



1Q'09

Jan. 1, 2009 – Mar. 31, 2009

MEMORANDUM CITY DEVELOPMENT DEPARTMENT

DATE: June 26, 2009

TO:

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FROM: Glenda Lainis, AICP, Policy Planning Manager

SUBJECT: First Quarter 2009, Population Estimate and Housing Inventory Report

INTRODUCTION:

This report is produced quarterly by the City of Thornton's Policy Planning Division to provide up-to-date details on three subjects regarding the City's growth: an estimate of the City's population, the City's current housing count, and an assessment of anticipated housing unit construction in the near future.

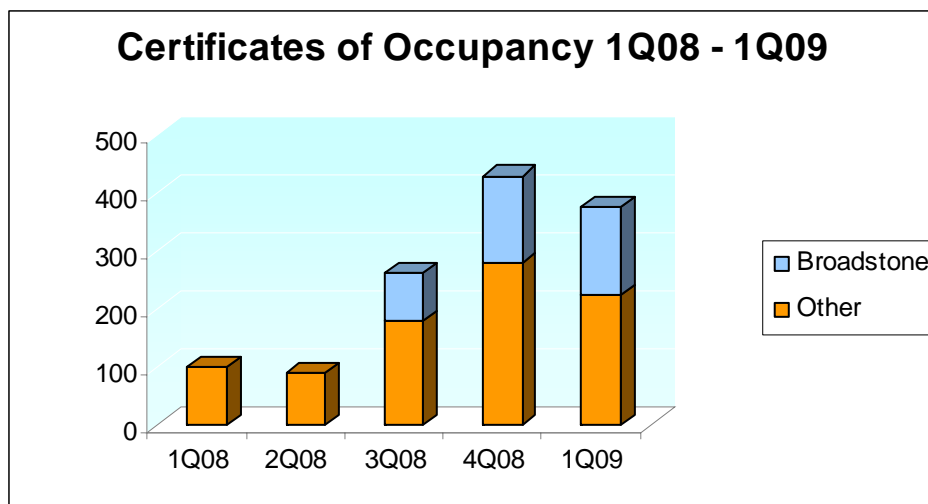
Please contact the Policy Planning Division with your feedback, 303-538-7295.

FIRST QUARTER 2009—SUMMARY & OUTLOOK

The current economy continues to hinder housing and population growth. CO issuance fell in the First Quarter 2009 after two consecutive periods of growth at the end of 2008. Additionally, no new projects were proposed in 1Q09.

Despite the current economy, **225** units were CO'd in Thornton during 1Q09 contributing to an increase of **625** persons.

A majority of this growth, 67%, is attributed to the issuance of Certificates of Occupancy for Broadstone at Thornton apartment units. The Broadstone apartment units, CO'd over three quarters commencing in 3Q08, significantly contributed to Thornton's growth over this time period. The chart below illustrates the impact of Broadstone COs on overall growth over the last three quarters.



The Broadstone project was completed this quarter and it is expected that next quarter will realize a much slower growth rate due to the completion of this project.

On a more positive note, there is a greater than average number of anticipated units across all categories: SFD, SFA, & MF indicating that growth can pick up as soon as market conditions improve.

I. POPULATION ESTIMATE

The population estimate for the quarter is updated based on the number of Certificates of Occupancy (COs) issued during the previous three months. A CO is a document that certifies a building is in compliance with applicable building codes and suitable for occupancy. For each CO issued, a new housing unit is added to the housing count. The housing unit count is then combined with various rates to produce a population count.

The total population estimate for Thornton at the end of the first quarter of 2009 is **120,313**. This is an increase of **625** people from the fourth quarter of 2008.

FIGURE 1
POPULATION BY WARD & INCREASE OF PEOPLE,
FIRST QUARTER 2009

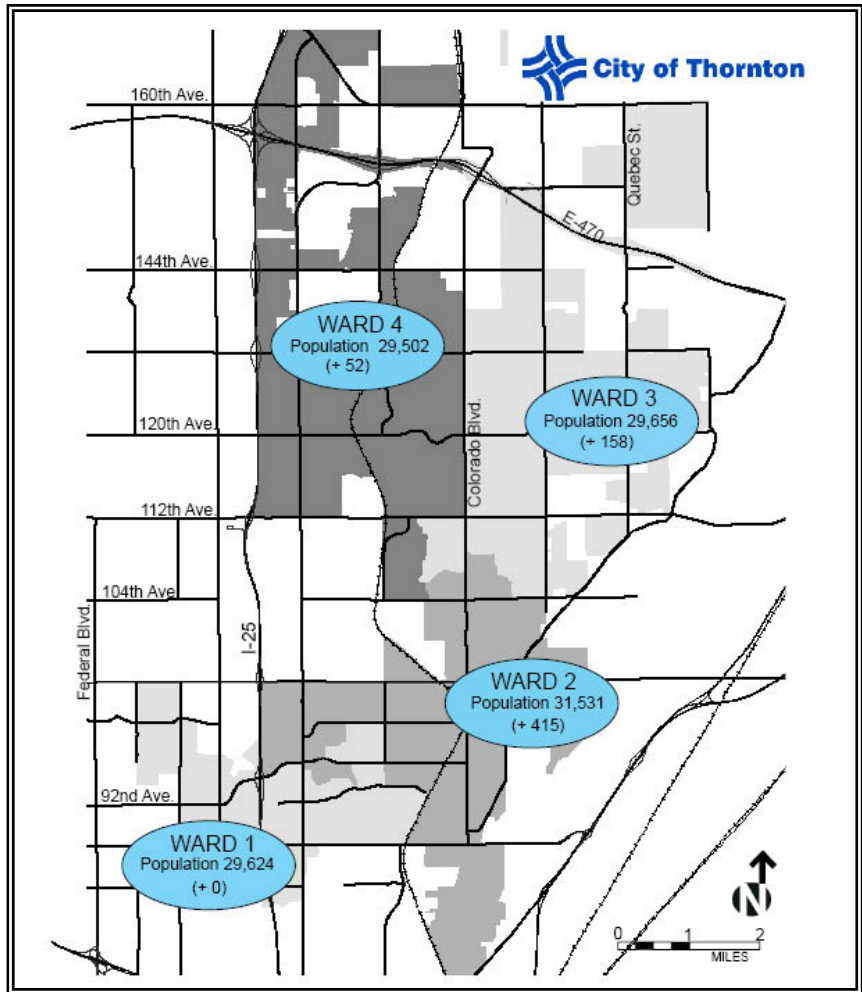


FIGURE 1 indicates the total population in each ward at the end of the first quarter 2009. The number of people estimated to have moved into the ward is in parentheses and is included in the total.

TABLE 1
ANNUAL GROWTH RATE
(POPULATION)

| YEAR | GROWTH RATE |
|------|-------------|
| 2003 | 4.3% |
| 2004 | 3.8% |
| 2005 | 3.5% |
| 2006 | 2.6% |
| 2007 | 0.6% |
| 2008 | 1.5% |

In 2008, Thornton’s population increased by 1.5%, the equivalent of 1,815 persons. Although the growth rate was not as strong as previous years, it is noteworthy that the growth rate realized in 2008 surpassed 2007’s growth rate, as indicated in TABLE 1.

II. HOUSING ESTIMATE

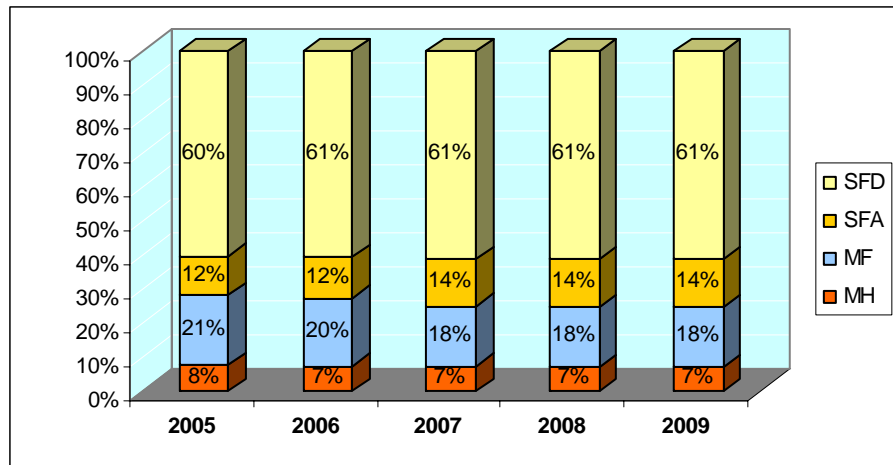
Thornton’s housing estimate is based on current housing market growth, or housing completions. Quarterly housing growth is determined by tracking the Certificates of Occupancy (COs) issued during the previous three months.

HOUSING UNIT COUNT

In the first quarter of 2009, Thornton’s total housing stock increased 0.5% from 43,328 to **43,553** units. The estimation for residential build out in the City, as indicated by Thornton’s Comprehensive Plan, is approximately 86,200 housing units.

FIGURE 2
COMPARISON OF FIRST QUARTER HOUSING DISTRIBUTION
1Q’05—1Q’09

FIGURE 2, portrays the number of total units of each type of residential dwelling: single-family detached (SFD), single-family attached (SFA), multifamily (MF) and manufactured homes (MH).



FIRST QUARTER 2009, POPULATION AND HOUSING REPORT

HOUSING UNIT DISTRIBUTION

As FIGURE 2 indicates, the housing type distribution across the City has changed slightly since 2007, based on the demand for specific types of residential dwellings.

HOUSING UNIT TYPES

In the first quarter 2009, **225** new residential COs were issued. TABLE 2 depicts, the housing types of the COs issued. Housing unit distribution in the first quarter 2009 was similar to last quarter (4Q08) with nearly two-thirds of new residential COs assigned to MF units.

TABLE 2
CERTIFICATES OF OCCUPANCY ISSUED IN
EACH WARD, FIRST QUARTER, 2009

| WARD | SFD | SFA | MF | MH | TOTAL |
|--------------|-----------|-----------|------------|----------|------------|
| I | 0 | 0 | 0 | 0 | 0 |
| II | 0 | 0 | 151 | 0 | 151 |
| III | 31 | 25 | 0 | 0 | 56 |
| IV | 18 | 0 | 0 | 0 | 18 |
| TOTAL | 49 | 25 | 151 | 0 | 225 |

WARD DISTRIBUTION

Following last quarter's precedent, the majority of growth in housing (as measured by issuance of COs) occurred in Ward II.

TABLE 3 indicates the housing counts and population estimates for the end of the first quarter, 2009. FIGURE 3 on the next page, illustrates the housing type distribution for each ward.

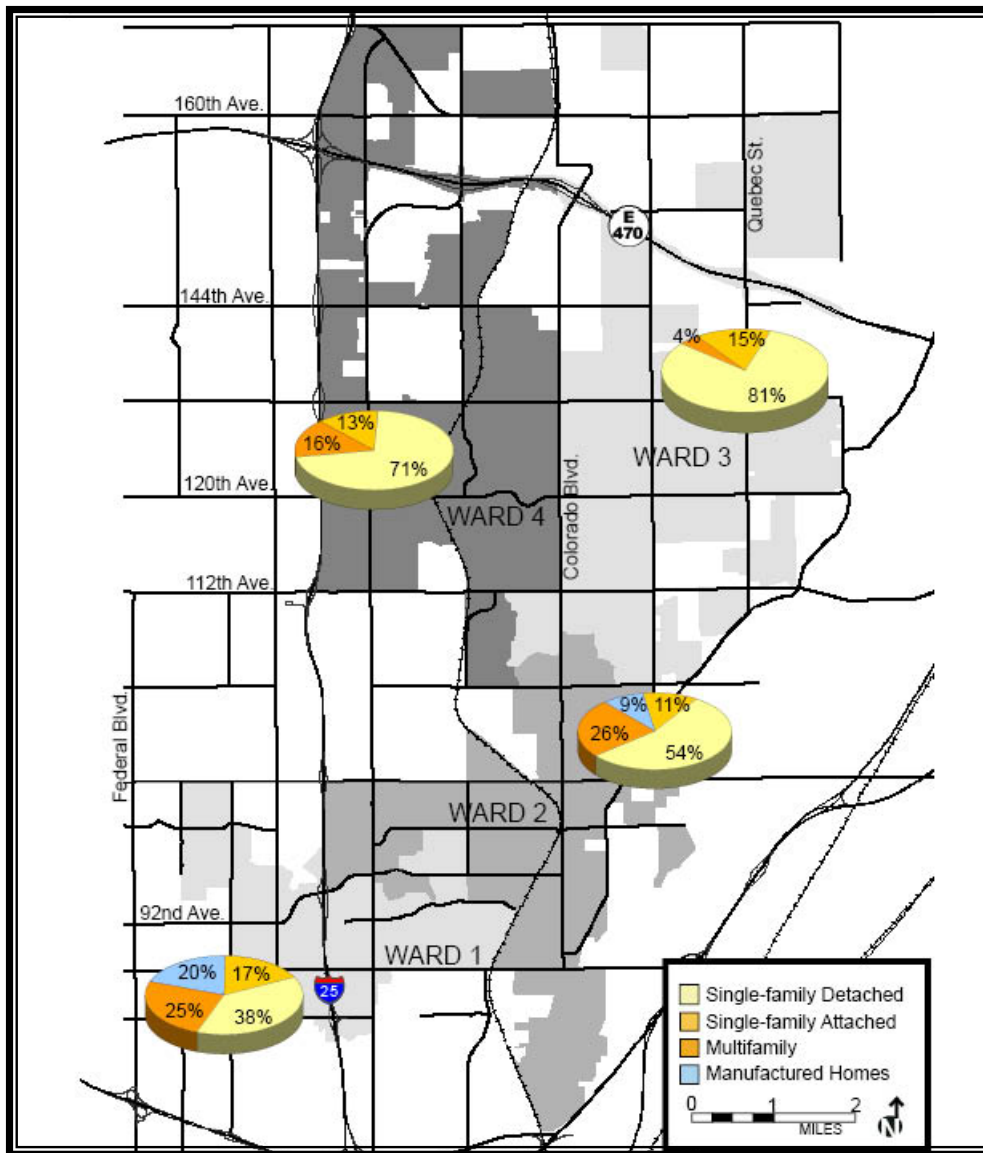
TABLE 3
HOUSING AND POPULATION COUNTS BY
WARD 1Q'09

| WARD | HOUSING COUNT | POPULATION |
|--------------|---------------|----------------|
| I | 10,727 | 29,624 |
| II | 11,418 | 31,531 |
| III | 10,731 | 29,656 |
| IV | 10,677 | 29,502 |
| TOTAL | 43,553 | 120,313 |

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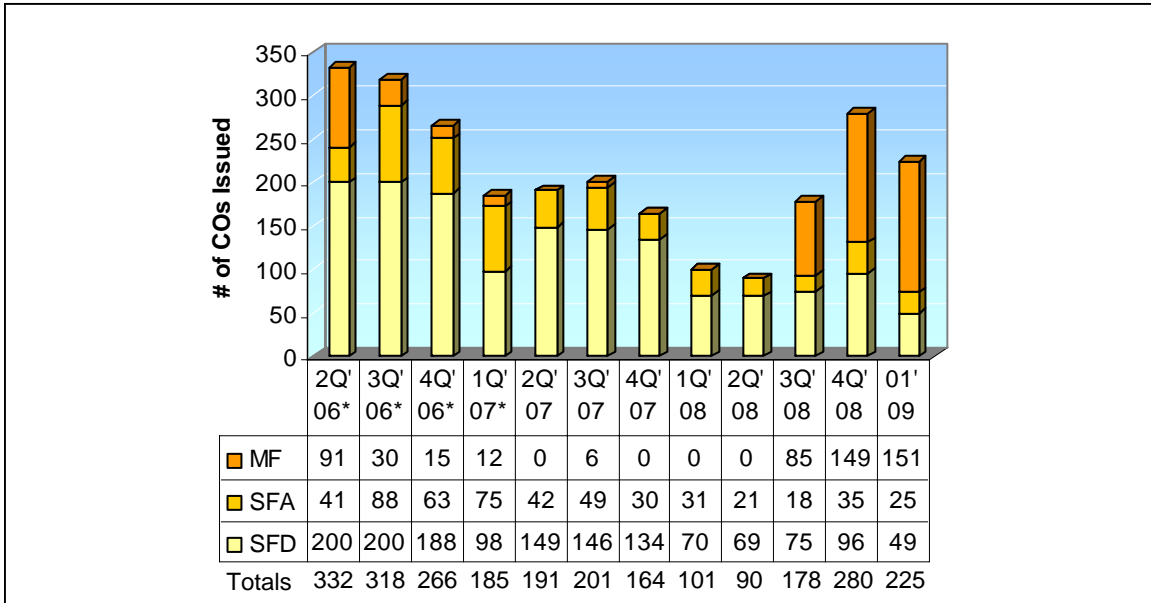
FIGURE 3 indicates the percentages of each housing unit type in each ward. While there is some variation between the housing stock amongst wards, the distribution of housing unit types in each ward tends to remain constant. Overall the housing type distribution in the City of Thornton did not change.

FIGURE 3
PERCENTAGES OF TOTAL HOUSING BY TYPE BY WARD, FIRST QUARTER 2009



From January 1, 2009 to March 31, 2009, 225 new housing units were built (as indicated by COs) in the City of Thornton. The total number of COs issued in the first quarter of 2009 was down slightly from the 280 issued in the fourth quarter of 2008 showing a continuing reflection of the current economy.

FIGURE 4
HISTORICAL COMPARISON OF QUARTERLY DEVELOPMENT BY HOUSING TYPE



*Prior to 2Q07, BPs were reported in this chart. Data has been changed to COs for this and future reporting periods.

III. FUTURE RESIDENTIAL DEVELOPMENT ESTIMATE

The quarterly estimate of future residential development is reported using the total number of anticipated residential units, which is derived from current planning documents, plat records, and Building Permits (BPs) issued during the previous quarter. While the number of BPs issued in a quarter are a good indicator of future construction, the number of COs issued in the quarter reflects actual residential growth.

The three categories of anticipated units are: active projects (projects where building permits have been issued), approved projects (projects platted without building permits), and proposed projects (projects received for review only). Across all three categories of development including all four types of housing, the total number of anticipated housing units is **27,990**. This figure is the same as 4Q08, as no new projects were proposed in 1Q09.

SINGLE-FAMILY DETACHED

Single-family detached housing is the dominant housing type in the city with 61% of total units (see FIGURE 2). As illustrated in Figure 5, the pieces of the pie representing: active, approved, and proposed SFD units are relatively congruent, indicating a steady and predictable influx of SFD units. Table 4 indicates a 40% SFD distribution however, it is important to note that this figure is misleading due to the large number of proposed SFA and MF units. Projects in the proposed stage are the most difficult to predict fruition especially in light of the current economic situation.

FIGURE 5
FUTURE DEVELOPMENT OF RESIDENTIAL UNITS ACCORDING TO PROJECT STATUS

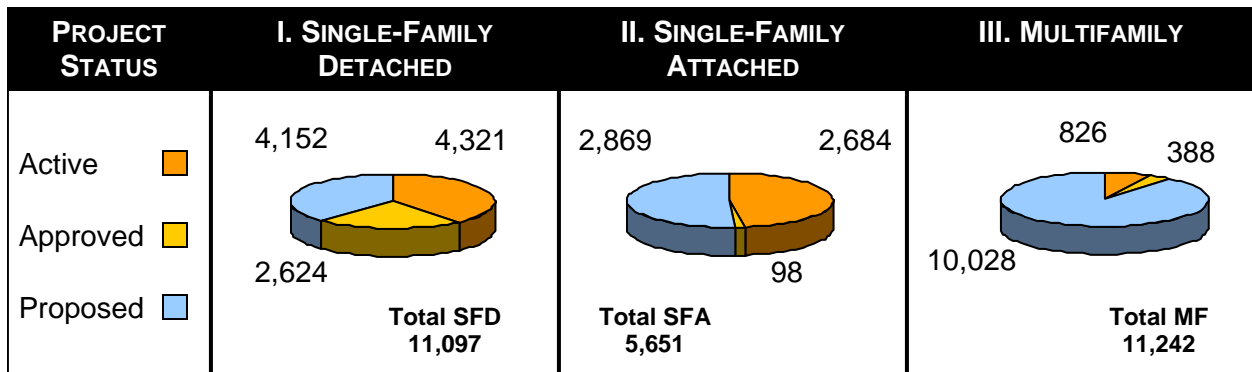


TABLE 4
FUTURE HOUSING UNITS BY TYPE AND STAGE OF DEVELOPMENT

| PROJECT TYPE | ACTIVE | APPROVED | PROPOSED | TOTAL | % OF TOTAL |
|------------------------------|--------------|--------------|---------------|---------------|-------------|
| Single-Family Detached | 4,321 | 2,624 | 4,152 | 11,097 | 40% |
| Single-Family Attached | 2,684 | 98 | 2,869 | 5,651 | 20% |
| Multifamily | 826 | 388 | 10,028 | 11,242 | 40% |
| TOTAL NUMBER OF UNITS | 7,831 | 3,110 | 17,049 | 27,990 | 100% |

SINGLE-FAMILY ATTACHED

There are a considerable number of anticipated Single-Family Attached Housing Units in Thornton. SFA has become a popular alternative to SFD in recent years, resulting in SFA distribution in the City increasing from 12% to 14% of Thornton’s total housing stock over the past two years.

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TABLE 5
FUTURE HOUSING HUNIT TOTALS AND PERCENTAGES

| HOUSING UNIT TYPE | EXISTING TOTAL | % TOTAL | ENTITLED UNITS* | EXISTING + ENTITLED | % OF TOTAL |
|------------------------|----------------|-------------|-----------------|---------------------|-------------|
| Single-family Detached | 26,387 | 61% | 6,945 | 33,332 | 61% |
| Single-family Attached | 6,120 | 14% | 2,782 | 8,902 | 16% |
| Multifamily | 7,737 | 18% | 1,214 | 8,951 | 16% |
| Manufactured Homes | 3,084 | 7% | 0 | 3,084 | 6% |
| TOTAL | 43,328 | 100% | 10,941 | 54,269 | 100% |

* Entitled units are those with recorded plats and are determined by the sum of active + approved units.

MULTIFAMILY

The same commentary from 4Q08 holds true for 1Q09 MF anticipated units:

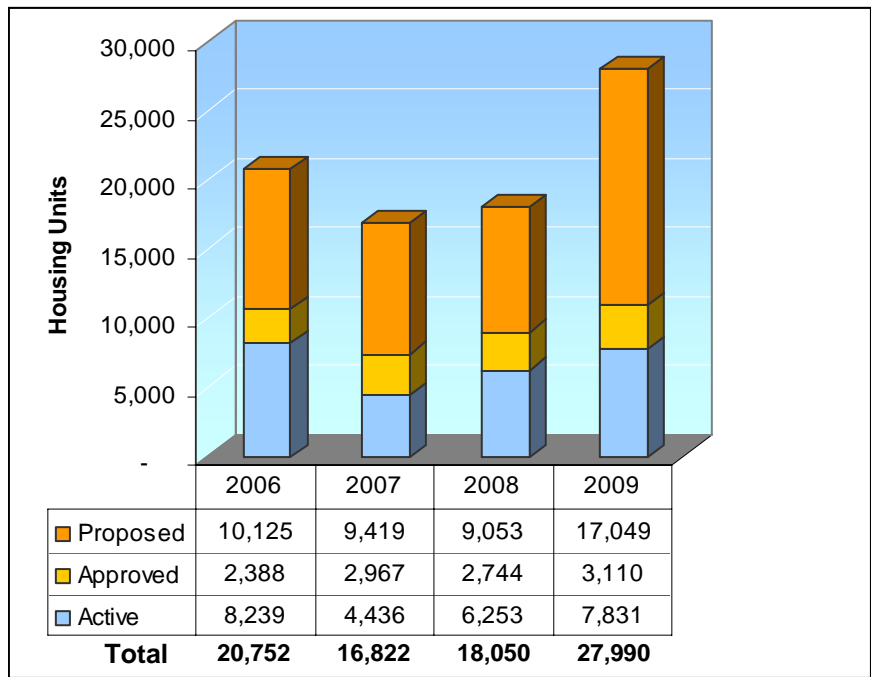
A majority of the MF projects in the pipeline fall into the “proposed” category. This category contains the most variability, as projects in this category are in the initial proposal stage.

Of the 11,242 total MF projects classified as active, anticipated, or proposed, 90% are in the proposed category. As a rule of thumb, demand for multi-family units tends to increase in hard economic times due to loss of income, foreclosure, and downsizing however, due to other external factors it is difficult to predict exactly how many of the proposed MF projects will materialize.

What is interesting to note is that of the proposed MF projects, an astounding number of units, 93%, are proposed in mixed-use developments. There is a rising trend of mixed-use development, which is characterized by compact development that fosters a diversity of uses previously separated such as commercial and residential. Mixed-use development also often contains an assortment of housing types, for example, combining SFD, SFA, and MF, along with retail and commercial uses into one planned development.

While mixed-use has its advantages, the scale and scope of the projects make them extremely vulnerable to market conditions both from a financial and consumer preference standpoint. More discussion of external factors follows on the next page.

FIGURE 6
HISTORICAL COMPARISON OF 1ST QUARTER ANTICIPATED DEVELOPMENT BY HOUSING TYPE



HISTORICAL COMPARISON

FIGURE 6 expounds on TABLE 5 by taking into account all proposed projects. This chart captures the number of units that would exist should 100% of these units will be built. As the chart illustrates, there is a great number of projects in the proposed stage. Proposed units accounted for 61% of total units at the end of the first quarter 2009. This percentage is slightly higher than the weight of proposed projects in the first quarter of 2008, 50%, 56% in 2007, and 49% in 2006 revealing the impact of the current market in moving projects to the next stage.

FIGURE 7, the examines the housing type distribution of the projected housing units in FIGURE 6. As FIGURE 7 illustrates, there is a growing trend in MF units and a decreased trend in SFD units. However, it is important to point out that this chart illustrates 100% build-out of all current projects regardless of development stage or approval.

A comparison of SFD first quarter development reveals that 1Q09 is in line with average SFD units in the active and proposed categories. The number of approved SFD units is approximately 1,000 units higher than the four year average for first quarter proposed SFD units. While the current statistics indicate that SFD comprises 40% of total future housing units, the overall distribution of SFD, as a percentage of total housing units in Thornton is expected to hold steady at 61%.

FIGURE 7
FIRST QUARTER HOUSING DISTRIBUTION FOR FUTURE RESIDENTIAL DEVELOPMENT

