

REGIONAL HOUSING NEEDS ASSESSMENT

**Review DRCOG Denver Area Regional Housing
Needs Assessment during Comment Period**

TOWN COUNCIL MEETING
AUGUST 19, 2025



SUSTAINABLE AFFORDABLE HOUSING ACT

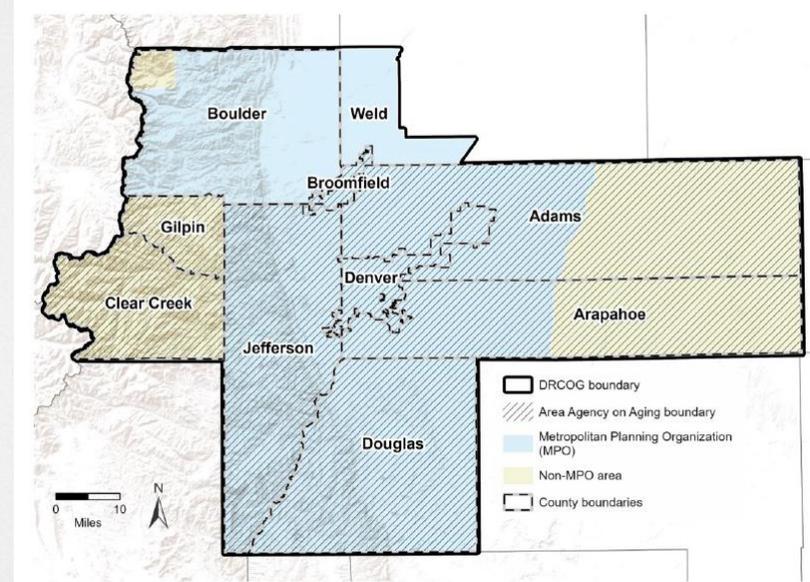
- Senate Bill 24-174 passed by State of Colorado in May 2024.
- Requires local governments to conduct a **housing needs assessment** that conforms to DOLA methodologies by December 31, 2026.
 - Alternatively, local governments may also choose to "**participate**" in a **regional** housing needs assessment.
- DRCOG completed a Regional Housing Needs Assessment, which the Town may choose to participate in to satisfy the state requirement.

HOW TO "PARTICIPATE"

Local governments in the DRCOG region may use the DRCOG's regional housing needs assessment for compliance with SB24-174 by:

- Reviewing the **Regional Housing Needs Assessment at a public meeting and submits comments to DRCOG during a defined 60-day review period, between July 14, 2025 to September 12, 2025.**

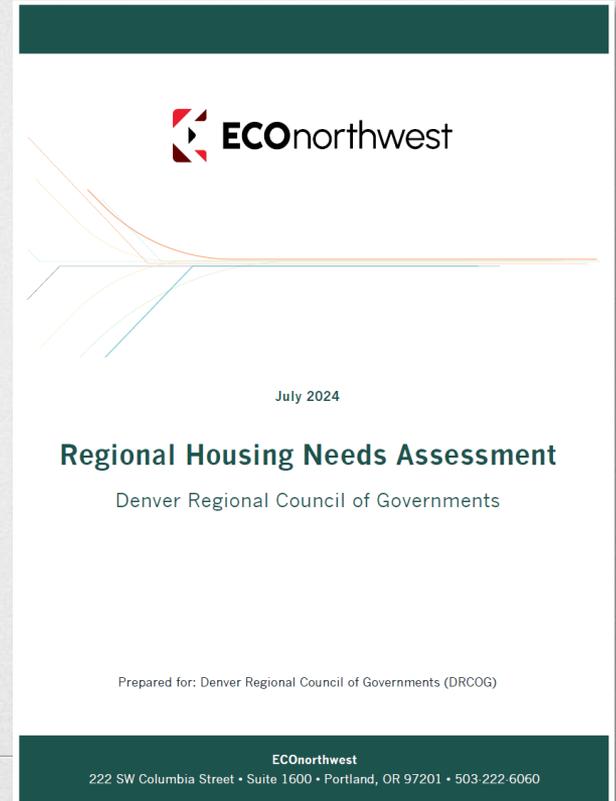
Exhibit 1: DRCOG Planning Area



Source: DRCOG

DRCOG REGIONAL HOUSING NEEDS ASSESSMENT

- Initiated by the DRCOG Board of Directors in 2023 in response to the region's pressing housing challenges.
- Provides a **shared, data-driven foundation** to understand how much housing the region needs, where, and at what price points.
- Provides the **scale and scope of housing needs** so communities can develop strategies to meet those needs in the future.



NEED FOR REGIONAL COORDINATION

- **Housing markets are regional**
- People make choices about where to live based on factors that cross jurisdictional boundaries
 - Jobs
 - Affordability
 - Schools
 - Amenities
 - Childcare
 - More – proximity to family, parks and open space, etc..

DRCOG STAKEHOLDER ENGAGEMENT



KEY FINDINGS

- Despite periodic building booms, the **region has not produced enough housing to keep pace** with population and job growth.
- **Low-income households** (below 50% Area Median Income) represent the greatest need for additional housing.
- **Aging population and smaller household** trends will require more diverse housing types.
- Housing types and affordability are **unevenly distributed across the region**.

TOTAL REGIONAL NEEDS

To address current and future needs across the income spectrum, the Denver region needs to build 500,000 units by 2050. To stay on track to reach that goal, the region should work toward building 223,000 new units through 2032.



Includes all units to
address current
shortages

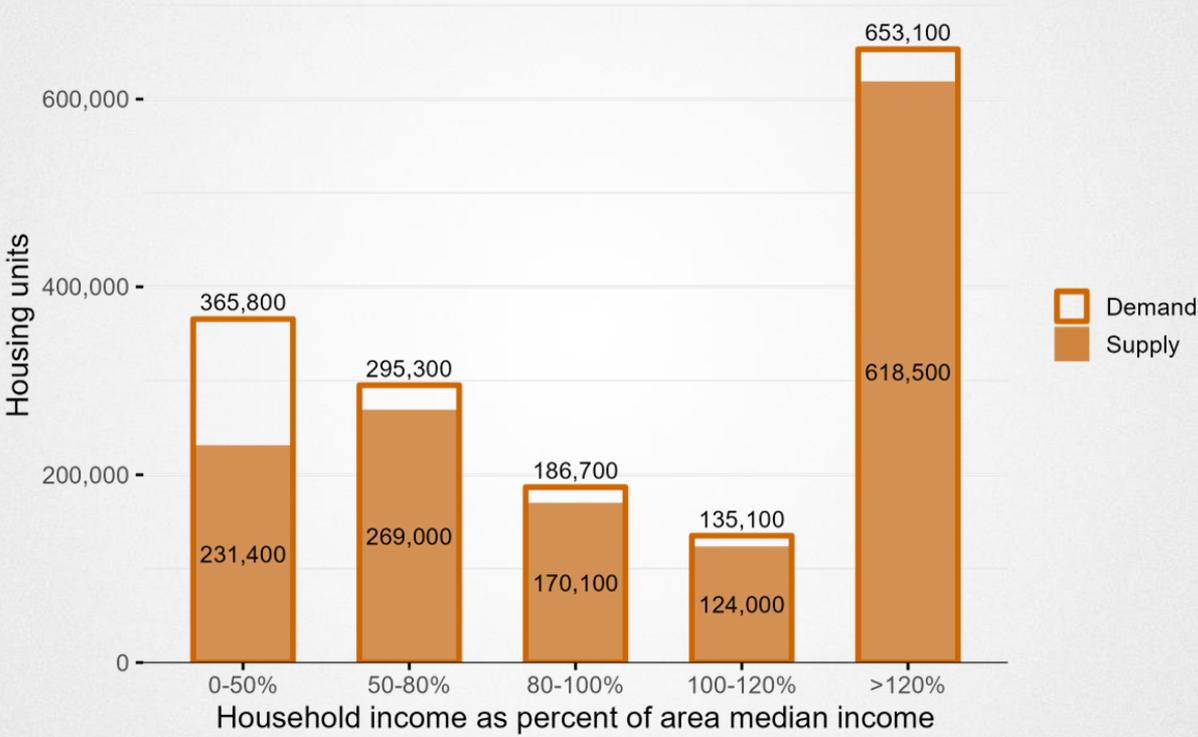
10-YEAR REGIONAL HOUSING NEEDS

Component	Housing units
Current need	69,000
Future need	154,000
Total units	223,000

Source: ECONorthwest analysis; DRCOG small-area forecast, 2025; Metro Denver Homeless Initiative State of Homelessness Report, 2022–2023

The Denver region will need to produce about **223,000 new housing units between 2023-2032** to meet current and future regional housing needs.

DISTRIBUTION OF NEED – 2032



Almost 135,000 units for households earning 0–50% Area Median Income are needed to meet current and future demand by 2032.

IDENTIFYING LOCAL HOUSING NEEDS

Model for identifying the need in local communities:

Population:

current population, future population

Employment:

current jobs, future jobs



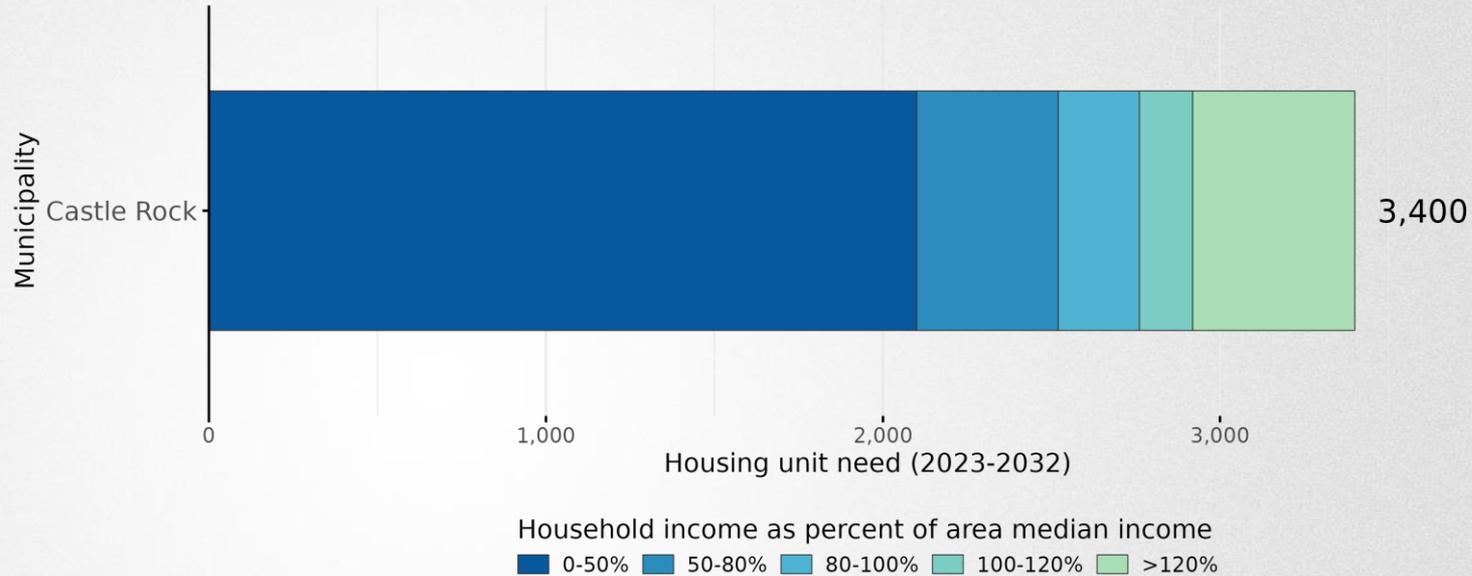
Transportation:

current transit, future transit, commute times

Housing:

affordable units, vacancy rates

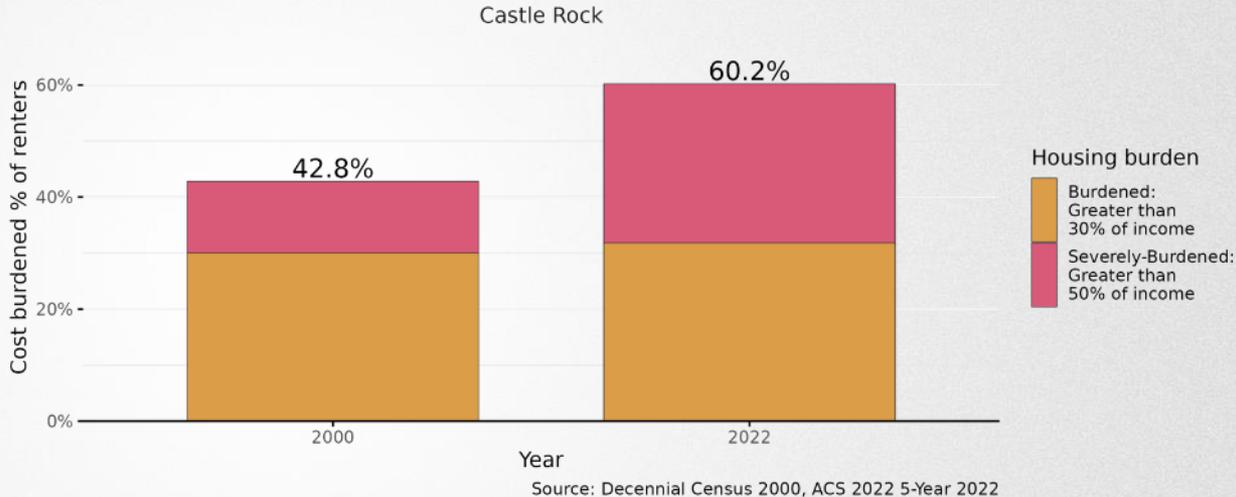
10-YEAR HOUSING NEED IN CASTLE ROCK



Source: DRCOG, ACS PUMS 1-Year 2022, ECONW calculations

- The assessment provides the **scale and scope of housing needs** to aid in developing future strategies.
- The **precise number** is not as important as understanding the scale and scope of housing need and **developing a future strategy that is proportionate to the need.**

COST BURDENED HOUSEHOLDS IN CASTLE ROCK

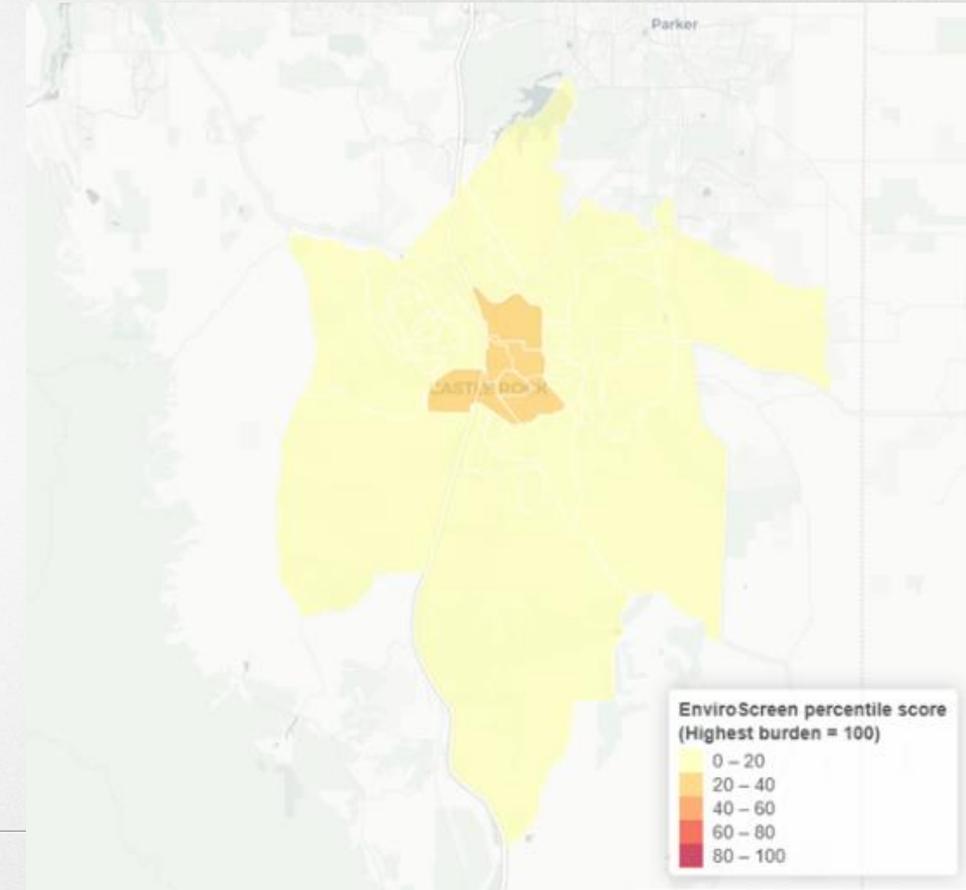


This chart shows the proportion of rented homes in our community where households are spending 30%+ and 50%+ of their income on housing costs. It also shows how this proportion has changed between 2000 and 2022.

DISPLACEMENT RISK IN CASTLE ROCK

Displacement is the involuntary relocation of residents, particularly low-income residents or locally owned community serving businesses.

Higher percentiles indicate a greater risk of displacement for current residents. Overall, Castle Rock's displacement risk is considered **low to moderately low**.



QUESTIONS REGARDING PARTICIPATION

1. **What does participation in the DRCOG regional needs assessment provide?**

- It allows a jurisdiction to use the DRCOG regional housing needs assessment to meet the state requirements of SB24-174. Local governments that participate do not need to conduct a separate assessment at increased staff time/consultant costs.

2. **Does participation in the regional needs assessment prevent the production of a local housing needs assessment?**

- No. A jurisdiction can later decide to produce a separate local needs assessment by December 31, 2026.

QUESTIONS REGARDING PARTICIPATION

3. Does participation in this DRCOG regional needs assessment obligate a community to make changes to their local land use regulations?

- No. Participation in this regional needs assessment creates **no obligations** for communities to change local land use regulations.

4. Does SB24-174 require anything after the housing needs assessment?

- Yes. A Housing Action Plan is required to be completed by January 1, 2028. The Douglas County Housing Partnership (DCHP) intends to take the lead on creating a housing action plan that could be utilized by all member jurisdictions.

5. Are other DCHP jurisdictions participating in this assessment?

- Yes. Lone Tree and Parker have held their public meetings and voted to participate. Castle Pines and Douglas County have their public meetings scheduled for Aug 19th.

RECOMMENDATION

Town staff recommends participation in the DRCOG Denver Area Regional Housing Needs Assessment. Staff has no proposed comments on the assessment.

Participating in this DRCOG Regional Housing Assessment does not obligate the Town to make any land use regulation changes.

PROPOSED MOTIONS

Approval

“I move to direct staff to submit the Town of Castle Rock’s participation in the Denver Area Regional Housing Needs Assessment to DRCOG with no comments prior to September 12, 2025.”

Alternative Motions:

Approval with Comments

“I move to direct staff to submit the Town of Castle Rock’s participation in the Denver Area Regional Housing Needs Assessment to DRCOG with the following comments”. (list comments)

Continue item to next hearing (need more information to make decision)

“I move to continue this item to the Town Council meeting on [date], at [time].”



QUESTIONS?