

# FUTURE HOUSING COALITION TOOLKIT

Community Engagement

DRAFT

# FOREWORD

I am proud to introduce the Future Housing Toolkit, a resource designed to help Colorado communities expand housing choices and strengthen local economies. Across our state, the demand for housing that meets the needs of working families, older adults, and first-time homebuyers continues to grow. At the same time, communities are striving to preserve character, address infrastructure demands, and ensure long-term sustainability.

This toolkit is the result of thoughtful collaboration through the Future Housing Coalition (FHC) – a partnership of mayors, local leaders, housing experts, and community stakeholders. The initial report includes a Community Engagement Toolkit, a Policy and Land Use Regulations, and illustrative examples that showcase how missing housing can fit seamlessly into existing neighborhoods.

Our goal is simple: to equip local governments and partner organizations with practical tools to inform dialogue, foster trust, and move from concept to implementation. By supporting transparent engagement and providing clear policy pathways, we aim to help communities of all sizes expand housing opportunities for residents while maintaining the qualities that make each place unique.

Future iterations of the toolkit will build on this foundation, adding resources such as a Developer Best Practices Guide and Financial Tools and Strategies designed to provide a list of innovative solutions that local governments can utilize and/or contribute to the funding of middle housing developments. These additions will focus on ensuring that middle housing serves households in the 80–120% AMI range – including teachers, healthcare and essential workers, and the public safety workforce – who are vital to the prosperity of every community.

While the FHC offers useful references, the toolkit is NOT intended to serve as a template for state legislation, but rather as a resource to help LOCAL governments identify approaches that best fit their own community needs.

This is just the beginning. As we continue to refine and add to the Future Housing Toolkit, I invite you – local leaders, community members, and partners—to use these resources, adapt them, share your experiences and send us examples. Together, we can create stronger communities, more resilient economies, and a future where every Coloradan has a place to call home.

With gratitude,



Heidi K. Williams  
President & CEO, Civic Results



# CHAPTER 1

Introduction

## CONTENTS: CHAPTER 1

This chapter will provide an overview for the Policy and Land Use Regulations Toolkit.



# OVERVIEW

## Future Housing Coalition (FHC)

The Future Housing Coalition (FHC) is an initiative of Civic Results designed to address Colorado's complex housing challenges. In the October 2024 workshop, FHC brought together local elected officials, state officials, developers, planners, and industry leaders to collaborate on practical solutions. The findings from the workshop and subsequent work group meetings will culminate in the creation of a four-part policy toolkit, offering local governments clear frameworks and strategies to guide housing development in their communities. The four key outcomes for the toolkit are as follows:

- Policy and Land Use Regulations
- Community Engagement Tools and Resources
- Developer Best Practices Guide
- Financial Tools and Strategies

## Using the Toolkit

This toolkit does not need to be read in a linear fashion. Each section can support local policymakers with their plan for the expansion of middle housing.

- Chapter 1:
- Chapter 2:
- Chapter 3:
- Chapter 4:
- Chapter 5:
- Chapter 6:
- Chapter 7:

# BACKGROUND

Cities across the United States are facing a range of housing challenges, including significant shortages and declining affordability. In addition, consumer demographics and preferences have shifted over the last half-century. Many adults are marrying later, achieving higher levels of education, having fewer children, and both parents are more frequently working outside the home. Housing prices have risen 45-55% in the last five years. These factors all make it less likely that young adults across the country can afford to purchase a home. Young adults are less likely to be able to afford to purchase a home. Adding middle housing provides the opportunity to increase the housing stock at varying levels of affordability. Additionally, middle housing is more environmentally friendly and supports walkable neighborhoods, which are highly desirable.

The housing crisis across the country is exacerbated by a lack of housing diversity, insufficient housing production, and rapidly rising housing costs. Increasing the supply of missing middle housing could directly address the lack of housing stock and diversity, the negative environmental impact of single-family zoning and subsequent unplanned growth, and housing affordability. There are various approaches that incentivize the construction of missing middle housing, and this toolkit will serve as a resource for exploring the different strategies to increase the production of middle housing in Colorado.

## Middle Housing

Middle housing creates more affordable, sustainable, and diverse housing options for a city or town's residents. Communities have a range of workforce needs, from those who work at executive levels and earn high incomes to those who provide support services that often command lower wages. All are needed for full-functioning communities. Housing is not only essential to quality of life, but it is also a major determinant of health and critical to a stable workforce. Middle Housing refers to both specific types of housing and the income of those living in it.



Examples of Middle Housing  
Source: Sustainable Connections

# BACKGROUND

## Type

Middle housing is housing between detached single-family homes and high-rise apartment buildings on lots roughly the size of large single-family homes. These include a variety of types from duplexes to cottage courts to townhomes and several more in between. These types of housing were once widely popular, particularly in the early twentieth century before 1940, but their production decreased in the years following the rapid expansion of single-family homes, which, through new zoning laws, restricted or limited their development. For this reason, middle housing is often referred to as "Missing Middle Housing".

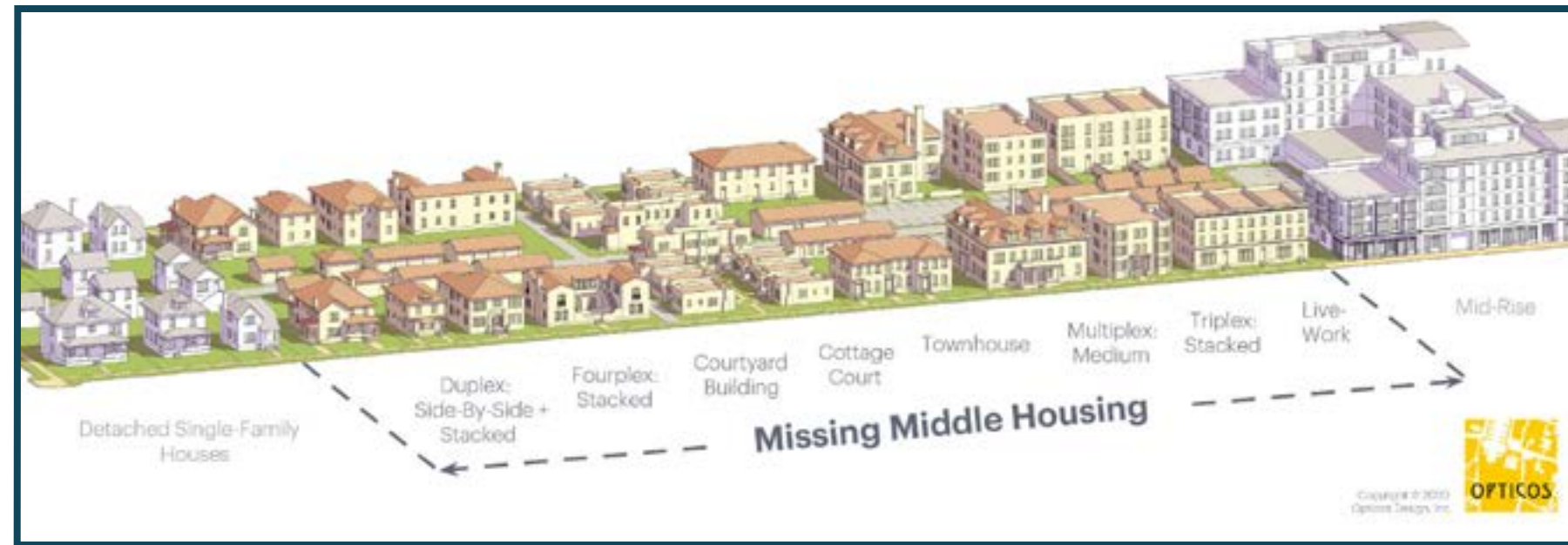
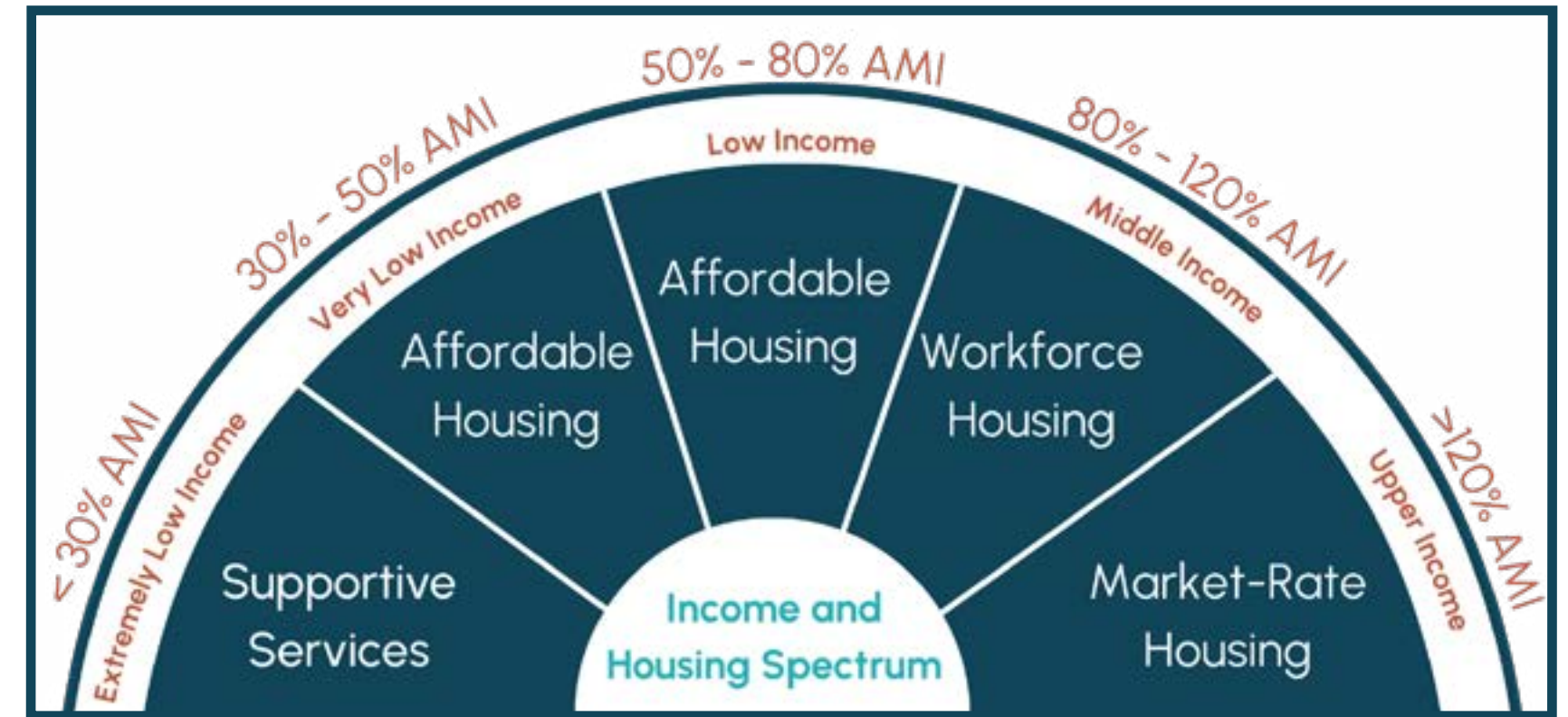


Diagram of the spectrum of Missing Middle Housing. Source: Opticos Design, Inc.

# BACKGROUND

## Income

Middle housing supports people who make a middle income. Colorado's Middle Income Housing Authority considers middle income to be between 80% and 120% Area Median Income (AMI), or 140% AMI for rural resort areas. (Note: SB22-232 and revised by SB23-035 created the Middle Income Housing Authority).



Source: Image developed from Camoin Associates.

# BACKGROUND

## Terms

There are many terms used to describe "middle housing," and they are often used interchangeably. For the purposes of this toolkit, we use the term middle housing to refer to 80% and 120% AMI. We also use the term affordable to describe housing that is attainable relative to a household's income. Below is a list of terms that overlap in use but can differ significantly in meaning depending on context:

Affordable-by-design housing  
Attainable housing  
Clustered housing  
Compact housing  
Community workforce housing  
Distributed density housing  
Diverse housing types  
Economic mobility housing  
Employee housing  
Essential housing  
Housing for essential workers  
Housing for moderate-wage earners  
Human-scaled housing  
Income-aligned housing  
Income-restricted housing

Incremental density housing  
Low-rise multifamily  
Medium-density residential  
Middle-density housing  
Middle-income housing  
Missing Middle Housing  
Missing middle affordability  
Mixed residential types  
Mixed-income housing  
Moderate-income housing  
Naturally occurring affordable housing (NOAH)  
Neighborhood-scale housing  
Small-footprint housing  
Small-scale multifamily  
Workforce-affordable housing

# HISTORY

Middle housing is slowly gaining more attention. Housing of this type was once wildly popular but became illegal to build in most communities. 70 years later, it is now seeing a slow resurgence, if only in conversation. A [recent study](#) showed that "41% of tracts developed by 1950 increased in density by at least 0.5 units per acre during the 1950s while the equivalent share for 2000 to 2010 was only 11%." Following the rapid expansion into suburbs and the subsequent unplanned growth, middle housing declined and became outlawed in most places due to zoning.

Suburban "sprawl" or "unplanned growth" is the expansion of low-density housing developments into rural areas surrounding cities. Unplanned growth creates auto-dependency, which consequently increases greenhouse gas emissions and energy usage, while depleting natural resources, [including](#):

- Degradation of agricultural land;
- Increased water usage; and
- Water pollution resulting from lawn care and the use of harmful lawn care products.

Sprawl also comes with increased costs to serve and maintain, due to longer distances and larger service areas with fewer residents per area, resulting in a greater cost per individual or facility.



Top: 1927 Duplex Plans. Source: Sears, Roebuck and Co. Modern Home Catalog, p104 via [Internet Archive](#)  
Bottom: "Buildings residences duplex" circa 1910-1920, by Lillybridge, Charles S. Source: [History Colorado](#)

# WHY DOES THIS MATTER NOW?

Since the 1950s, family structures have changed. From a demographic standpoint, many adults are marrying later, achieving higher levels of education, having fewer children, and both parents are more frequently working outside the home. Nearly 30% of all households consist of just one person. In Colorado, in 2021, the average household size dropped to 2.46 people, reaching an all-time low. In fact, 64% of households in Colorado only have one or two people.

In terms of living preferences, in 2023 the National Association of REALTORS® surveyed 2,000 adults living in the 50 largest metropolitan areas and found a majority of respondents (53%) "would prefer to live in an attached dwelling (apartment, condo, townhome) rather than a detached single-family home if it meant they would have an easy walk to shops and restaurants." Furthermore, an increasing number of "younger generations" are seeking out housing within walking distance to nearby amenities.

Recent trends also show that as urbanization continues in the U.S., it is not just big cities experiencing an influx of residents. According to the United States Census Bureau, in 2023 all 15 of the top fastest-growing cities (by percent change) had existing populations of less than 150,000 people and 13 of those cities were in the South.

In 2023, the Colorado State Demography Office explained that since the Great Recession, housing unit growth has lagged behind population growth. According to *Up for Growth*, every state, including Washington, D.C., is underproducing housing, and in 2022, Colorado underproduced 105,000 housing units. In short, this means that Colorado did not produce enough housing units for its population. Additionally, between 2010 and 2020, Colorado's population grew by 14.8%, but the housing stock increased by only 12.6%. This mismatch in housing supply and resident population created a housing shortage and raised home prices, which has created an affordability crisis. In the first half of 2025, Colorado's population surpassed 6 million people, and the growth rate slowed. In fact, according to *9News*, "migration slowed significantly. For the first time since 2004, Colorado saw negative net domestic migration, with 12,100 more people leaving the state than arriving." Many factors, including high housing costs, contributed to this migration situation.

Colorado has also seen a decline in condominium construction. Condos serve as one of the most affordable owner-occupied housing types in Colorado. Peter LiFari, a Housing Fellow for the Common Sense Institute, explains, "since 2018, there



Top Fastest-Growing Cities. Source: US Census Bureau, 2023

# WHY DOES THIS MATTER NOW?

has been 14 new apartments for every 1 new condo, while there was 1 new condo for every 1.25 apartments in the 6 years prior to 2009." Although demand for condominiums remains strong, class action lawsuits against for-sale multi-family housing developers have increased builders' insurance costs, discouraging construction of for-sale projects—particularly condominiums—and contributing to Colorado's affordability challenges. One potential approach is to revise Colorado's Construction Defects Laws (CDARA I and II), though the legislature has historically been cautious about making substantial changes

By increasing the availability of middle housing, cities not only address the impacts of single-family neighborhoods, population growth, and affordability but also responding to resident preferences.

## Affordability

With home prices increasing, middle housing can provide an affordable option for Colorado households. As of 2025, Colorado was the 10th least affordable state to live in. According to the US Department of Treasury, over the last two decades housing and rent prices have risen faster than income levels.

As housing costs increase, fewer people can afford to enter the market, and those who do are generally older than previous generations. According to the National Association of REALTORS® 2025 Profile of Home Buyers and Sellers, "the share of first-time home buyers dropped to a record low of 21%" compared to 40% prior to 2008. Additionally, the median age of first-time home buyers increased to 40 years old, compared to 31 year old in 2013 and 29 in 1981.

Home ownership is one way Americans build wealth. Not being able to buy a home or buying later in life, can impact the amount of equity gained on the home.

U.S. Department of Housing and Urban Development Housing (HUD) defines housing affordability as a household paying less than 30% of their gross income (income before taxes) towards housing costs. For renters, housing costs include rent and utilities. For homeowners, housing costs include mortgage payment (principal and interest), utilities, insurance (homeowners and mortgage), and home owners association (HOA) fees/dues. According to the Colorado Housing & Finance Authority (CHFA), "nearly half of Colorado renters (46.8 percent) are cost-burdened, spending more than 30 percent of household income on housing costs.



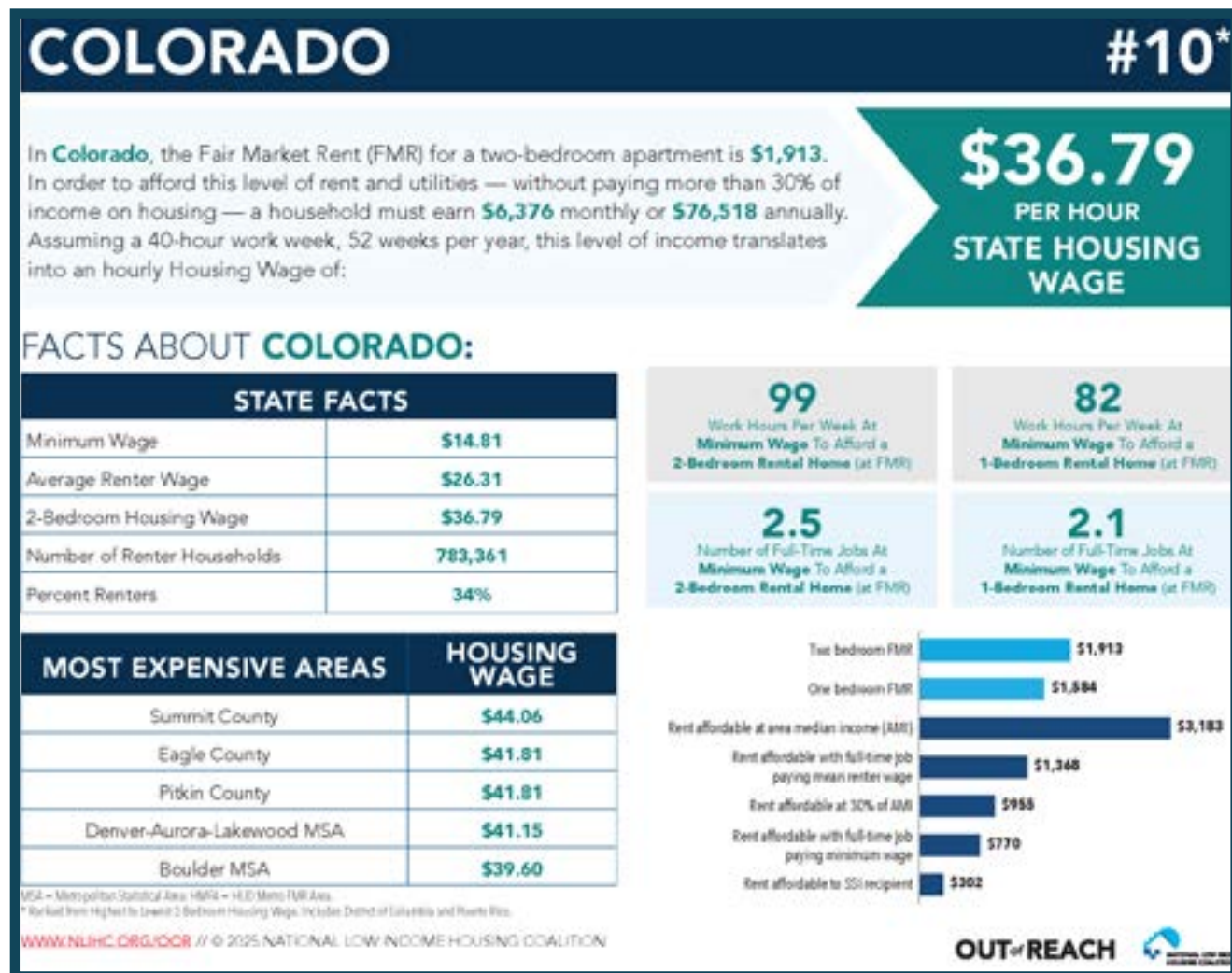
Source: Civic Results, developed from HUD

# WHY DOES THIS MATTER NOW?

More than one in five Colorado homeowners (21.5 percent) are cost-burdened." In fact, in the United States, there is no state where a full-time worker can afford a two-bedroom rental home (paying less than 30% of their income) while making minimum wage.

The National Low Income Housing Coalition created profiles for each state to demonstrate the "disparity between wages and the cost of rental housing."

This infographic shows, that in Colorado in order to afford a two-bedroom apartment at Fair Market Rent, a worker must make \$36.79 per hour or work 99 hours per week at the current minimum wage.



# WHY DOES THIS MATTER NOW?

## Impacts of the lack of affordable housing:

- Households have trouble paying for groceries, paying bills and tend to skip out on medical care.
- Employers struggle to attract and retain talented workers.
- With declining migration into Colorado and a large aging population, "the labor market may face a growing talent shortfall, making it increasingly difficult to meet future workforce demands."
- Some residents are forced to live further from work to afford housing, resulting in longer commutes, an increased reliance on cars and the use of fossil fuels.
- According to the US Government Accountability Office, in 2019, "a \$100 increase in median rent was associated with a 9% increase in the estimated homelessness rate."
- Delays in homeownership impacts the amount of time available to build equity.
- Among other impacts.

**Depleted workforce, housing plague Aspen as ski season looms**  
By Rick Carroll

**Lack of affordable housing pushing teachers out of the profession**  
By Jerry Brundin

**High costs of living and health care hit Coloradans hard, according to new poll**  
By John Daley

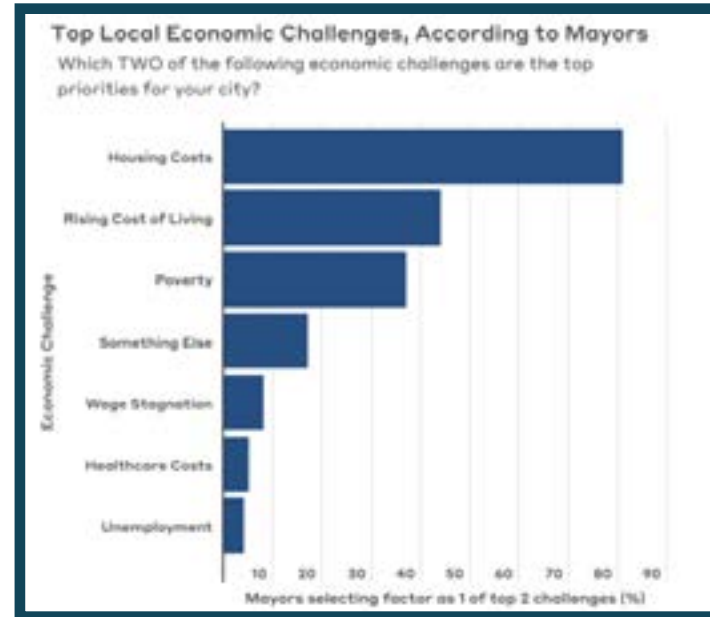
**Survey finds most Colorado teachers can't afford to live where they work**  
By Tori Mason

Recent news stories that address lack of affordable housing.

# WHY DOES THIS MATTER NOW?

## The Economy

Middle housing is a critical engine for regional economic growth because it bridges the gap between luxury high-rises and expensive single-family homes. For a local economy to thrive, it requires a diverse workforce, from service industry staff to tech professionals. However, job growth is often capped by housing capacity. If a region's housing market is inaccessible to the average worker, companies face higher recruitment costs and must pay significant wage premiums just to offset the cost of living, which may lead them to relocate. By increasing density through middle housing, cities can better support workers, ensuring that a robust labor pool can live near employment centers. This creates a virtuous cycle: stable housing leads to lower turnover, increased local spending, and a more resilient tax base. In 2022, Boston University Initiative on Cities surveyed 118 mayors about their economic priorities for their cities, "an overwhelming majority (81 percent) selected housing costs as one of their top two challenges." This is why organizations emphasize that middle housing is a workforce development tool.



Mayor's Top Economic Challenges in 2022.  
Source: Bipartisan Policy Center

## Homeownership

Beyond the immediate labor benefits, middle housing can serve as the essential "entry point" to the American Dream, providing a scalable pathway for families to transition from renting to owning. Because middle housing types typically have smaller land costs per unit, they act as attainable starter homes in neighborhoods where detached single-family houses have become prohibitively expensive. This is particularly vital in the current market, where the average age of a first-time homebuyer has climbed to a record high of 40, compared to 31 year old in 2013 and 29 in 1981. By delaying homeownership by a decade, young families lose out on roughly \$150,000 in equity growth, which is the driver of middle-class stability and intergenerational wealth. Middle housing may shorten that timeline, allowing families to start building equity sooner, which can eventually be leveraged for future upgrades or passed down to the next generation.

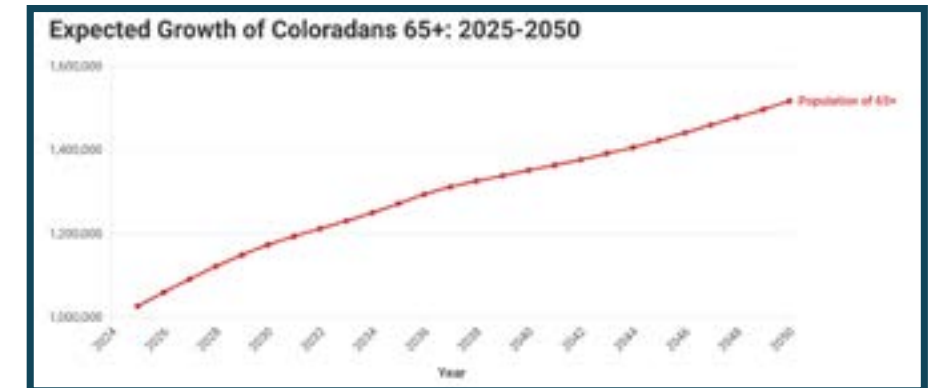
# WHY DOES THIS MATTER NOW?

## Aging

Colorado's population is also aging. From 2010 to 2020, Colorado's population was the second fastest-growing population over the age of 65 in the nation. As the baby boomer generation ages, this trend is expected to continue throughout the next decade. According to the Colorado Sun, "today, 1 in 6 Coloradans are over 65; by 2050, demographers expect 1 in 5 will be."

Not only will this demographic change be felt in the workforce, but it will also be felt in the housing market. Generally, older adults want to age in place (remain in their homes/communities rather than moving into a care facility). To age in place, 34% of adults will need to modify their homes. Unfortunately, these modifications are often expensive. Increasing middle housing options would allow for older adults to remain in their communities by downsizing AND aging in place. Expanding homeownership options for older adults to downsize creates greater housing mobility, freeing up larger homes for young families seeking space to raise their children.

As baby boomers age, so too does Generation X and Millennials. Generation X and millennials are buying first and second homes, and Generation Z is entering the rental and homebuying market.



Top: Expected growth of the population 65+ from 2024-2060  
Source: Common Sense Institute, 2025  
Bottom: Modifications needed in homes in order of older adults age in place.  
Source: AARP

## Sustainability

Colorado can be a leader in addressing the climate crisis. In fact, Colorado passed Greenhouse Gas Planning Standard in 2021, the first policy in the country that required "the state's Department of Transportation and regional Metropolitan Planning Organizations to estimate the emissions of proposed highway projects and reject projects that fail to decrease emissions over time." Innovative climate policies can help Colorado be at the forefront of both climate and housing policy. Addressing missing middle housing will support the state's climate goals.

# WHY DOES THIS MATTER NOW?

Recent research from the [Turner Center at UC Berkeley](#) showed that “building infill housing in existing communities and building denser housing types—such as apartments and fourplexes—tends to reduce climate pollution. These types of housing help use energy, land, and materials more efficiently, systemically reducing climate pollution throughout the lifecycle of a building” This is supported by the [American Economic Association](#), which found that a single percentage point increase in the share of detached housing units leads to a 1.5% increase in per-capita on-road carbon dioxide emissions due “private passenger transportation.”

Residents that live in attached structures tend to use about [40% less electricity](#) and [50% less water](#) than residents in low-density single-family detached homes. The [National Renewable Energy Laboratory \(NREL\)](#) found “in Colorado, average household energy demand is 70% less for multifamily housing compared to single-unit detached dwellings.” Furthermore, the [Colorado Energy Office](#) explains, “Water conservation: Compact housing design uses less water per unit. A study of Colorado water customers found that small single family lots use 22% less water outdoors than typical single family lots, small multi-family use 63% less, and higher density multi-family uses 86% less.”

Expanding middle housing in urban centers and promoting transit-oriented development (TOD) can reduce sprawl, support walkable neighborhoods, and lower fossil fuel use. To maximize these benefits, public transportation must also be strengthened—particularly with first- and last-mile solutions that enable suburban households to access transit, further reduce emissions and water use.

## Equal Opportunity

While the Fair Housing Act and Colorado’s Fair Housing Act work to address the harms and impacts of housing discrimination, [people of color, especially Black Coloradans, still face barriers to owning a home](#). According to the [Colorado Sun](#), “after 50 years, the homeownership gap between white and Latino Coloradans narrows. But for Black Coloradans, it’s widened.” In fact, “about 48% of white residents can afford to buy the typical home in Colorado, compared with 30% of Black residents and 32% of Latino people.” These gaps are caused by a variety of factors, but their impact remains

Colorado Homeownership Rates, by Race or Ethnicity						
	1990	2000	2010	2020	2030	2040
Total	62.2%	67.3%	65.5%	66.5%	66.3%	65.9%
White	65.1%	71.2%	70.4%	71.8%	71.8%	71.3%
Black	37.2%	46.3%	41.2%	37.2%	36.0%	35.7%
Hispanic	51.1%	52.8%	49.6%	52.9%	55.0%	57.5%
Other	47.6%	52.9%	54.9%	57.8%	56.8%	55.2%

National Homeownership Rates, by Race or Ethnicity						
	1990	2000	2010	2020	2030	2040
Total	65.3%	66.2%	65.1%	64.7%	63.6%	62.2%
White	70.1%	72.4%	72.2%	73.0%	72.5%	71.4%
Black	45.2%	46.3%	44.3%	41.9%	41.1%	40.6%
Hispanic	43.3%	45.7%	47.3%	49.0%	50.2%	51.3%
Other	53.7%	53.0%	54.2%	58.1%	57.9%	57.4%

Sources: Decennial censuses, the American Community Survey, and Urban Institute projections. Notes: values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial people.

Colorado Homeownership Rates, by Race and Ethnicity compared to National Rates

Source: [Urban Institute](#)

# WHY DOES THIS MATTER NOW?

significant and prevents housing stability. By increasing middle housing options, [addressing past inequalities and providing housing opportunities for all Coloradans that were once unattainable](#).

# WHO BENEFITS FROM MIDDLE HOUSING?

Middle housing supports all community members. Every municipality is unique, so the benefits may vary depending on the specific community's needs.

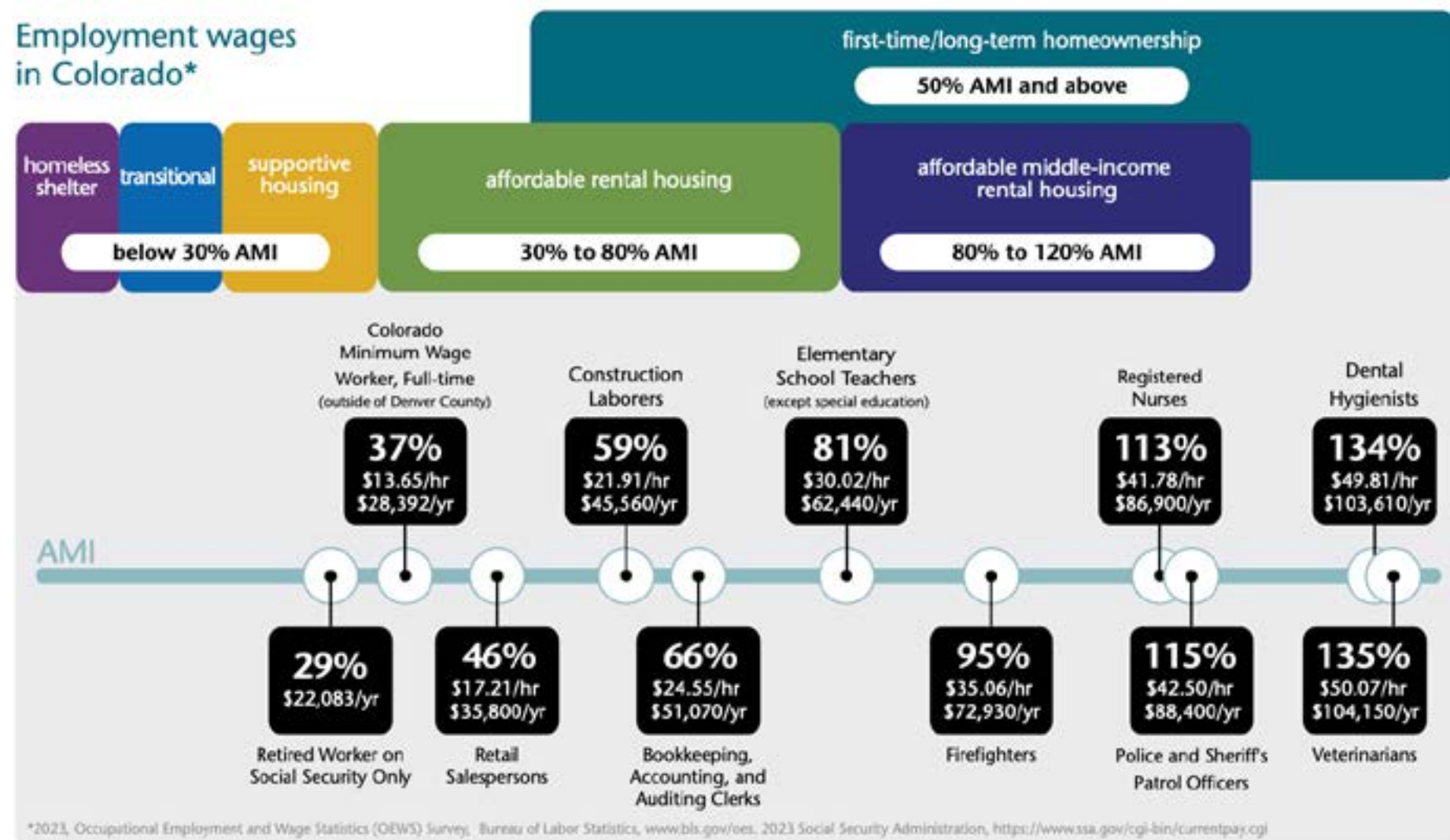
Allowing middle housing in an area will help to make communities more affordable, accessible, economically and environmentally sustainable. Local Housing Solutions explains that middle housing supports more "vibrant," "walkable neighborhoods," and "inclusive neighborhoods." Middle housing also supports multigenerational households or older adults ready to downsize from their large single-family homes, both of which allow older adults to age in place and/or near their families. It also provides homes to young professionals, essential workers such as teachers, nurses, and first responders, as well as individuals with disabilities and first-time homebuyers. Allowing people to move into a community creates economic growth and sustainable local economies by attracting and retaining professionals. Additionally, it enables "workers to live near their workplaces" which "reduces commute times, increases productivity, and stimulates local economies."

Even if you already own a home, middle housing can support you in many ways:

- Property values may increase.
- Neighborhoods may become more walkable which decrease car usage, traffic/congestion, fossil fuel emissions and noise.
- If/when someone is ready to downsize, there will be options for them in their neighborhood/community. This enables older adults to age in place within their current communities.
- Middle housing supports the local economy and public services like schools and hospitals.
- Middle housing developers are usually required to invest in the current infrastructure
- Middle housing supports various stages of life. If an aging adult wants to live near their children, middle housing will provide an opportunity to live in the same community. Alternatively, an adult child who wants to live in their parents' community will be able to afford a home in that community.
- Middle housing provides more options and choices for all community members.

This section begins to make a case of the importance of middle housing and provides background information on its benefits. The following section will provide examples of middle housing types in Colorado.

# WHO BENEFITS FROM MIDDLE HOUSING?



The Housing Continuum with Selected Occupations  
Source: CHFA Housing Affordability Gap Report