for persons 55 and older, were developed in partnership with the Commerce City Housing Authority using LIHTC funding.

*Commerce City has a larger percentage of single-family homes in its housing stock than any other community in the region.*

## Commerce City provides homebuyers assistance

Low- and moderate-income individuals and families wanting to purchase a home in Commerce City have access to support through two programs – the Metro Mortgage Assistance Plus Program and the Commerce City Housing Authority Down Payment & Closing Cost Assistance Program:

### → Metro Mortgage Assistance Plus Program

The City and County of Denver administers the Metro Mortgage Assistance Plus Program. The program provides a competitive, 30-year fixed-rate mortgage down payment assistance grant equal to 4 percent of the mortgage amount to qualifying low- and moderate-income home buyer families.

The home must be the primary residence of the home buyer, but they are not required to be a first-time purchaser. The following eligibility requirements must be met to participate:

- A two or fewer person household must earn less than \$91,000 and households of three or more, \$103,000.
- A minimum FICO score of 640 and a maximum debt-to-income ratio of 45 percent
- Provide one-half of one percent of the total mortgage to the closing costs.
- Attend and complete a HUD approved home buyer education class.

### → Commerce City Housing Authority Down Payment & Closing Cost Assistance Program

The CCHA Down Payment & Closing Cost Assistance Program helps first-time homebuyers with down payment and closing cost assistance in the form of a second mortgage loan up to \$10,000 at 3.5 percent interest with up to a 10-year repayment schedule.

To qualify, buyers must complete a Colorado Housing Finance Authority-approved home buyer workshop that cannot exceed the HUD maximum gross income limits.

Buyers must obtain a fixed-interest rate mortgage and cannot have any property in his/her name for the past three years. Buyers must contribute 1 percent of their own money toward the sales price, which can include earnest money deposit, costs for credit report, appraisal, inspection and repairs, etc.

| Number of family members | Gross income limits |
|--------------------------|---------------------|
| 1                        | \$44,450            |
| 2                        | \$50,800            |
| 3                        | \$57,150            |
| 4                        | \$63,450            |
| 5                        | \$68,550            |
| 6                        | \$73,650            |
| 7                        | \$78,700            |
| 8                        | \$83,800            |

## Home Repair Loans

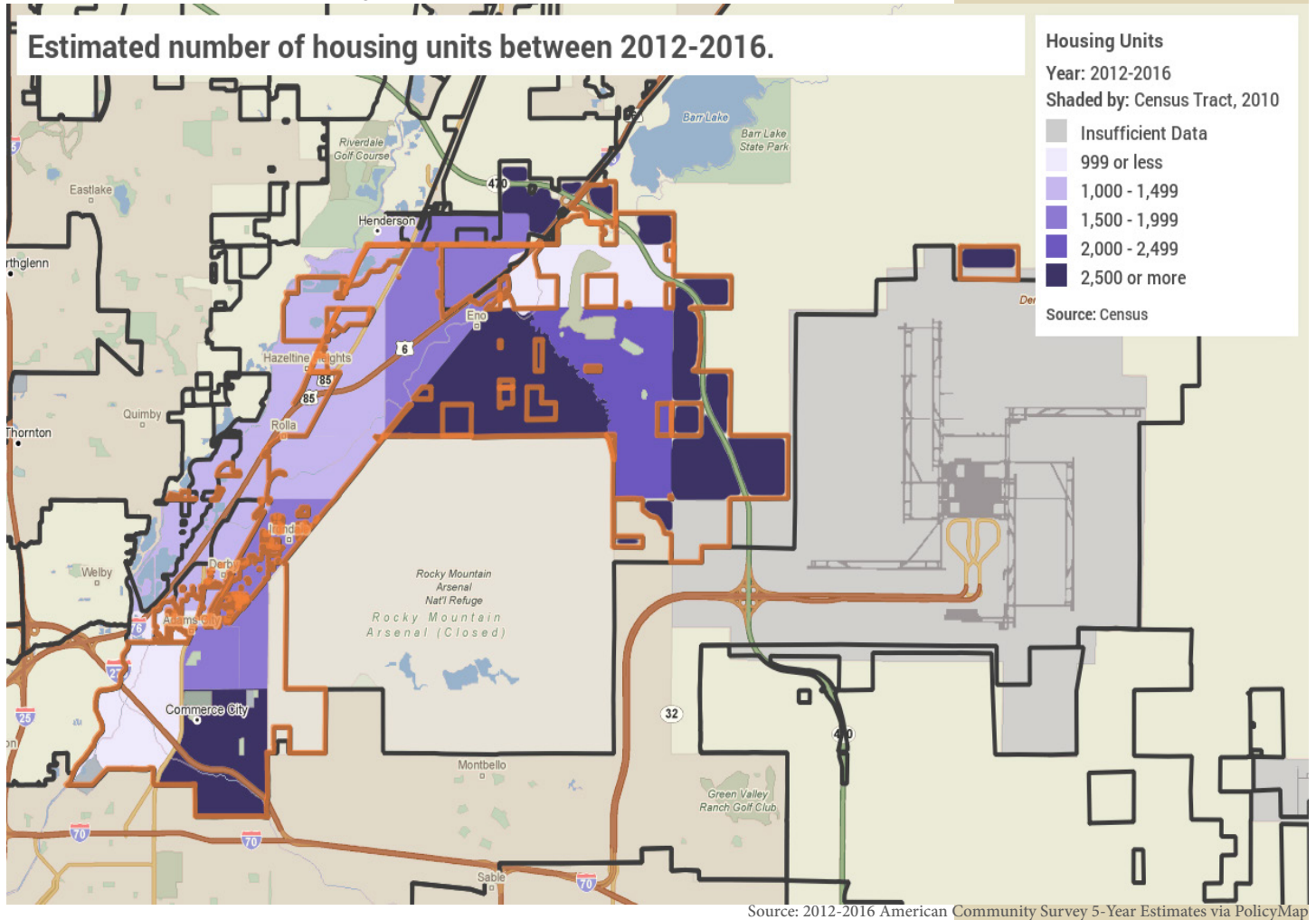
The Commerce City Housing Authority provides low-interest loans to qualifying homeowners for home repair and improvement projects such as electrical rewiring and plumbing, furnace and roof repair.

Loans of 3.5 to 5 percent are made available for the rehabilitation of owner-occupied residential properties for repair costs up to \$10,000. To qualify, homeowners cannot exceed the HUD maximum gross income limits (see CCHA Down Payment & Closing Cost Assistance Program detailed above).

## Housing type and size

The housing boom of the early 2000s brought about a rapid increase in the number of homes in Commerce City. Between 2000 and 2010, the number of residential properties more than doubled from 6,907 to 15,163. After 2010, however, growth in the number of housing units slowed to 4.5, adding 678 residences by 2016, even as the population increased by 12.7 percent. This imbalance put upward pressure on housing prices as residents competed for homes.

MAP 7: Estimated number of housing units



Most Census Tracts in the city have more than 1,000 homes and several have more than 2,500 homes. The two Tracts with the lowest concentration of homes are in opposite sections of the city: one near Denver in the south and the other in the northeastern corner of the city close to the Denver International Airport.

HUD's definition of a multifamily unit is "a structure with more than four housing units." Thus, a single-family structure may have one to four housing units. In Commerce City, single-family units are considerably more common than multifamily units. In 2016, 87.7 percent of the homes were single-family. This compares to 2000 when 81.9 percent of the homes were single-family. TABLE 22 breaks down the housing stock in Commerce City during key years since 2000 and TABLE 23 shows residential properties by owner and renter occupancy along with household size during the same period.

Commerce City has a larger percentage of single-family homes in its housing stock than any other community in the region.

MAP 13 on page 74 shows the percentages of single-family homes within Census Tracts. Approximately half the city is dark red, meaning 90 percent or more of the homes are single-family. The low density in these areas means expanding available housing will be more difficult. Only two areas, both in the south section of the city, have relatively low rates of single-family homes.

## Section 4: HOUSING PROFILE

## Section 4: HOUSING PROFILE

**TABLE 21: Commerce City housing units by size**

|                | 2000   |            | 2016   |            | Change in housing unit size percentage |
|----------------|--------|------------|--------|------------|--|
|                | Number | Percentage | Number | Percentage |  |
| No bedroom     | 183    | 2.6%       | 225    | 1.40%      | -0.8%                                  |
| One bedroom    | 1,182  | 17.1%      | 776    | 4.90%      | -12.2%                                 |
| Two bedrooms   | 2,571  | 37.2%      | 3,297  | 20.80%     | -16.4%                                 |
| Three bedrooms | 1,938  | 28.1%      | 7,243  | 45.70%     | 17.6%                                  |

Source: 2000 Census DP-4, 2012-2016 American Community Survey 5-Year Estimates (DP04)

**TABLE 22: Residential properties by type and number of units**

|                     | 2000   |            | 2010   |            | 2016   |            |
|---------------------|--------|------------|--------|------------|--------|------------|
|                     | Number | Percentage | Number | Percentage | Number | Percentage |
| One-unit detached   | 4,587  | 66.4%      | 11,121 | 73.3%      | 12,039 | 76.0%      |
| One-unit attached   | 412    | 6.0%       | 1,191  | 7.9%       | 1,176  | 7.4%       |
| Two units           | 384    | 5.6%       | 538    | 3.5%       | 380    | 2.4%       |
| Three or four units | 268    | 3.9%       | 324    | 2.1%       | 306    | 1.9%       |
| Five to nine units  | 219    | 3.2%       | 806    | 5.3%       | 474    | 3.0%       |
| 10-19 units         | 305    | 4.4%       | 516    | 3.4%       | 554    | 3.5%       |
| 20 units or more    | 200    | 2.9%       | 280    | 1.8%       | 490    | 3.1%       |
| Mobile home         | 525    | 7.6%       | 387    | 2.6%       | 422    | 2.7%       |
| Boat, RV, van       | 7      | 0.1%       | 0      | 0.0%       | 0      | 0.0%       |
| Total               | 6,907  | --         | 15,163 | --         | 15,841 | --         |

Source: 2000 Census DP-4, 2006-2010 & 2012-2016 American Community Survey 5-Year Estimates (DP04)

**TABLE 23: Commerce City household size**

| Household size       | 2000           |                 | 2016           |                 | Change         |                 |
|----------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
|                      | Owner occupied | Renter occupied | Owner occupied | Renter occupied | Owner occupied | Renter occupied |
| One-person           | 19.0%          | 20.8%           | 14.2%          | 21.5%           | -4.8%          | 0.7%            |
| Two-person           | 31.7%          | 20.7%           | 28.1%          | 17.6%           | -3.6%          | -3.1%           |
| Three-person         | 16.1%          | 18.7%           | 18.1%          | 16.2%           | 2.0%           | -2.5%           |
| Four-person          | 15.2%          | 16.8%           | 20.4%          | 17.8%           | 5.2%           | 1.0%            |
| Five-person          | 9.1%           | 11.2%           | 8.8%           | 15.8%           | -0.3%          | 4.6%            |
| Six-person           | 4.6%           | 6.1%            | 7.1%           | 5.0%            | 2.5%           | -1.1%           |
| Seven-or-more person | 4.3%           | 5.8%            | 3.3%           | 6.0%            | -1.0%          | 0.2%            |
| Average size         | 3.00           | 3.26            | 3.33           | 3.56            | --             | --              |

Source: Decennial Census (H015, H012), 2012-2016 American Community Survey 5-Year Estimates (B25009, B25010)

Between 2000 and 2016, Tracts in the south part of the city saw single-digit growth in single-family homes. By contrast, the northern area of the city saw a 30 percent growth in the percentage of single-family homes.

### Housing unit size

Between 2000 and 2016 the percentage of the housing stock with three bedrooms in Commerce City increased by 17.6 percent, but the percentage of more affordable smaller units fell.

Nationally, the average number of people living in households in 2016 was 2.5 (down from 3.3 in 1960). Twenty-eight percent of households have one occupant compared with 13 percent in 1960. And householders age 65 or older outnumber those under age 30 by almost two to one (31 million versus 15.8 million), according to a 2016 press release issued by the U.S. Census Bureau.

Since 2000, the average household size in Commerce City has grown for both owner-occupied and renter-occupied households, though owner-occupied households continue to have smaller household sizes than renter-occupied.

For owner-occupied households, this shift comes primarily from the reduction in one-person and two-person households and the growth of four-person and six-person

households. Renter-occupied households saw a decrease in two-person, three-person and six-person households and an increase in every other demographic. There are many reasons why such a demographic shift may occur, including a limited supply of small units, renters starting families, or renters sharing space with others to save money. While the U.S. has seen a shift toward a smaller average household size, Commerce City's is larger than the county or the country.

With a 50 percent growth in its housing stock between 2000 and 2009, a majority of the Commerce City's housing is new compared to those at county, state and national levels. The second largest wave of new construction in Commerce City occurred in the post-WWII decade of 1950-1959 with 16.8 percent. TABLE 22 shows the marked growth of the city's housing stock since 2000. Even with the slowdown since 2010, Commerce City's growth rate exceeded that of the county, state and nation.



# Housing occupancy characteristics

Between 2000 and 2016, the number of housing units in Commerce City increased by 8,968 and the number of occupied units increased by 8,433 units. This gap led to a decrease in occupied units from 97 to 95 percent. Owner-occupied housing units increased from 60 to 70 percent of all occupied housing, with more than 6,500 units built. Even though the number of rental units grew rapidly, the percent dropped from 40 to 30 of occupied dwellings (see TABLE 24 below). TABLE 24 compares renter- and owner-occupancy data in Commerce City for 2000, 2010 and 2016.

## Occupied housing units by structure type

More than 90 percent of homeowners live in one-unit, detached structures, while about half that (47.1 percent) of renters do.

## Age of head of householder

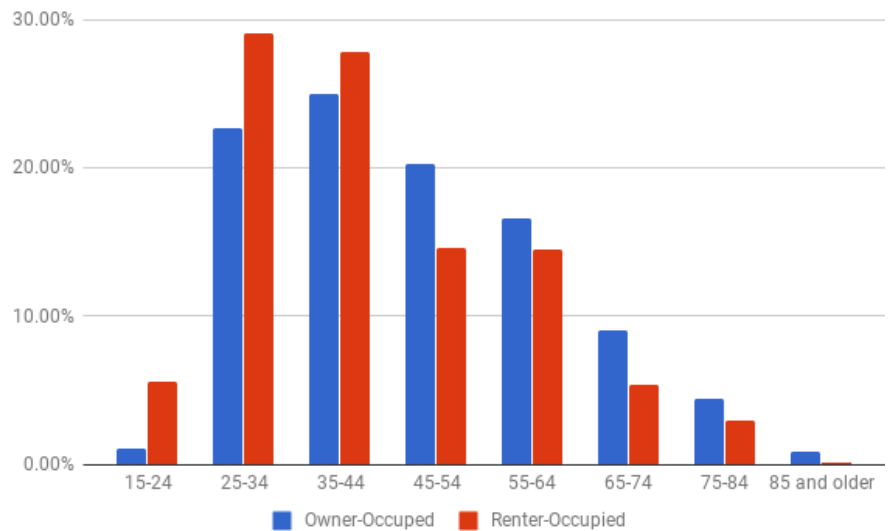
Most Commerce City homeowners are between the ages of 35-44. Renters are most likely to be 25-34 years old. Among many factors that may account for this is that Americans are marrying at a later age and are more inclined to explore career alternatives that require them to relocate.

## Length of residence

Occupants of rental housing units were twice as likely to have moved in the last year as occupants of owner-occupied units. Most renters and owners who moved stayed in Adams County.

Reflecting the rapidly expanding single-family home market during that period, most homeowners

**CHART 5: Age of householder in Commerce City**



Source: 2012-2016 American Community Survey 5-Year Estimates

**TABLE 24: Commerce City housing occupancy**

| Housing occupancy             | 2000   |         | 2010   |         | Percent change 2000-2010 | 2016   |         | Percent change 2010-2015 | Percent change 2000-2015 |
|-------------------------------|--------|---------|--------|---------|--------------------------|--------|---------|--------------------------|--------------------------|
|                               | Number | Percent | Number | Percent |                          | Number | Percent |                          |                          |
| Total housing units           | 6,873  | 100%    | 15,452 | 100%    | 125%                     | 15,841 | 100%    | 3%                       | 131%                     |
| Occupied housing units        | 6,668  | 97%     | 14,479 | 94%     | 117%                     | 15,101 | 95%     | 4%                       | 127%                     |
| Owner-occupied housing units  | 4,023  | 60%     | 10,012 | 70%     | 149%                     | 10,544 | 70%     | 5%                       | 162%                     |
| Renter-occupied housing units | 2,648  | 40%     | 4,377  | 30%     | 65%                      | 4,557  | 30%     | 4%                       | 72%                      |

Source: Census 2000 and 2010 (QT-H1), 2012-2016 American Community Survey 5-Year Estimates (DP04)

**TABLE 25: Percent of vacant residential properties by type in Commerce City**

|                | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | % change, 2009-16 |
|----------------|------|------|------|------|------|------|------|------|-------------------|
| Rental units   | 26%  | 26%  | 20%  | 24%  | 30%  | 24%  | 22%  | 28%  | Insignificant     |
| Owned units    | 52%  | 47%  | 41%  | 28%  | 19%  | 24%  | 22%  | 26%  | -26%              |
| Occasional use | 3%   | 2%   | 2%   | 4%   | 5%   | 5%   | 5%   | 6%   | Insignificant     |
| Other          | 19%  | 26%  | 38%  | 44%  | 46%  | 47%  | 51%  | 41%  | 21%               |

Source: 2005-2009 - 2012-2016 American Community Survey 5-Year Estimates (B25004)

**TABLE 26:** Occupied housing units by structure type in Commerce City

|  | Owner-occupied | Renter-occupied |
|--|----------------|-----------------|
| One-unit detached structure  | 90.2%          | 47.1%           |
| One-unit attached structure  | 5.1%           | 12.9%           |
| Two units  | 0.5%           | 7.1%            |
| Three or four units  | 0.4%           | 5.7%            |
| Five to nine units   | 1.4%           | 5.8%            |
| 10 units or more   | 0.0%           | 18.8%           |
| Mobile home or other   | 2.2%           | 2.5%            |
| Source: 2012-2016 American Community Survey 5-Year Estimates (S2504) |                |                 |

moved into their current residences between 2000 and 2009. This distribution is in line with what we would expect, given housing construction trends. Renters were much more likely to have moved into their residences since 2010.

### Tenure (by race and ethnicity)

Whites, who represent the largest population in Commerce City, along with Asians, who represent a small portion of the population, are most likely to own the home they live in. In 2000, Blacks were significantly less likely to own a home than other racial or ethnic groups. By 2016, the number of Blacks who owned their home increased but was still below the city average. Hispanics accounted for the most modest percentage growth in the homeowners' category.

### Housing vacancy

The vacancy rate is the percentage of all residential units available for rent or purchase. A decreasing vacancy rate can put upward pressure on rents and prices as residents compete for a shrinking housing supply. According to the Dukakis Center for Urban and Regional Policy at Northeastern University, an optimal urban vacancy rate is between 6 and 7 percent. When vacancy rates are lower than that, the increased competition puts upward pressure on housing prices and rents, and the lack of options prevent households from moving into new residences that better suit changing living situations and lifestyles (e.g., a baby, retirement or a new job). Some housing vacancy is necessary to allow movement within the city and to attract new residents.

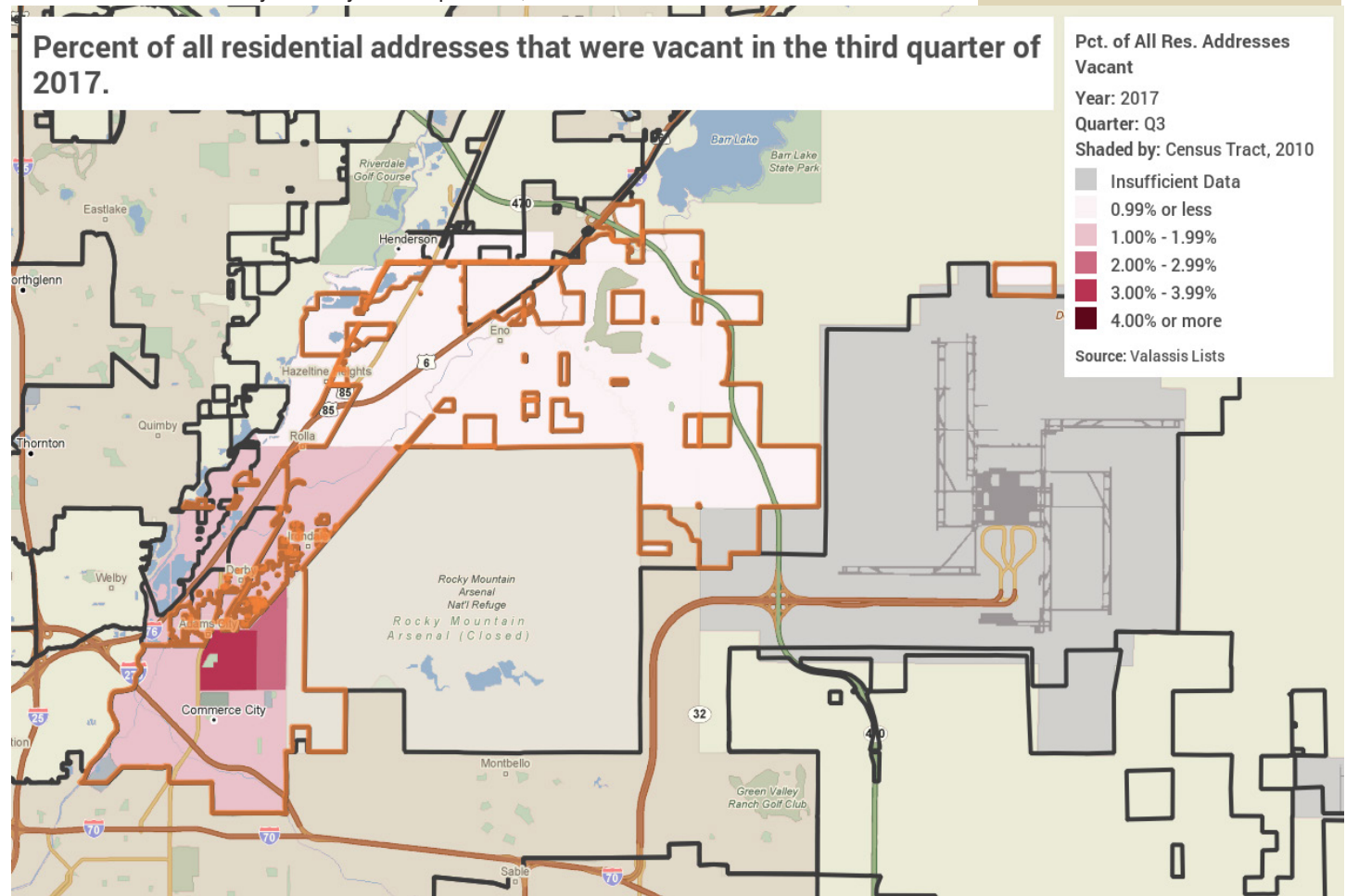
MAP 8 depicts the residential vacancy rates by census Tract for the city in the third quarter of 2017. The source for this data is Valassis Lists, which calculates vacancy rate by the total number of valid postal addresses with a residence considered vacant if mail has not been collected for at least 90 days. The Census Tracts along the northern most section of the city have the lowest vacancy rates, at under 1 percent. The Census Tracts with the highest vacancy rate in are located in the southern section of the city, but even these Tracts are as low at 3 to 4 percent, still below the recognized optimal rate of 6 to 7 percent vacancy.

In the last year, the vacancy rate has dropped significantly throughout most of the city. There is only one area where the vacancy rate has increased, just south of E 96<sup>th</sup> Avenue. Most of the city saw vacancy rates reduce by 20 percent or more.

**TABLE 27:** Change in cost of housing in Commerce City

|   | 2000      | 2010      | Percent change 2000-2010 | 2016      | Percent change 2010-2015 | Percent change 2000-2015 |
|---|-----------|-----------|--------------------------|-----------|--------------------------|--------------------------|
| Median home value   | \$112,700 | \$206,600 | 83.3%                    | \$228,500 | 10.6%                    | 102.8%                   |
| Median gross rent   | \$626     | \$870     | 40.0%                    | \$1,066   | 22.5%                    | 70.3%                    |
| Source: 2000 Census DP-4, 2006-2010 and 2012-2016 American Community Survey 5-Year Estimates (DP04) |           |           |                          |           |                          |                          |

**MAP 8:** Commerce City vacancy rate in quarter 3, 2017



Source: Valassis Lists via PolicyMap

The Census Bureau's American Community Survey (ACS) also measures vacancy rates around the country, using a different methodology than Valassis Lists. In this measure, a housing unit is considered vacant if no one is living in it at the time of enumeration, unless occupants are temporarily absent. Temporarily occupied units were not counted. This annual survey uses 5-year estimates to smooth out any outliers. By this measure, in 2015 (the most-recent year available) the vacancy rate in Commerce City was 4.7 percent, less than the Denver Metro Area (5.3 percent) and just over half the statewide rate (10.2 percent).

MAP 9 shows the estimated percent change in the number of housing units that were vacant between the periods of 2007-2011 and 2012-2016. There is significant variation with one Tract having a vacancy rate of more than 9 percent and several under 3 percent. MAP 10 shows the percentage of vacant units on the market at the time of the survey that were for rent or sale. Some vacant units are already rented or sold but are currently unoccupied, some are for recreational use and some are classified as "other vacant" by HUD, categories not included.

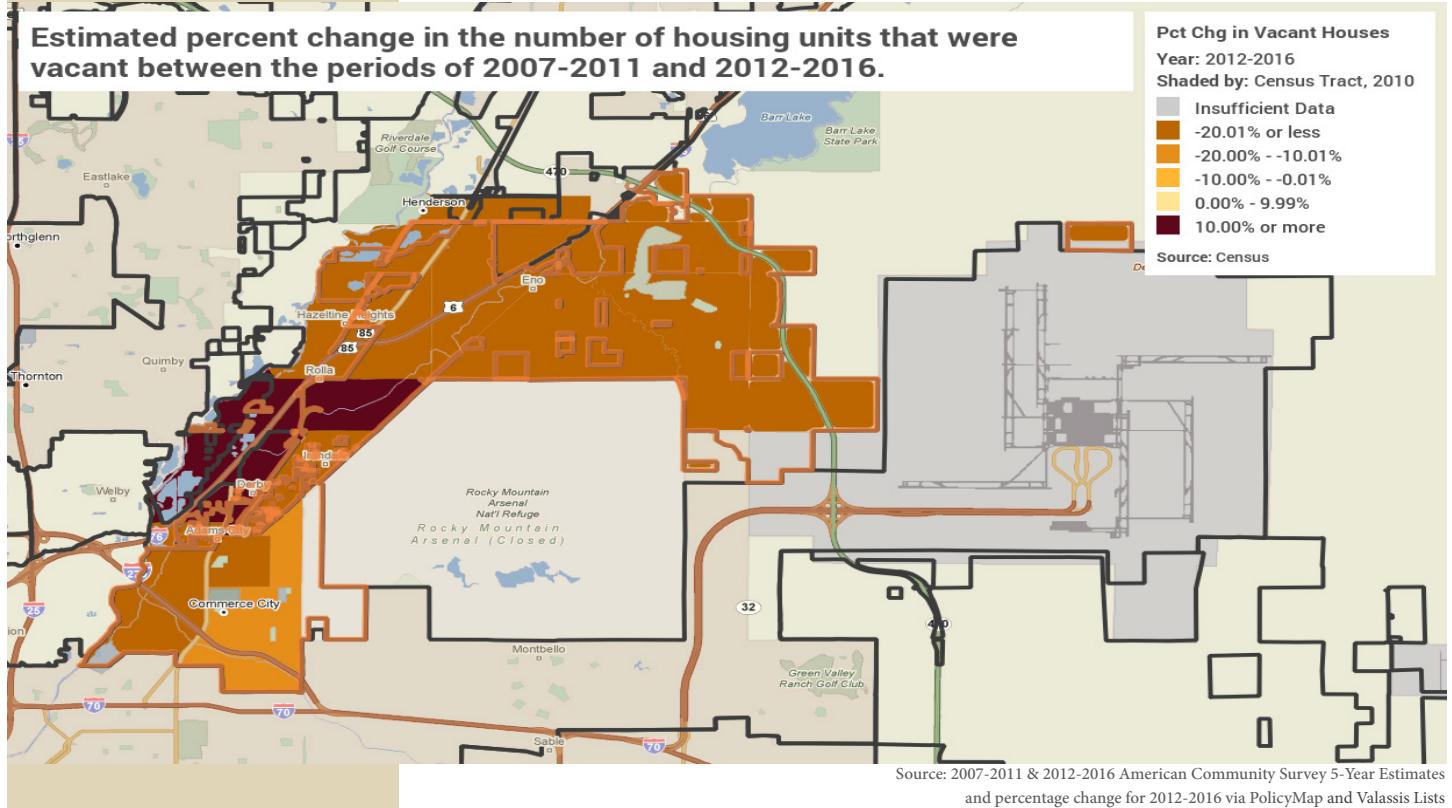
There are many factors that influence the vacancy rate within Commerce City. Among these city policies certainly matter. Policies in neighboring jurisdictions can encourage or discourage housing construction. Comparing the vacancy rate across city lines can potentially help identify if any policy issues may be influencing the vacancy rate.

Commerce City has lower vacancy rates than Denver but higher rates than cities further to the north and west. MAP 10 also shows the percent of all housing units available in Commerce City for the period 2012 to 2016.

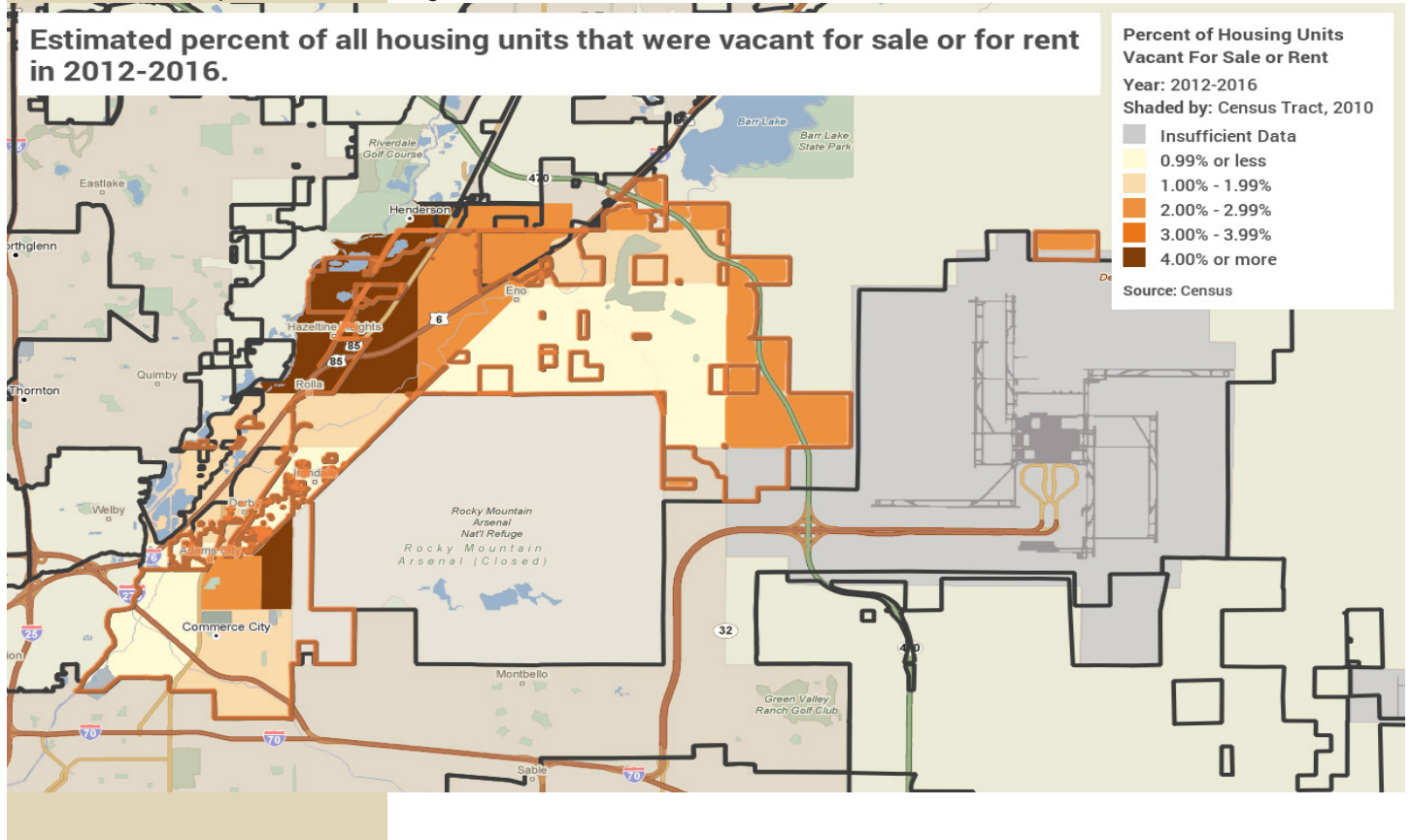
## Section 4: HOUSING PROFILE

## Section 4: HOUSING PROFILE

**MAP 9: Commerce City change in vacancy rate in the last five years**



**MAP 10: Estimated percent of all housing units vacant, for sale or for rent 2012-2016**





## Rental cost and vacancy

TABLE 28 on page 70 displays the median rent and vacancy rate by city in 2016. Commerce City had the second-lowest median rent and was tied with Aurora for the second highest vacancy rate. Brighton has the lowest vacancy rate in the area and Thornton has the highest rent. The differences in rent, however, were negligible except in Thornton where monthly rents were more than \$100 higher, according to ACS estimates.

## Changes in vacancy by type

Vacancy type is broken down into four categories:

- *Rental units:* Includes for rent properties and rented properties currently vacant
- *Owned units:* Includes properties currently for sale and sold properties that are vacant
- *Occasional use units:* Includes seasonal, recreational and other properties maintained for temporary use by owners

Other: Includes all other types of vacant properties, including those maintained for migrant workers

Between 2009 and 2016, the number of vacant properties in Commerce City decreased by 53.6 percent, a substantial drop. This reduction brought the number of vacant units from 1,594 to 740. The largest drop was 77 percent in vacant, owned units. The dramatic drop in owned vacant units is also notable.

TABLE 25 on page 65 displays the percentage of each housing type out of all the vacant units each year. Rental units have remained relatively constant by representing between 20 and 30 percent of the vacant units. Owned units have decreased considerably from more than 50 percent of the vacant housing stock to around 25 percent. But data from 2009, 2010 and 2011 likely reflect the high number of defaults and bankruptcies of the Great Recession and would be considered outliers. Occasional use and other units both increased, the latter to more than 45 percent.

## Housing costs since 2000

This part of the housing profile examines housing costs for owners and renters throughout Commerce City. The data provide comparisons between the 2000 Decennial Census and the American Community Survey (ACS) from various years. In some situations, the way data is collected or reported varies slightly between these two sources and is noted. In addition to ACS housing cost data, this housing profile provides home sales trends and market data from the Denver Metro Association of Realtors and Boxwood Means on single-family home sales, townhomes and condo sales in Commerce City from 2014 through 2017.

Since 2000, the median home value has gone up more than 100 percent, and median gross rent has increased by more than 70 percent. But growth over the last 16 years has not been consistent. Median home value has increased slowly after 2010 with median gross rent growing slowly as well.

CHART 6 on page 71 illustrates the change in home value and rent since 2009. While housing values dropped due to the housing market crash, the change in rent continued to climb. This disconnect between housing value and gross rent strains the housing market: homeowners have fewer resources, and renters become increasingly cost-burdened.

CHART 6 also compares 2010 and 2016 home value data for the city. The trend is that lower value cohorts represent a much smaller portion of the housing stock, while higher-value cohorts are growing. For example, in 2000 more than 85 percent of the housing stock was valued at less than \$150,000, but by 2015 values dropped to 20 percent.



## Section 4: HOUSING PROFILE

**TABLE 28: Median rent and vacancy rate by city**

|               | Median rent | Vacancy rate |
|---------------|-------------|--------------|
| Commerce City | \$1,066     | 4.7%         |
| Denver        | \$1,035     | 6.1%         |
| Thornton      | \$1,206     | 4.0%         |
| Aurora        | \$1,092     | 4.7%         |
| Brighton      | \$1,076     | 3.4%         |
| Adams County  | \$1,098     | 4.4%         |

Source: 2012-2016 American Community Survey 5-Year Estimates  
Data note: Vacancy rate is determined by city, not ZIP code

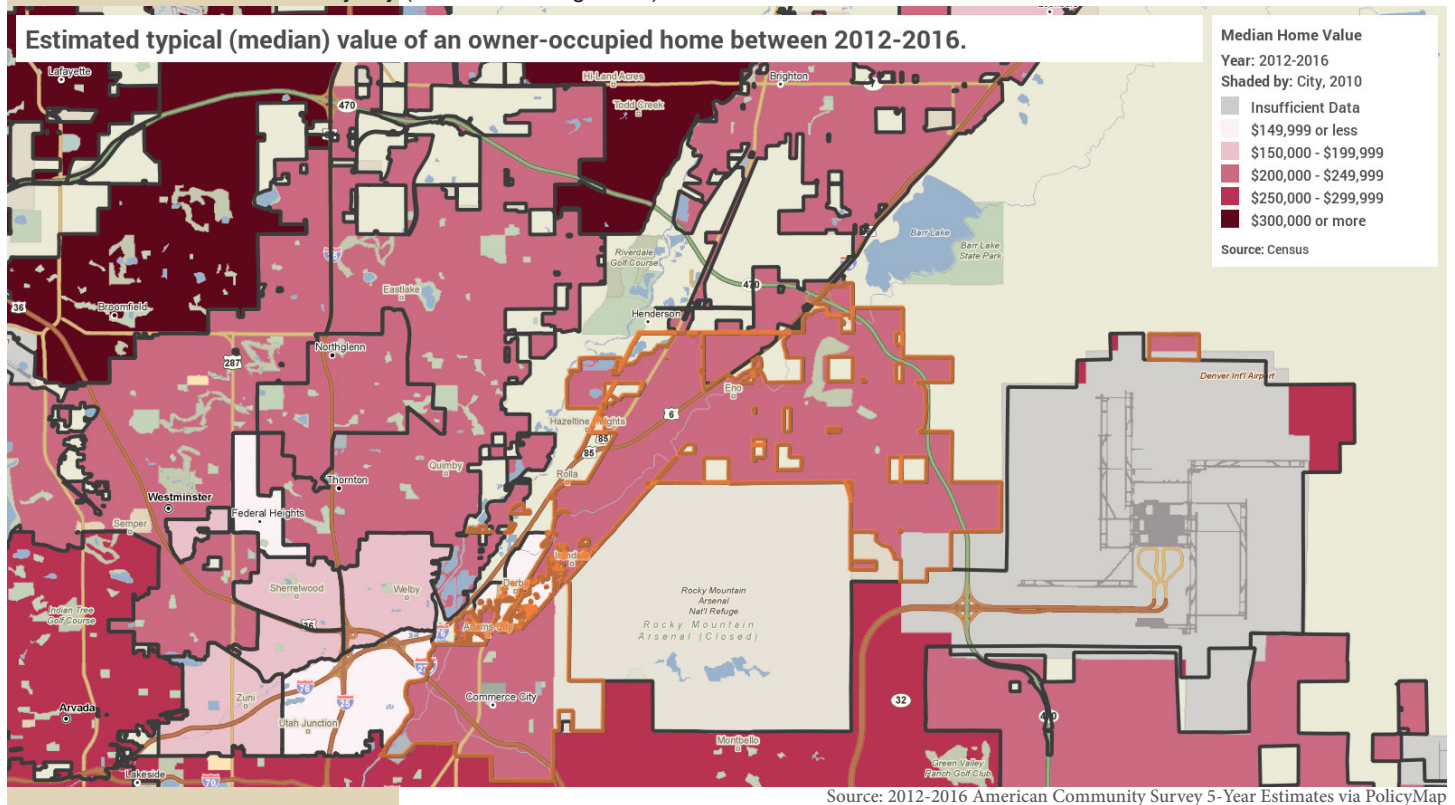
Homes valued at less than \$50,000 do not follow the overall trend in increasing prices. In 2000, only 26 homes (or 0.8 percent) fell into this category, but by 2016 more than 550 homes (4.5 percent) of homes in Commerce City were valued at less than \$50,000. There could be several reasons for this, including an increase in the number of mobile homes in the city or the devaluation of older homes that are in disrepair.

As shown in MAP 11, census tracts in the southern area of Commerce City have a median value of less than \$150,000 while the Census Tracts in the northern area have a median value of more than \$300,000.

Like owner-occupied units discussed previously, the trendline shows that lower-cost housing cohorts account for smaller portions of the housing stock. In 2000, 72.4 percent of renters paid less than \$750, but those price cohorts made up less than 25 percent of the available rental homes by 2016. The fastest-growing rent cohort comprises those paying more than \$1,500, which grew from 41 to 1,081.

The median rent for the city was \$1,066, but that figure varied widely by location. Census Tracts near the Denver border had significantly lower median rents (less than \$1,000), while Census Tracts on the outer area to the north of the Rocky Mountain Arsenal National Refuge had a median rent of more than \$1,600.

**MAP 11: Median home value by city (and surrounding areas)**



### Median home prices by city

Median home values in Commerce City were the lowest in the region in 2000, but by 2016 home values there were among the highest, just below Denver and Thornton. Home prices in Commerce City have gone up 102.8 percent in the last 16 years. The closest comparable growth rate is Denver, and

that was only 76.5 percent. The rest of the cities saw growth of less than 50 percent during that time period.

### DMAR market data on residential sales trends

Home sales trends are critical indicators that help gauge the health and size of an area's housing market. This section provides market data from the Denver Metro Association of Realtors (DMAR) on single-family home sales, townhomes and condo sales in Commerce City from 2014 through 2017. In 2017, there were 918 single-family detached homes sold in Commerce City, with an average sales price of \$338,413. That is compared to 120 town-homes and condos that were sold during the same year at an average price of \$258,864. When the single-family and town-home/condo sales data are combined it yields a weighted average sales price of \$329,185 for 2017.

Median sales prices have been steadily increasing in Commerce City by about \$25,000 to \$50,000 per year. Between 2014 and 2017, the median sales price for single-family homes increased 46 percent. If this trend continues unabated, the median sales price in Commerce City could reach between \$450,000 and \$550,000 or even higher by 2022.

This trend may be the result of several factors unrelated to housing demand and more responsive to a growing market. For example, many homes that sold in the 2000-2010 spike may have been seen as investment and not as permanent dwellings by those purchasing them. In other words, why people buy or bought homes in Commerce City can be attributed to a range of reasons that go beyond the scope of this study. But the general trends are clear, the city's population is growing, which creates increased demand for housing – all else being equal this points to a continued rise in housing prices for years to come.

The higher growth in median sales rates show that Commerce City is rapidly approaching parity with the surrounding areas. The median sales price of the 120

**TABLE 29: Median sales price for single-family homes in Commerce City (DMAR)**

| Year         | 2014      | 2015      | 2016      | 2017      | Change between 2014 and 2017 |
|--------------|-----------|-----------|-----------|-----------|------------------------------|
| Median price | \$240,000 | \$292,000 | \$324,000 | \$350,000 | 46%                          |

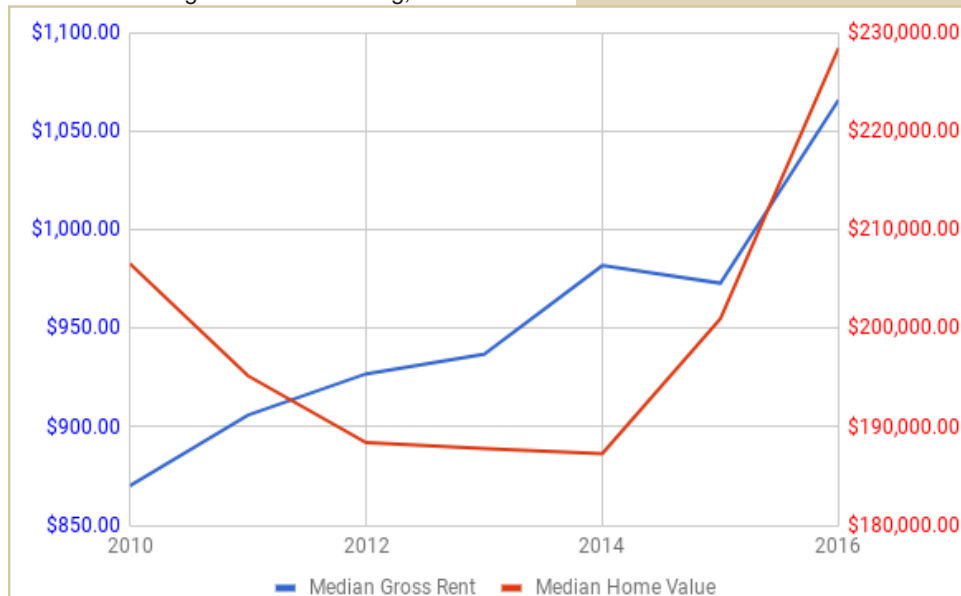
Source: Denver Metro Association of Realtors

**TABLE 30: Median sales price for condos and townhomes in Commerce City (DMAR)**

| Year         | 2014      | 2015      | 2016      | 2017      | Change between 2014 and 2017 |
|--------------|-----------|-----------|-----------|-----------|------------------------------|
| Median price | \$190,000 | \$210,000 | \$232,500 | \$260,000 | 37%                          |

Source: Denver Metro Association of Realtors

**CHART 6: Change in cost of housing, home value and rent from 2010 to 2016**



Source: 2012-2016 American Community Survey 5-Year Estimates

**TABLE 31: Commerce City median home value by jurisdiction (owner-occupied)**

|               | 2000      | 2016    | Percent change, 2000-2016 |
|---------------|-----------|---------|---------------------------|
| Commerce City | \$112,700 | 228,500 | 102.8%                    |
| Aurora        | \$144,600 | 206,300 | 42.7%                     |
| Brighton      | \$146,500 | 214,000 | 46.1%                     |
| Denver        | \$165,800 | 292,700 | 76.5%                     |
| Thornton      | \$162,500 | 236,100 | 45.3%                     |
| Welby         | \$128,700 | 163,200 | 26.8%                     |
| Adams County  | \$149,800 | 216,700 | 44.7%                     |
| Colorado      | \$166,600 | 264,600 | 58.8%                     |

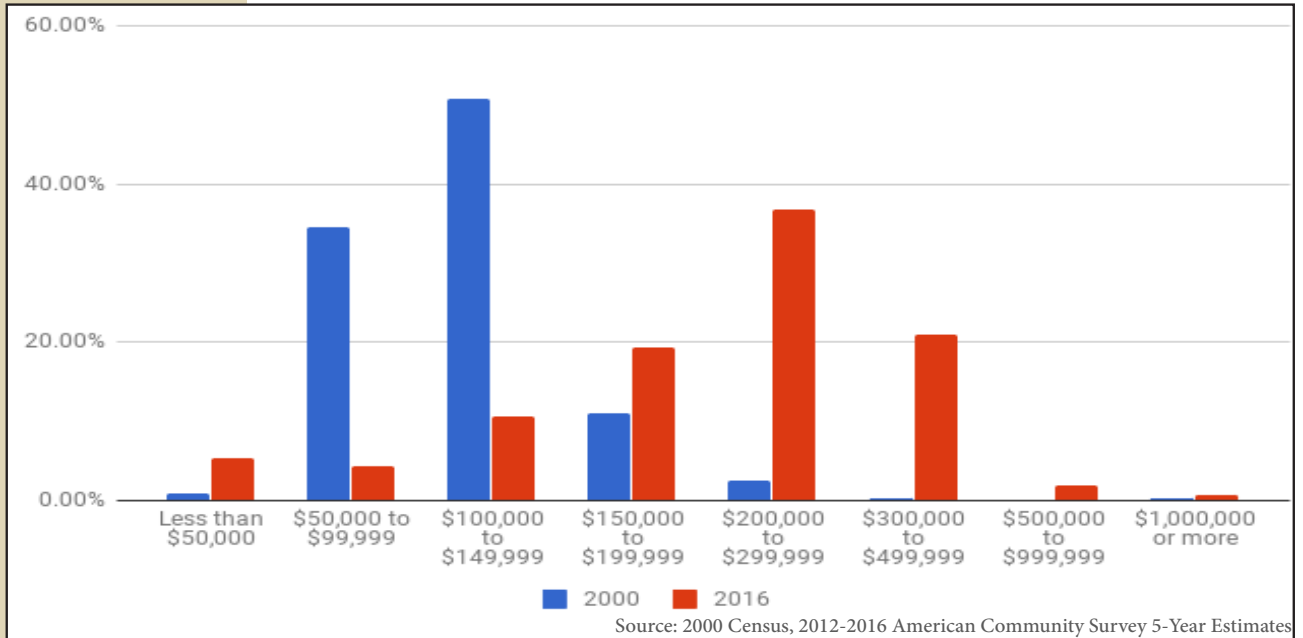
Source: Decennial Census H076 (2000), 2012-2016 American Community Survey 5-Yr Estimates (DP04)

## Section 4: HOUSING PROFILE

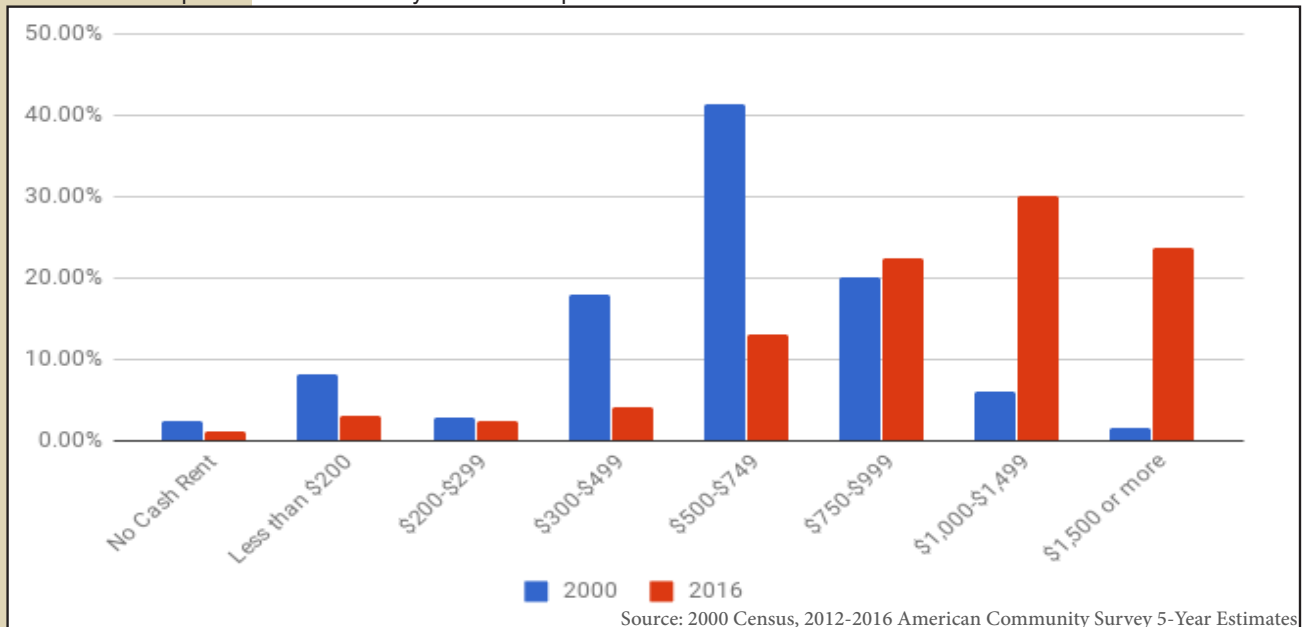
## Section 4: HOUSING PROFILE

condos and townhomes that sold in Commerce City in 2017 was \$260,000. This represents a 37 percent increase in the median price since 2014. CHART 7 and 8 show the growth in the median sales price in Commerce City compared it to the entire MLS for both single-family homes and condos.

**CHART 7: Owner-occupied housing values in Commerce City in 2000 compared to 2016**



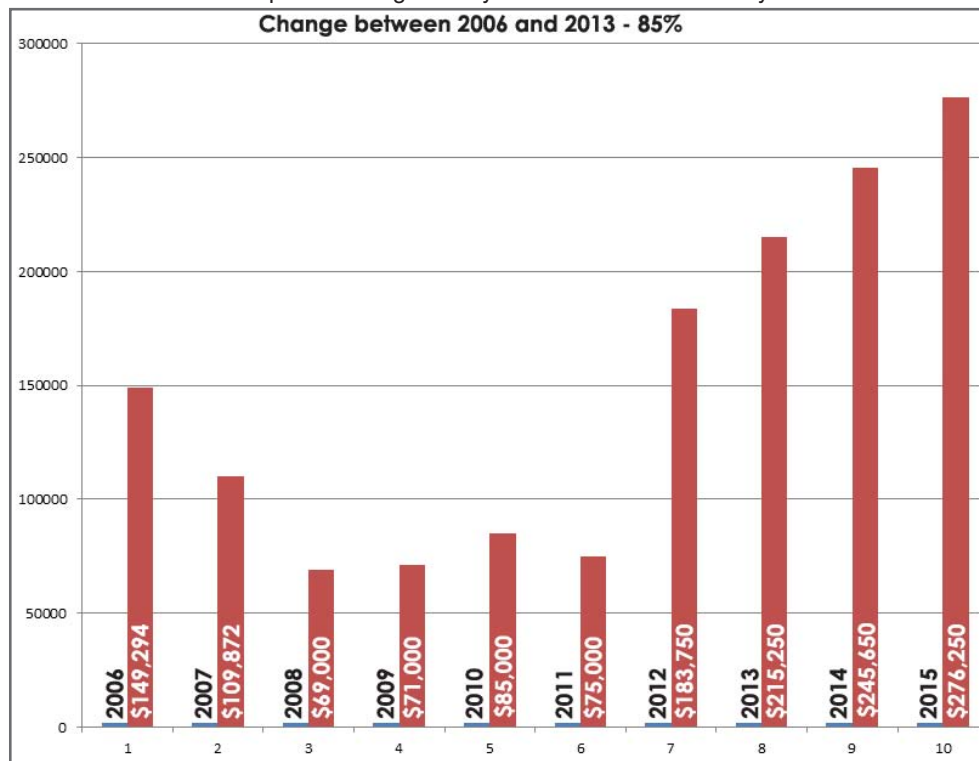
**CHART 8: Rent paid in Commerce City in 2000 compared to 2016**



The similarities of the two growth curves are notable. Condos and townhomes are approximately \$100,000 less expensive than single-family homes in Commerce City. And the median price is increasing at a slower pace. Though condos provide a more affordable path for homeownership, Commerce City is far from alone in not adding significantly to its stock of condominiums and townhouses. The Denver Metro Area and the state as a whole have been adversely affected by



**CHART 9:** Median sales price for single-family homes in Commerce City



2006-2015 Ten-Year Estimates via PolicyMap

Colorado's Construction Defect Action Reform Act (CDARA), and related legislation and amendments known as the Construction Defect Law, making developers vulnerable to class action lawsuits. The law has had a chilling effect on developers, all but eliminating the construction of condominiums statewide.

## Boxwood Means market data on home sales

This section provides market data from Boxwood Means, a national real estate research firm, on residential home sales in Commerce City from 2006 through 2015. These figures include townhomes and condos and single-family detached units. The median sales price calculated by Boxwood Means is about \$75,000 less than the single-family price calculated by DMAR, which is likely due to the inclusion of townhomes and condos in the calculation. Overall, the median home price has increased by 85 percent in the last decade with a notable drop in home values starting in 2007 due to the nationwide housing market crash.

**TABLE 32:** Unit count of new privately owned residential building permits by year, type

|               | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       |
|---------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Single-family | 216        | 113        | 191        | 383        | 350        | 306        | 481        | 341        |
| Multi-family  | 19         | 0          | 0          | 0          | 0          | 36         | 36         | 288        |
| <b>Total</b>  | <b>238</b> | <b>113</b> | <b>191</b> | <b>383</b> | <b>350</b> | <b>342</b> | <b>517</b> | <b>629</b> |

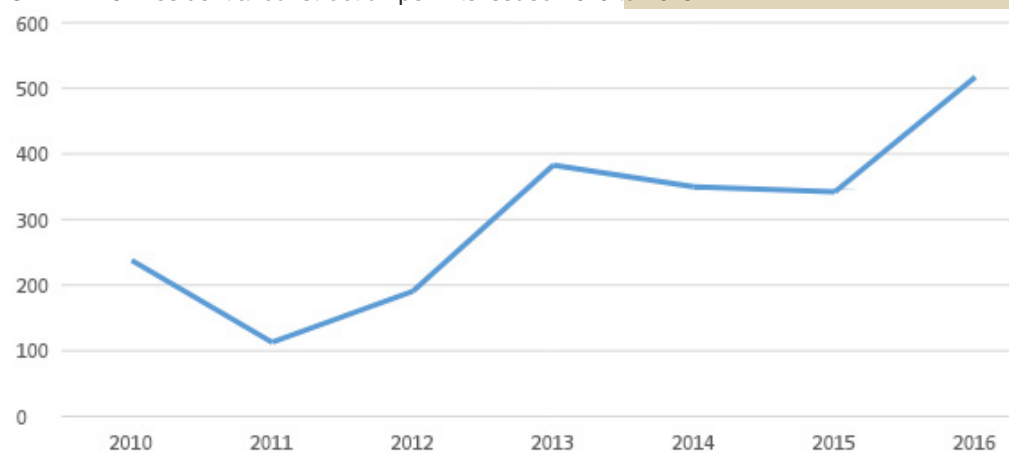
Source: Commerce City. Data Note: 2017 data is through 8/28/2017

**TABLE 33:** Percent of total new privately owned residential building permits by year, type

|               | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|------|------|------|------|------|------|------|
| Single-family | 91%  | 100% | 100% | 100% | 100% | 90%  | 93%  | 54%  |
| Multi-family  | 92%  | 0%   | 0%   | 0%   | 0%   | 11%  | 7%   | 46%  |

Source: Commerce City. Data Note: 2017 data is through 8/28/2017

**CHART 10:** Residential construction permits issued 2010 to 2016

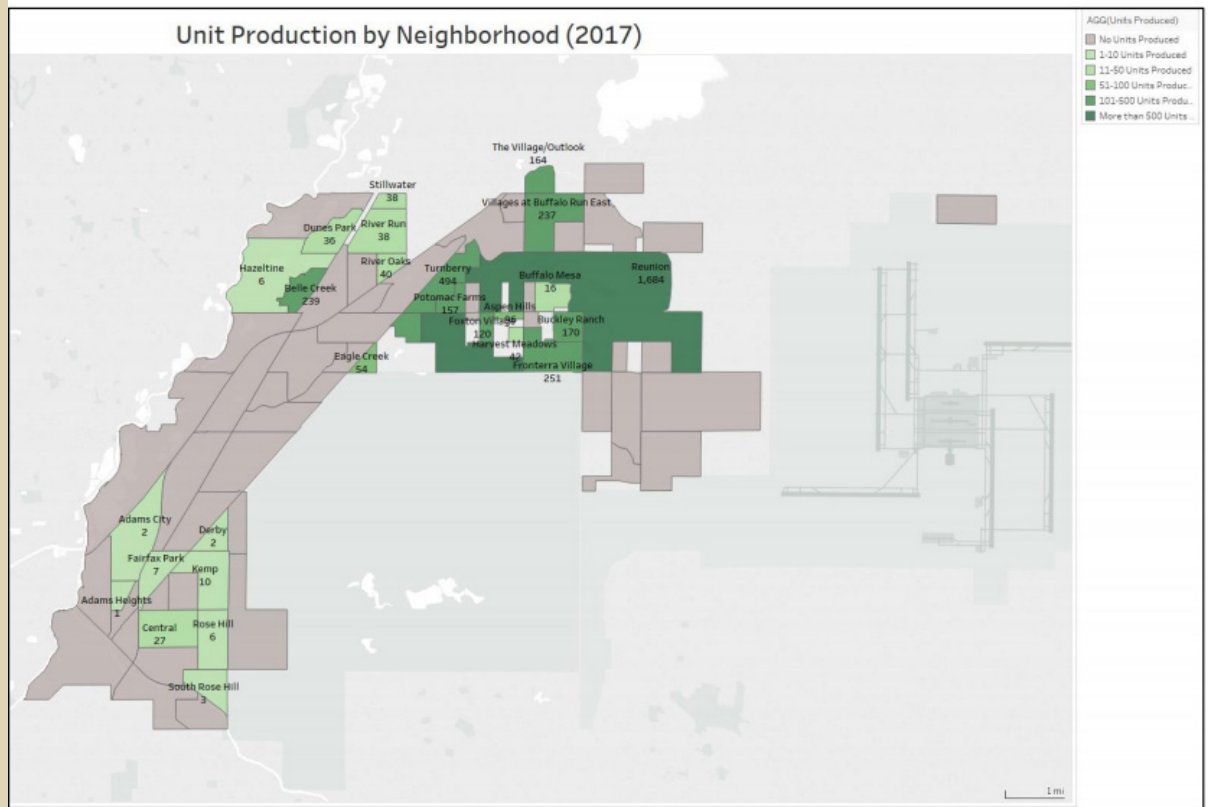


Source: Commerce City

## Section 4: HOUSING PROFILE

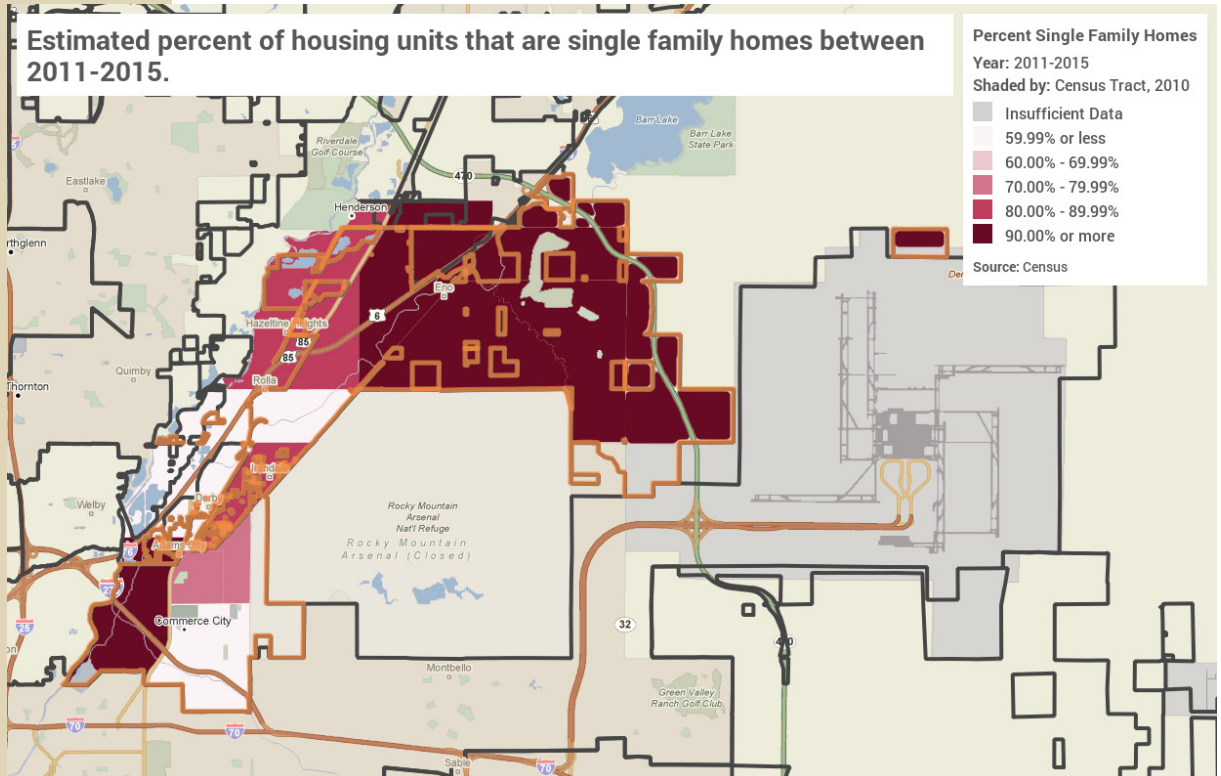
## Section 4: HOUSING PROFILE

**MAP 12: Unit production by neighborhood (2017)**



Source: Commerce City

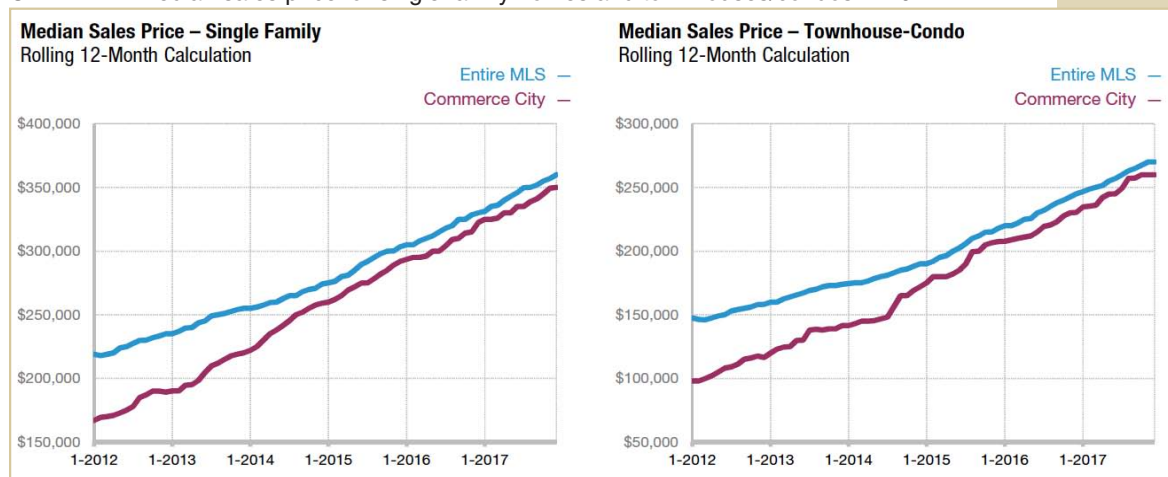
**MAP 13: Estimated percent of single-family homes between 2011-2015**



Source: Commerce City

While Boxwood Means only had 2015 data available at the time of this report, it is easily hypothesized based on local data sources that once Boxwood's 2016 and 2017 data are released the trendline will have continued.

**CHART 11:** Median sales price for single-family homes and townhouses/condos in 2017



## Construction activity

From 2011 to 2014, no multi-family housing permits were issued in Commerce City, signaling a lack of diversity in the city's housing stock. Single-family homes are by far the most commonly produced. TABLE 32 on page 73 shows the number of single-family and multi-family building permits issued annually from 2010 to 2016, and TABLE 33 on the same page shows the percent of new privately owned residential buildingt permits by year and type during the same period. Despite multi-family buildings allowing for considerably lower unit cost, they are still rarely produced.

In 2017 Commerce City produced 5.54 units per 1,000 residents, a figure comparable to most other cities in the area. Some jurisdictions have much-higher production rates like Berthound (50.72) and Erie (22.72), while other cities have much-lower production rate like Cherry Hills (0.30) and Wheat Ridge (0.48).

## New building permits

Even as the number of building permits has slowed, the unit production value by neighborhood has continued to rise as MAP 12 on page 74 shows for the third quarter of 2017.

Between 2010 and 2016, the city produced a on average of 305 units annually, less than half the forecasted need. With population projections provided by the Denver Regional Council of Governments and an average household size of 3.4, Commerce City will need about 700 housing units annually to keep up. If demand continues to exceed availability, housing prices may continue to increase along with the average household size. As discussed in the section on "housing needs gap," at present rates of increases in income, this means more residents will be cost-burdened or living in overcrowded homes or they'll be forced to live elsewhere.

## Future residents

Based on projections produced by the Denver Regional Conference of Governments, Commerce City is expected to see considerable population growth in the coming decades. Between 8,000 and 10,000 new residents are expected to move to Commerce City every five years, bringing the

*Commerce City will need more than 3,000 new units of housing in order to maintain the current average household size.*



population total to more than 85,000 by 2040. If these numbers bear up, Commerce City will need more than 3,000 new units of housing in order to maintain the current average household size. Anything less will continue to put upward pressure on housing prices.

**TABLE 34:** Commerce City housing needs forecast

| Year | Population Estimate | Total housing units needed | Total new units needed after 2015 | Annual production needed |
|------|---------------------|----------------------------|-----------------------------------|--------------------------|
| 2020 | 52,999              | 19,327                     | 3,819                             | 764                      |
| 2025 | 60,539              | 22,474                     | 6,966                             | 697                      |
| 2030 | 69,448              | 26,112                     | 10,604                            | 707                      |
| 2035 | 78,655              | 29,733                     | 14,225                            | 711                      |
| 2040 | 86,258              | 32,933                     | 17,425                            | 697                      |

Source: Civitas, LLC, Denver Regional Council of Governments  
Note: The 2020 population projections have already been surpassed



North end of Rocky Mountain National Wildlife Refuge & East 96th Avenue

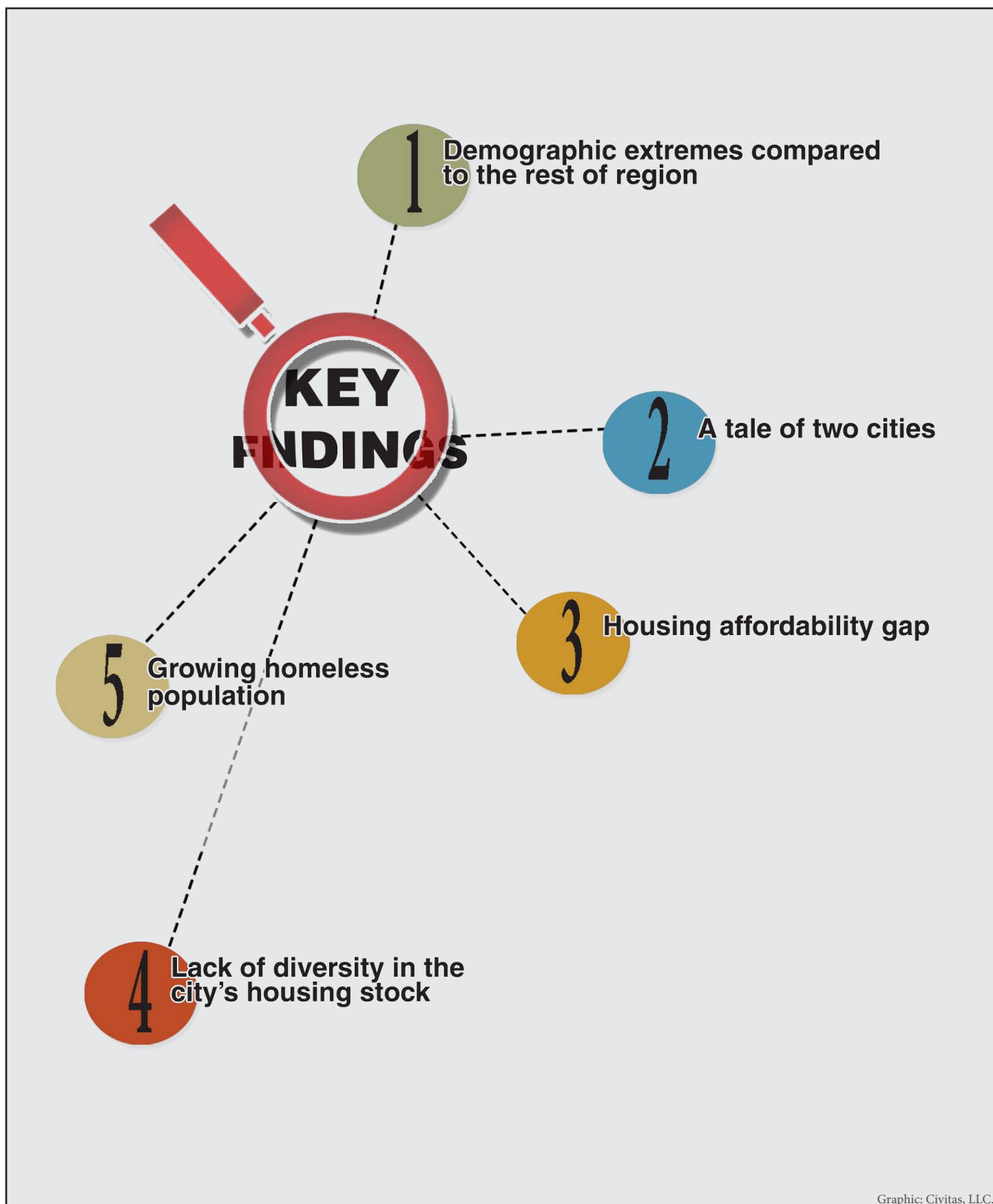




This aerial map shows East 96th Avenue, the demarcation between Commerce City's historic area to the south and the newly annexed areas in the northern range.

# SECTION 5

# **Key findings and conclusions**





## KEY FINDINGS

1

### **Demographic extremes compared to the rest of region**

Commerce City shows demographic extremes compared to every other community in the Denver Metro Area in five key areas: 1) highest percentage increase in population, 2) highest percentage rise in senior population, 3) highest percentage of single-family detached dwellings, 4) youngest population, 5) highest percentage of Hispanics.

2

### **A tale of two cities**

Across almost every meaningful data point there are significant differences in Commerce City between the historic historic city to the south and the new residential and commercial expansion to the north.

3

### **Housing affordability gap**

In 2007, median sales price of a home in Commerce City was affordable based on median household income at that time. By 2015, home prices more than doubled while income rose only 29 percent. More than one third of households are cost burdened, meaning they spend more than 30 percent of their income on housing. For renters, the imbalance is even higher at 44 percent.

4

### **Lack of diversity in the city's housing stock**

Single-family detached units makeup 76 percent of the city's housing stock, with 86 percent in north Commerce City. Renters make up nearly one-third of households, and most live in the southern historic city. There are few affordable rentals and little by way of high-density, appropriate housing for seniors or those with special needs. Waiting lists for the Housing Choice Vouchers have been closed since 2014.

5

### **Growing homeless population**

As housing prices continue to escalate throughout the region, Commerce City is witnessing a growth in number of individuals and families experiencing homelessness.

## Key findings and conclusions

The Housing Needs Assessment casts a wide net. It looks at Commerce City from numerous angles and across multiple intersecting data points in order to identify trends and to provide a comprehensive picture of the community's housing needs. It also looks at how those trends and needs have changed over time. There are five key findings that stand out:

1. Compared to other communities in the region, Commerce City's demographic makeup shows extremes.
2. In the city itself, Commerce City is a tale of two cities with demographics and conditions of the historic city markedly different than the northern range.
3. Housing prices have outpaced increases in income, resulting in a housing affordability gap for homeowners and renters in Commerce City.
4. An abundance of single-family homes and a severe lack of multifamily housing and housing for seniors and those with disabilities means Commerce City is not meeting the community's housing needs.
5. With the rise in housing costs and income levels flatlining, the numbers of homeless persons in Commerce City and the region have increased.

Commerce City's commitment to healthy, family-friendly neighborhoods is manifest in its on-going efforts to improve the quality of life for all its residents. In south Commerce City that has meant a \$10 million renovation of the 30-year-old Eagle Pointe Recreation Center, pending infrastructure improvements in Irondale, the development of bike and walking paths along the banks of the South Platte River and throughout the community, the addition of parks and greenspace, the influx of social service organizations dedicated to helping residents improve access to health care, education, job training and affordable, quality housing. It has meant revisiting old plat maps and zoning to allow for adaptive reuse of buildings in disrepair. It has meant rethinking neighborhoods that are disconnected because of the matrix of roads

and rail lines. It has meant development of programs and efforts to adapt and repair homes that are aging. It focuses on getting those who grow up there to want to stay and raise their families there.

In the north area of Commerce City, most everything is new and has been built up with the full benefit of planned unit development and application of the city's comprehensive planning efforts. Neighborhoods are being built with carefully thought-out elements designed to give residents easy access to schools, healthcare, recreation, parks, businesses and entertainment with roads that allow traffic to move smoothly. The planned communities are built around practices of renewability and sustainability.

The issues facing the newly developed annexed areas are matters of affordability and a lack of diverse housing stock. Indeed, today, Commerce City as a whole has a higher percentage of single-family detached homes in its housing stock than any other community in the region, according to the Denver Metro Association of Realtors. But that number is even higher in the north area.

There are few rental options in the north area and even fewer that are affordable. The first affordable development serving that area is opening in 2018/19. High-density housing and



housing that accommodates the needs of the elderly and disabled are likewise rare. As housing costs have risen, those in the workforce who serve the community are being closed out because they can't afford to live where they work. Many of these are the people who provide critical community services including teachers, police officers, fire fighters, waiters, health care workers and the many others who make a community tick but who earn modest incomes.

The key findings are examined in detail in the pages that follow.

## Demographic extremes compared to region



### Most extreme population growth

While Colorado, the Denver Metropolitan Region (DMA) and Adams County are all experiencing growth in population, with Adams County's growth outpacing the DMA, Commerce City has been in a league of its own. Since 2000, the population in Commerce City has grown by 155 percent. By contrast, the countywide and statewide growth rates for the same period were 37 and 30 percent, respectively.

Commerce City's aggressive annexation over the last 20 years combined with the rigorous development and building that followed explains the rapid growth. Notably, Commerce City's high population growth has occurred almost entirely in the northern range (north of East 96th Avenue), where the annexation has occurred. Since 2000, the population there has increased 1,362 percent compared to 14 percent in historic Commerce City to the south.

The Denver Regional Council of Governments (DRCOG) projects that by the year 2040 Commerce City's population will reach 86,258 persons, almost double what it was in 2010. Useful to note that population estimates for 2016 (54,869 persons) have already surpassed DRCOG projections for 2020 (52,999 persons). Population growth would show an increase of 93.3 percent from 2010 to 2040 if DRCOG projections hold. Commerce City is projected to continue growing faster than the region.

### Greatest rise in senior population

Elderly persons make up 8 percent of the population in Commerce City. Though those 65 and older comprise a smaller portion of the city's overall population compared to the Denver Metro Area or the state, this population is growing at a faster rate in Commerce City than that of any other community in the region. From 2000 to 2017, the number of persons aged 65 and older grew by 119 percent.

According to American FactFinder U.S. Census Data, in 2000, there were 1,931 seniors compared to 4,229 in 2017.

### Youngest median age

Commerce City's aggressive annexation over the last 20 years and the rigorous development and building that followed have attracted young, first-time homeowners, resulting in more rapid growth in younger population groups when compared to the surrounding communities and state as a whole. The median age in Commerce City was estimated to be 31.7 in 2017, according to Esri estimates. Comparatively, estimated median age in Colorado was 37.2 and the national median age was 38.2.

### Highest percentage of single-family dwellings

Commerce City has a larger percentage of single-family homes than any other community in the region. In 2016, 88 percent were single-family; this is an increase of 6 percent from 2000, when 82 percent of the homes were single-family. HUD's definition of a multi-family

### Percentage increase in population 2000-2017



Commerce City

### Increase in percentage of elderly 2000-2017

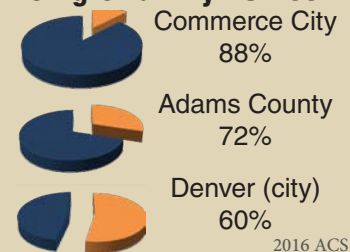


Commerce City

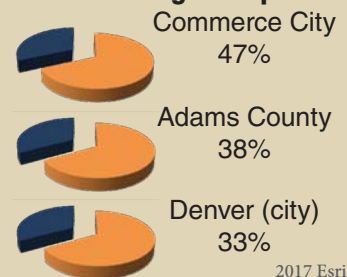
### Median age



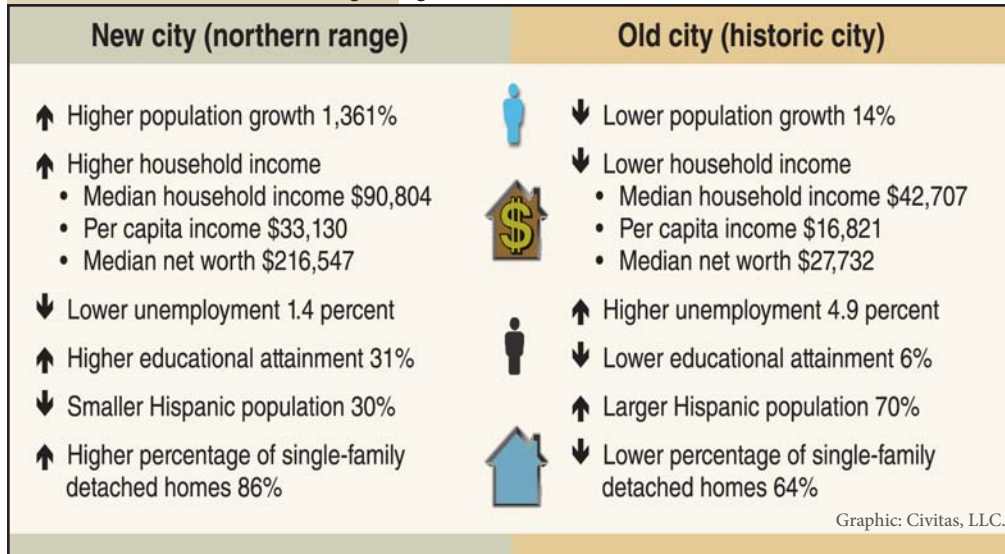
### Percentage of single-family homes



### Percentage Hispanic



INFOGRAPHIC 10: 2017 housing at a glance



unit is “a structure with more than four housing units.” Thus, a single-family structure may have one to four housing units.

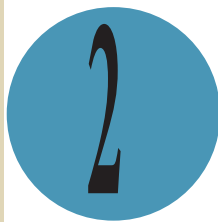
One-unit detached homes make up 76 percent of the homes in Commerce City. Between 2000 and 2016, southern Tracts saw single-digit growth in single-family homes, while the center Tracts saw a reduction in single-family homes. Those in the north saw substantial growth of 30 percent or more in the percentage of single-family homes.

### Highest percentage of Hispanics

The city’s sizeable Hispanic population comprises almost half the population at 47 percent, compared to 22 percent at the state level. In the south area of Commerce City, the concentration of Hispanics is even higher at 70 percent, showing 3 percent growth since 2010.

These numbers are likely higher given that the “hidden population” in Commerce City includes an estimated 2,085 additional residents who are undocumented. (These figures are based on 2014 population estimates showing an additional 3.8 percent of statewide residents as undocumented, according to a Pew research study.) Utilizing the person per household average, an additional 662 homes were needed to house these residents within the city. This puts additional pressure on low income families seeking decent affordable housing.

## A tale of two cities



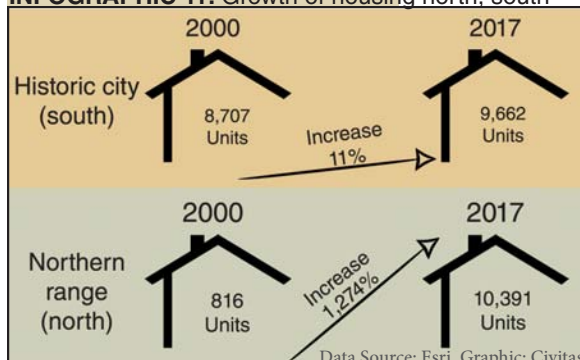
Significant disparities exist between north and south Commerce City economically, demographically and in terms of housing. The housing issues of the city’s industrial core, where homes and infrastructure are older and deteriorating in places, are markedly different from the north where the vast majority of housing and infrastructure is less than 20 years old.

Most of Commerce City’s growth has occurred in the neighborhoods north of East 96th Avenue, the newer of the two distinct areas that make up the community.

Neighborhoods in the historic section of Commerce City developed to serve the industrial core, housing the blue-collar labor force that worked at the refineries and factories. Homes there are more modest structures and many don’t meet current housing codes. Property values are lower, and those who live there have lower incomes, less education, and higher rates of poverty and unemployment.

The population in the south part of the city, though more diverse (diversity index score of 80) than in the northern area, is largely of Hispanic descent. This area has experienced commercial and industrial growth in recent years but little population growth. The number of housing units – both rental and

INFOGRAPHIC 11: Growth of housing north, south



From 2000-2017, the number of housing units in the historic city increased 11 percent. In northern range, the number increased 1,274 percent.



owner occupied – increased 11 percent since 2000, while the population increased 14 percent.

The numbers in north Commerce City for the same period tell a very different story. In 2000, before development of the annexed areas took off, there were only 816 housing units. By 2017, the number of housing units had grown to 10,391 – a dramatic increase of 1,274 percent to accommodate a population that grew by 1,361 percent. The new construction and family-oriented neighborhoods have attracted young, first-time homeowners with higher incomes, education and employment. The racial profile is less diverse (diversity index score of 67), with whites making up 76 percent of the population.

In 2017, per capita income in north Commerce City was \$33,130 compared to south Commerce City where the per capita income was only half that at \$16,821. The 82 percent of residents in the north own the home they live in, compared to 46 percent in south. Seven percent of persons 25 years and older in the north do not have a high school diploma, compared to 36 percent in the south. These disparities repeat themselves across multiple indicators, making Commerce City's housing issues all the more challenging.

## Housing affordability gap

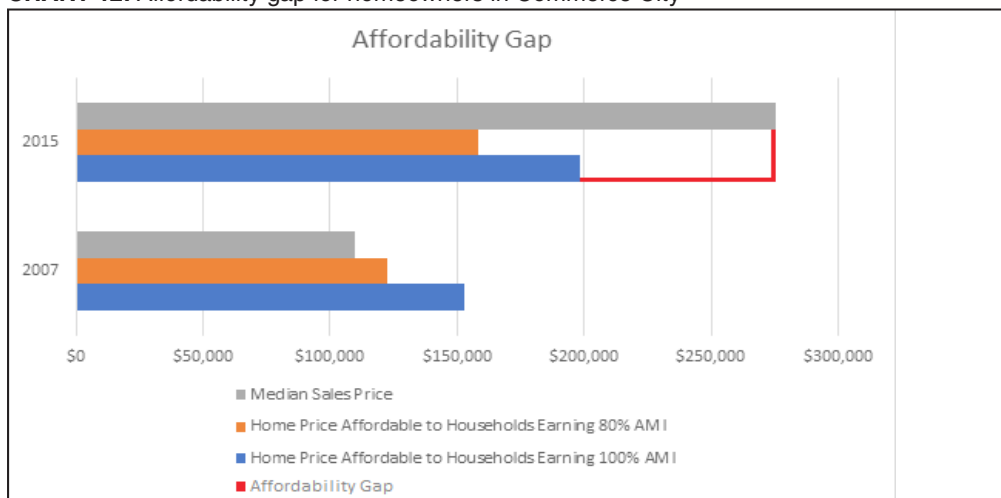


A housing affordability gap exists throughout Commerce City, both north and south, for homebuyers as well as renters. Nearly one-third of (5,000+) households in Commerce City pay more than 30 percent of their income on housing costs, a standard measure of housing cost burden that points to a lack of affordable housing. Since housing cost burden is based on household income, it applies across

different price points, unit types and sizes.

As housing costs have risen, those in the workforce who provide vital community services are being closed out because they can't afford to live where they work. Many of these are the people

**CHART 12: Affordability gap for homeowners in Commerce City**




Source: Median Sales Price, Boxwood Means via PolicyMap; Home Price Affordable, using 3x median household income from 2011-2015 ACS 5-Year Estimates (which is a common method of estimating affordability).


w h o


## INFOGRAPHIC 12: Housing info at a glance


### Commerce City

- 


↑ Total number of housing units in Commerce City = 17,273

  - This number (which includes vacant units) compares with a total of 9,523 in 2000 – a growth of 81 percent in 17 years, a period that includes the downturn associated with the Great Recession when prices declined dramatically
- 


↑ Percent of owner-occupied homes = 66 percent (11,400 units)
- 

↑ Percent of renter-occupied homes = 31 percent (5,355 units)
- 

↑ Vacancy rate for the city was 2.5 percent

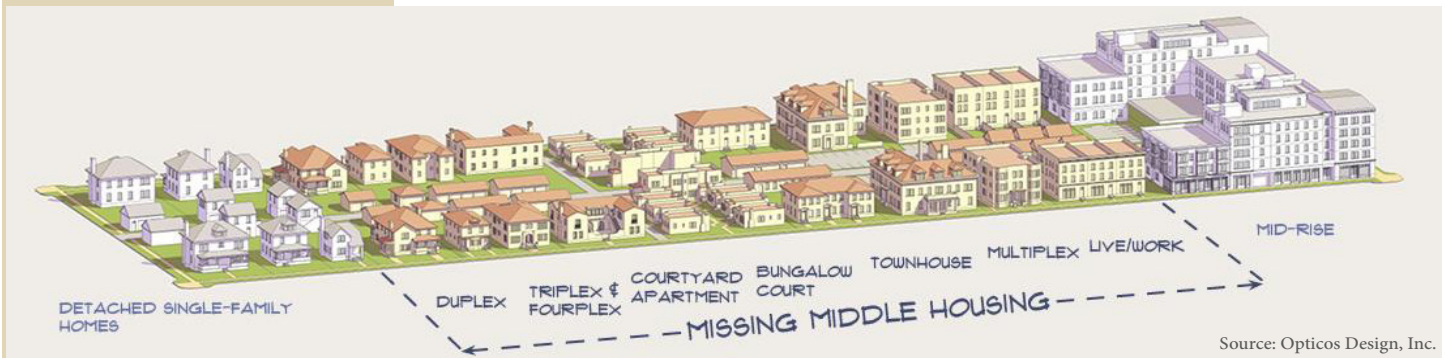
  - Five percent is considered “healthy”
  - The lower the rate, the higher demand
- 

↑ Median value of a housing unit = \$258,673

  - This compares to a median value of \$112,600 in 2000 (a 148 percent increase)
  - The average value was \$278,060, an indication that the market trend is toward higher-value homes
  - As housing prices have risen, housing affordability is an increasing problem
  - The largest home value cohort is in the \$300,000 to \$399,000 bracket at 21 percent
- 

↑ Median household income = \$71,442

## INFOGRAPHIC 13: Missing middle housing



Missing middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.

### Senior housing options mostly in south Commerce City

Though affordable senior housing units have been added to the city's housing stock since 2010, the supply is not meeting the demand. Below is a description of the existing stock.

- Conter Estates I and II, 6600 E. 60th Place, a 114-unit affordable senior community for persons 55 and older, was developed in partnership with the CCHA. Both were built in part with financing obtained through the Low-Income Housing Tax Credit (LIHTC) program. In addition to providing apartments for low-income households, this property includes some market rate units. Thus, rents charged vary based on a renter's income.
- Kearney Plaza Apartments, 6140 E. 60th Ave., 96 units, is income-based rent. No units were available as this report was being prepared.
- Madonna Plaza, 6275 Kearney St., is a 50-unit apartment building owned and operated by the Archdiocesan Housing, providing affordable, service-enriched housing.

provide critical community services including teachers, police officers, fire fighters, health care workers and the many others who make a community tick but who earn modest incomes.

#### Homebuyers

When 2007 household income and home prices are compared, Commerce City had no affordability gap. That year the median sales price of a home in Commerce City was \$109,872. Households earning 80 percent of the median household income could afford a home listed at or below the median sales price. That meant a household earning 100 percent of the median household income could afford a home valued at more than \$150,000

But by 2015 the situation had changed dramatically. Housing price increases far outpaced household income growth, leading to a significant affordability gap. From 2007 when homes in Commerce City were affordable to 2015 when they were not, the median sales price for a home more than doubled, while household income grew only 29 percent. Households earning 100 percent median household income could no longer afford a median priced home in Commerce City.

#### Renters

While a majority of residents are homeowners, nearly one-third are renters and most live in the historic city where housing is more affordable and rental properties more prevalent. The cost-adjusted rent paid by low-income households has risen, even as their income have fallen.

The cost burdens are more pronounced when looked at by area and when factoring in increases in market rental rates. In the south part of Commerce City, medium household income in 2017 was \$42,707, according to Esri estimates. Individual income was \$16,821. With increases in rental rates this suggests that renters in south Commerce City are even more cost burdened than they were based on the 2016 five-year American Community Survey (ACS) data. The median household income in the city was \$67,787 per year or \$5,649 per month. The median gross rent at that time was \$1,066. That meant that in Commerce City a household making less than \$3,553 per month was considered cost burdened renting an apartment at or above the median rent.

Based on that data, 44 percent of renters were cost burdened, spending 30 percent or more of their income on housing. Households are considered "extremely cost burdened" if they pay more than 50 percent of their income on housing. The actual median market rent is likely to be higher than \$1,066 a month, but the U.S. Census Bureau's ACS is the trusted source for housing cost burden data so its figures are used here.



### Lack of diversity in the city's housing stock

Commerce City surpasses every city in the region, Adams County and the state as a whole in its percentage of single-family detached units. In Commerce City overall, single-family detached units comprise 76 percent

of the city's housing stock. In the northern range, the area north of East 96th Avenue, these units make up 86 percent of the stock, compared to 64 percent in the historic city to the south. The preponderance of single-family detached units points to a lack of diversity in housing types, especially "missing middle" units that offer sufficient housing choices to meet a range of needs and lifestyles.

### Limited multi-unit urban housing


Diverse housing options are necessary for the stable growth of any community. Traditional detached suburban homes may be attractive to traditional families, but may hinder attracting younger, new workers to the region or retaining retirees when they downsize. Walkable, higher density, multiple purpose developments are occurring nationwide, reflecting the different needs and lifestyles of a changing population – renters and homeowners willing to give up square footage for easy access to public transport, services and amenities. Smaller households, for example, tend to dine out more, which amps up the local economy.

Only 12 percent of the housing stock in Commerce City is multifamily – this is less than half that of Adams County at 23 percent and the state as a whole at 24 percent. A housing stock heavily weighted toward single-family homes leaves a gap in the range of housing types, living arrangements, amenities and supportive services.

### Limited supportive service housing for seniors, disabled

Supportive housing options are particularly important amongst seniors and others with special needs, e.g., persons with disabilities. In Commerce City, the lack of supportive housing

**TABLE 35:** Total households paying more than 30 percent of income for housing

|  | Owner-occupied housing |            |                     |            | Renter-occupied housing |            |                     |            |
|--|------------------------|------------|---------------------|------------|-------------------------|------------|---------------------|------------|
|  | Total households       |            | Paying more than 30 |            | Total households        |            | Paying more than 30 |            |
|  | Number                 | Percentage | Percent             | Percentage | Number                  | Percentage | Number              | Percentage |
| Less than \$20,000   | 634                    | 6.0%       | 442                 | 69.7%      | 969                     | 21.3%      | 794                 | 81.9%      |
| \$20,000-\$34,999  | 702                    | 6.7%       | 427                 | 60.8%      | 712                     | 15.6%      | 462                 | 64.9%      |
| \$35,000-\$49,999  | 1,213                  | 11.5%      | 614                 | 50.6%      | 843                     | 18.5%      | 513                 | 60.9%      |
| \$50,000-\$74,999  | 2,374                  | 22.5%      | 1,097               | 46.2%      | 840                     | 18.4%      | 223                 | 26.5%      |
| \$75,000 or more   | 5,606                  | 53.2%      | 413                 | 7.4%       | 1,074                   | 23.6%      | 149                 | 13.9%      |
| Zero or negative income or No Cash Rent  | 15                     | 0.14%      | --                  | --         | 119                     | 2.6%       | --                  | --         |
| Total  | 10,544                 | --         | --                  | 4,557      | --                      | --         |                     |            |

Data source: 2012-2016 American Community Survey 5-Year Estimates (B25106)

is apparent. The city's 2010 Comprehensive Plan, observed, "While Commerce City has a lower proportion of seniors than surrounding communities, its population is aging like the Denver metro area as a whole. Currently, the community has very limited senior housing available. For seniors to be able to stay in the community, new senior housing will be necessary."

While some developments have been built since 2010, the un-met demand for affordable housing for older adults and disabled persons persists. Nearly all are located in south Commerce City and what units exist are in high demand, often with no vacancies.

### Limited low-income housing

From 1999 to 2009, five low-income apartment communities containing 490 rental apartments were constructed and offered to low income persons through the Low-Income



Housing Tax Credit Program. From 2010 to 2016, the number of multifamily building permits was extremely low. In 2010, only 19 multifamily building permits were issued. From 2011 to 2014, zero multifamily building permits were issued. In 2015 and 2016, 36 multifamily permits were issued.

There are a total of 17,273 housing units in Commerce City. Of those, 783 are low-income apartments and 262 are rent-assisted apartments. Currently, there are 10 low income housing apartment complexes in Commerce City, often referred to as “HUD apartments,” including 243 Project-Based Section 8 subsidized apartments in the city. The remaining low-income apartments do not have rental assistance but are still considered affordable housing for low income families.

Affordable housing program eligibility is determined by income. Each household’s income is compared to the incomes of all other households in the area. This is accomplished by calculating the Area Median Income (AMI) and is published each year by HUD. Often, HUD uses an area larger than a city to determine AMI because those searches make extend beyond political boundaries. For Commerce City, AMI is calculated from all households in Adams County where HUD calculates the AMI for a family of four as \$83,900.

## 5

### Growing homeless population

As housing prices continue to escalate throughout the region, Commerce City is witnessing a growth in the number of individuals and families experiencing homelessness. Homelessness is considered a regional issue. Obtaining precise data on the homeless population is a notoriously difficult task. But data from the Colorado Department of

Education (CDE) and the Metropolitan Denver Homeless Initiative, as well as public input from homeless service providers all point to a growing homeless population and the need for housing options and supportive services to address the issue.

Over the last three years, the top three reasons given for homelessness in Adams County were 1) Losing a job 2) The high cost of housing, and 3) Family/relationship breakup.

Some of the increase in the number of homeless persons in Commerce City is because Denver and other communities have displaced some of their homeless populations through stricter enforcement. When Denver did a “sweep” of homeless persons in spring 2017, many of the displaced people moved just over the Denver city line to Commerce City. Homeless camps began appearing in clusters of 10 or more people on city





property along the South Platte River near Riverside Cemetery. The city displaced the camps when flooding threatened the area. While this protected lives, it simply scattered the problem elsewhere. Law enforcement is working with community organizations to connect the homeless with community organizations that offer supportive services.

### **Working-homeless hidden populations**

Homeless service workers note an increasing number of working-homeless families in Commerce City – people with low-paying jobs who don't earn enough to pay rent because housing costs are rising while wages are not.

Also notable is the “hidden population” of undocumented and mixed-documented persons who mostly live in the historic city. The 2014 figures by Pew Research estimated 2,085 undocumented residents in Commerce City. This is a population that doesn't qualify for services, has limited job opportunities and struggles in other areas (e.g., language barriers, stress, fear of deportation) and is part of the population vulnerable to homelessness.

Community organizations, the city of Commerce City, Adams County and regional and state efforts offer a myriad of supportive services both to help the homeless, but also to stave off conditions that lead to homelessness through homebuyer help programs, foreclosure assistance, utility assistance, drug and alcohol programs, domestic abuse intervention and prevention, child services, education, job training and placement. Commerce City is making efforts to strengthen the networking among organizations to consolidate effort and better address the issues.



*Homeless service workers note an increasing number of working-homeless families in Commerce City.*



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