

Wellington Housing Needs & Affordability Assessment

Prepared for:



TOWN OF
WELLINGTON

Prepared by:



Matrix

Excellence by Design

707 17th St
Suite 3150
Denver, CO 80202

Contact: Christian Caron, PhD

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Executive Summary

In July 2024, the Town of Wellington contracted with Matrix Design Group, Inc. (Matrix) to conduct a *Housing Needs and Affordability Assessment*. A Colorado Department of Local Affairs Innovative Housing Opportunities Planning (IHOP) grant provided the funding for this project. As the title implies, the assessment serves to quantify the gaps in the town's housing stock. Because demographics are inextricably linked to a community's housing needs, the assessment features a comprehensive analysis of the town's population and household characteristics. It also assesses the state of the town's housing stock and rental and ownership markets. The findings are set to aid local leaders and stakeholders in achieving the *Wellington Comprehensive Plan 2021*'s goal of ensuring that "existing and future residential developments contribute to enhancing quality of life."

What is the composition of Wellington's population and households in terms of demographics, socioeconomic status, and housing tenure?

In 2023, Wellington's population reached 11,871. It is projected to rise to 13,510 in 2030, 15,070 in 2035, and 16,629 in 2040. Seniors have outpaced other age groups in population growth, with the 2022 five-year American Community Survey (ACS) showing that residents aged 65 and over accounted for 10% of the population. There is a clear need for accessible housing for people with disabilities, as well as assisted living and memory care facilities: An estimated 245 seniors reported experiencing an ambulatory difficulty, while 143 were impacted by a self-care or living difficulty. Cognitive disabilities were less common, affecting an estimated 56 seniors.

According to the ACS, the median Wellington household earned \$101,259. Given that housing is considered affordable when monthly costs account for less than 30% of gross household income, it was

advisable for the typical Wellington household to spend no more than \$2,531 on total rental or ownership costs. Despite Wellington's relatively high median household income, it had substantial income inequality. ***The town's family poverty rate of 7.4% exceeded the regional and statewide rates, underscoring the need for low-income housing.***

As of 2022, approximately 84% of the town's 4,000 households owned their homes. This rate was almost identical to the one observed five years earlier, even though recent home price and interest rate surges have rendered homeownership less attainable. Homeownership is far more common in Wellington than in other parts of the state, which likely reflects the town's limited rental options.

What are some key characteristics of Wellington's housing stock?

Consistent with the observation that Wellington households overwhelmingly own their homes, about nine-in-ten residential properties in Wellington are single-family detached homes. The housing stock also features 300 townhomes and 123 condos. Other housing types, including duplexes, triplexes, and apartments, are rarer.

By any measure, the housing stock is in exceptional condition. The town has been the beneficiary of a significant amount of new development, with the median home having been constructed in 2007. However, Wellington does have its share of older homes, especially in the north central neighborhoods. Substandard units, defined as those with incomplete kitchen or plumbing facilities, are so rare in Wellington that none appeared in the most recent ACS sample.

Vacancies have consistently been scarce in Wellington. As of 2022, just one percent of the town's homes were unoccupied. This rate, which was considerably lower than the countywide and statewide rates, suggests that Wellington has faced a housing

shortage. Wellington's constrained housing supply has fostered favorable market conditions for sellers and landlords, who can generally command high asking prices.

How affordable is Wellington for renters?

In August 2024, median asking rent in Wellington was \$2,395. To limit gross rent (including utilities) to less than 30% of household income, a household would need to earn at least \$113,800. This represents 96% of the FY 2024 area median income (AMI) of \$118,800 for the Fort Collins, CO Metropolitan Statistical Area (MSA). But because one- and two-person households generally earn significantly less than AMI, which is calculated for a family of four, they often struggle to afford the typical rental unit in Wellington. **Compared to Larimer County in its entirety, Wellington is about 43% more expensive for renters.** Previously, this disparity was significantly smaller.

Per the 2022 ACS, Wellington was home to 251 cost-burdened renter households, defined as those that devote 30% or more of household income to gross rent. This equates to a cost-burdened rate of 41%, which, encouragingly, fell below the countywide and statewide rates and marked a decline from 2017. **Among the subset of renters who qualified as cost burdened, though, more than eight in ten qualified as "severely burdened," in that they spent 50% or more of their income on housing.**

How affordable is Wellington for homeowners?

In September 2024, the median Wellington home sold for \$475,000, a 23% real increase over pre-pandemic levels. Assuming a 20% down payment, a 30-year loan term, and a 7% interest rate, such a home would carry a mortgage of \$2,528. In accordance with the general rule that a home's sale price should represent no more than three times household income, a family would need to earn at least \$159,982 to afford a home at this price point. Homes that sell for substantially less than the median price are more likely to be older and, by extension, require repairs and upgrades. Prices tend to be lower in Wellington, and Larimer County more generally, than in Weld County and the state as a whole. Inadequate supply has been a main contributing factor to

Wellington's escalating home prices. **While availability has increased more recently, there were periods in 2022 and 2023 when the entire inventory was estimated to sell out in just two months or less.**

Whereas prospective homeowners can expect to pay over \$2,500 on the mortgage alone, among all homeowners in Wellington, median monthly costs (inclusive of property taxes, HOA fees, utilities, and insurance) totaled \$1,965 as of 2022. Homeowners faced less severe affordability challenges than renters. About 23% of the town's homeowners met the definition of cost burdened, spending 30% or more of household income on housing costs. By comparison, the countywide and statewide homeowner cost-burdened rates were 27% and 29%, respectively.

What are Wellington's current and future housing gaps?

Wellington's renter households spanned the income spectrum, yet its rental units were concentrated in a price range suitable for households earning at least 50% AMI (\$55,650). **At the below 50% AMI level, the rental shortage amounted to 139 units.** This mismatch exposes the community's lowest-income renters to increased housing instability.

Likewise, the owner housing stock did not fully reflect the income distribution of homeowners. **For example, 1,448 owner households earned below 80% AMI, yet just 233 homes would have been affordable to them at today's market values.** This finding underscores the need for additional entry-level for-sale housing in Wellington, especially if the town aims to sustain a diverse homeowner population.

When market conditions are unfavorable to renters and buyers, much of the demand for housing is unrealized, or latent, as individuals and families turn to shared living arrangements to reduce housing expenses. **As of 2022, 4,000 realized, or actual, households resided in Wellington, but an additional 170 to 307 would have formed if housing were more affordable.** These latent households would have been disproportionately low income, further highlighting the need for additional affordable options.

In 2030, 793 renter households and 4,050 owner households are projected to reside in Wellington. These totals are anticipated to rise to 884 and 4,518 by 2035, respectively. ***To accommodate this expected growth, the town requires approximately 800 new units by 2030 and over 1,300 new units by 2035.*** The new units must cater to a wide range of residents in order to preserve Wellington's current socioeconomic diversity.

What strategies can Wellington pursue to address existing and emerging shortages?

By implementing various policy and regulatory changes, as well as pursuing key funding opportunities, Wellington can reinforce its housing supply for current and future generations. A high-level list of recommended strategies appears below.

1. Support the development of accessory dwelling units;
2. Reevaluate parking standards, amend the design review process, and introduce inclusionary zoning to incentivize affordable development;
3. Create a naturally occurring affordable housing (NOAH) inventory and consider other measures aimed at promoting housing rehabilitation and preservation;
4. Modify dimensional standards and other regulations to increase housing diversity;
5. Increase senior housing options and facilitate aging in place;
6. Pursue funding opportunities through HUD and DOLA.

What tangible benefits will increased housing diversity bring to Wellington?

Expanding housing diversity in Wellington is vital to fostering economic and workforce development. A variety of housing options—including affordable apartments, townhomes, and single-family residences—would accommodate a broader range of workers, enabling workers, families, and retirees to live in the

community. This inclusivity would help attract and retain a diverse consumer base and skilled workforce for local businesses. Indeed, shorter commute times can boost employee satisfaction by promoting work-life balance and lowering stress. Additionally, the perception that a community has suitable housing for employees can stimulate economic growth by encouraging new businesses and industries to establish operations in Wellington. In sum, an adequate supply of safe, quality housing for younger workers, middle-income families, and older residents looking to downsize can help Wellington build a more resilient economy and vibrant community that meets the needs of all residents.

Introduction

Located in northern Larimer County, Colorado, the Town of Wellington is a rapidly growing community known for its small-town charm, proximity to Fort Collins, and easy access to Colorado's Front Range. With an estimated population of approximately 12,000, Wellington has experienced remarkable growth since the turn of the century. The sources of the town's appeal include its rural character, quality schools, and scenic views. Wellington has grown from its agricultural roots to become a residential and commuter-friendly community, while still retaining elements of its cultural heritage.

Wellington's growth has been fueled by its strategic location along Interstate 25, which has led many who work in Fort Collins, Denver, and nearby urban centers to make it their home. This connectivity, paired with the town's reputation for safety and community-oriented values, has attracted a diverse mix of families, professionals, and retirees. First-time homebuyers have been particularly drawn to Wellington for its affordability compared to communities such as Fort Collins and Boulder, as well as its growing community amenities.

While this rapid growth has helped create a thriving community, it also presents challenges, especially as it relates to housing. Demand for affordable and attainable housing has surged, outpacing the development of new housing stock and placing pressure on existing resources. Although Wellington's growth has far exceeded that of the state and nation, the housing shortage is by no means confined to the town. Indeed, Colorado is estimated to face a housing deficit ranging from 127,000 to 225,000 units, while the national shortage is thought to range from 3.8 to 4.5 million units.

To be sure, housing-related challenges predate the COVID-19 pandemic, but a myriad of pandemic-related factors, including supply chain constraints, labor shortages, increased material costs, and the proliferation of remote work, caused them to exacerbate. Wellington faces the task of balancing its growth with sustainable

planning to ensure housing accessibility, quality, and affordability for all residents. Rising property values and housing costs, shifting demographics, and the limited availability of developable land underscore the importance of data-driven decision-making to guide Wellington's future development and maintain its welcoming, inclusive character.

To that end, the Town of Wellington retained Matrix Design Group, Inc. (Matrix) to conduct a *Housing Needs and Affordability Assessment*. The insights gained will help the town realize its goal, as stated in *Wellington Comprehensive Plan 2021*, of ensuring that "existing and future residential developments contribute to enhancing quality of life." While the town is concerned about the housing needs of all residents, the Comprehensive Plan emphasizes the need to create viable housing options for the local workforce specifically. The demographic, socioeconomic, and housing data presented in this study are intended to help the community ascertain the extent of this need for the workforce and residents more generally, as well as strategize for the future.

Methodology

To provide a comprehensive picture of housing conditions in Wellington, Matrix employed a rigorous, mixed-methods approach that combined data analysis with community engagement. For the various metrics presented throughout the study, Larimer County, Weld County, and Colorado serve as points of comparison, thus adding key context to the findings. The analyses leverage the premier sources of demographic, socioeconomic, and housing data, which are described below.

- **American Community Survey:** Administered by the U.S. Census Bureau on an ongoing basis, the American Community Survey (ACS) is the leading source of statistically valid demographic, socioeconomic, and housing data. *The U.S. Census Bureau employs probability*

sampling, statistical weighting, and other scientific methods to ensure the sample is representative of the population. Unlike real estate and rental listing data, ACS data are not limited to the housing units currently available for sale or rent. At the time of this writing, the most current estimates for Wellington are available from the 2022 five-year ACS, which covers the period from 2018 to 2022. When discussing five-year ACS data, this report references only the year featured in the title of the survey. Particularly for small communities such as Wellington, ACS estimates can have wide margins of error and therefore carry considerable statistical uncertainty. Readers should be aware of this limitation as they interpret the findings.

- **Larimer County Assessor's Office:** The parcel database from the Larimer County Assessor's Office provides 2024 residential property values for Wellington. Commercial properties were excluded from all analyses.
- **Redfin:** The Redfin Real Estate Data Center compiles data from multiple listing service (MLS) databases, which track real estate transactions in nearly real time, in every locale across the country. A variety of indicators that, collectively,

shed light on the state of the for-sale housing market are available.

- **Zillow:** A leading online real estate marketplace, Zillow provides up-to-date rental listing data. Available rentals are usually classified by location, price, and size.
- **Apartments.com:** Similar to Zillow, apartments.com is a comprehensive source of current rental market data. Landlords and property managers typically list the unit's location, price, and size.
- **Esri:** The Updated Demographics Dataset offers population and household projections at several geographic levels. While the latest projections are for 2027, Matrix uses extrapolation methods to extend them through 2040.

Central to the study is a gap analysis that compares the housing supply to the number of households below a certain area median income (AMI) threshold. The tiers are based on the FY 2024 AMI of \$111,300 for the Fort Collins, CO Metropolitan Statistical Area (MSA). Table 1 displays the upper income limit associated with each tier. In addition, it presents the maximum amounts that households can afford to spend on monthly housing costs without qualifying as cost burdened.

Table 1. Wellington Housing Affordability Tiers

AMI level	Household income	Monthly housing costs
<30% AMI	<\$33,390	<\$835
<50% AMI	<\$55,650	<\$1,391
<80% AMI	<\$89,040	<\$2,226
<120% AMI	<\$133,560	<\$3,339
<200% AMI	<\$222,600	<\$5,565

Source: Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Ranges based on the area median income of \$111,300 for the Fort Collins, CO MSA. Monthly housing costs were calculated to represent 30% of household income.

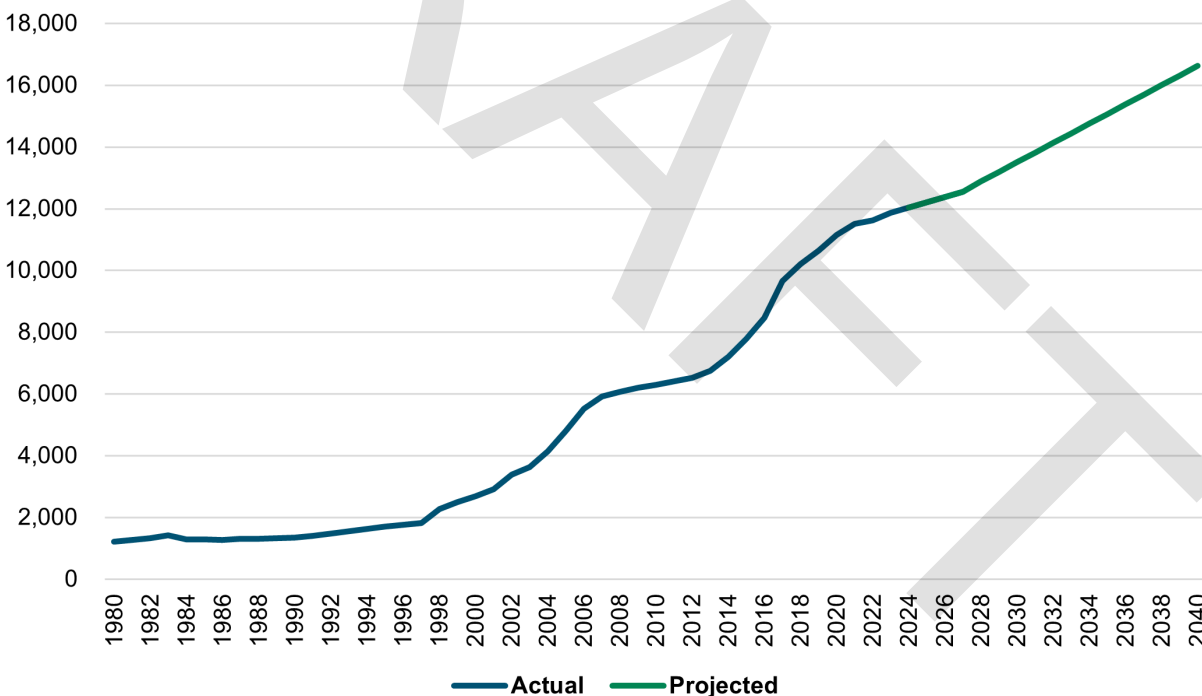
Demographic and Socioeconomic Conditions

This section examines Wellington's population and household characteristics. It explores population size and age, race and ethnicity, socioeconomics, household type and size, overcrowding, and housing tenure. Broadly, the data underscore the need for Wellington to be attentive to the housing needs of low-income households, seniors, and other underserved groups as it continues to grow.

Population

Wellington's population has increased exponentially in recent decades (see Figure 1). Indeed, although growth was modest through the mid-1990s, the town's population rose by 227%, from 1,809 to 5,924, between 1997 and 2007. Growth would slow through 2013, before escalating again in subsequent years. From 2013 to 2023, Wellington added over 5,000 residents as its population reached nearly 12,000. Wellington is expected to continue growing at a healthy rate over the next decade. On average, the town's population is projected to grow by two percent annually from 2024 to 2030. **The town's forecasted 2030 population is 13,510.** Over the course of the 2030s, it is slated to add over 3,000 new residents. The town's continued expected growth will translate into increased demand for housing.

Figure 1. Actual and Projected Population Growth in Wellington, 1980-2040



Source: Colorado Department of Local Affairs, State Demography Office; Esri; Matrix Design Group, Inc.

Population Age

Data on the age composition of Wellington's population are displayed in Table 2. As of 2022, more than half of Wellington's population was under the age of 35. Residents aged 19 and younger represented just shy of one-third of the population, nearly the same share observed five years earlier, while the 20-to-24 cohort more than doubled in relative size over the same period, increasing to five percent of the population. In contrast, although the absolute size of the 25-to-34 cohort grew slightly from 2017 to 2022, its share of the population fell from 20% to 15%. The 35-to-64 range increased in proportion with the rest of the population, accounting for nearly 40% of residents in 2022. **The senior population increased markedly in size.** The most current data indicate that over 1,000 residents are aged 65 and over, equal to about 10% of the population. As the size of this demographic increases, so will the need for accessible housing to promote aging in place, memory care, and assisted and independent living facilities.

Table 2. Age Composition of Wellington's Population, 2017 and 2022

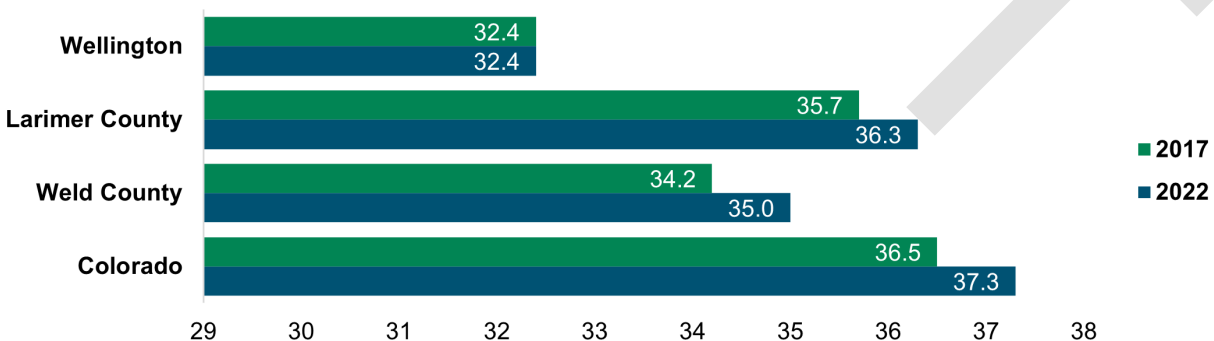
Age Group	2017		2022	
	Number	Percent	Number	Percent
19 years and under	2,583	33%	3,617	32%
20 to 24 years	166	2%	586	5%
25 to 34 years	1,553	20%	1,653	15%
35 to 44 years	1,535	19%	2,173	20%
45 to 64 years	1,509	19%	2,073	19%
65 years and over	595	7%	1,061	10%

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

Note: 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Despite Wellington's shifting age demographics, its median population age remained constant at 32.4 years (see Figure 2). In comparison to Larimer County, Weld County, and Colorado overall, Wellington has consistently had a younger population. **In fact, the median Wellington resident was nearly five years younger than his or her statewide counterpart as of 2022.** This highlights the vital role of entry-level housing in the town.

Figure 2. Median Population Age by Region, 2017 and 2022



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

Note: 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Race and Ethnicity

Data on the racial and ethnic makeup of Wellington's population appear in Table 3. About 85% of the town's residents identified as white. The black or African American, American Indian and Alaskan Native, and Asian populations accounted for a combined three percent of residents. The remaining 13% of the population belonged to either some other race or two or more races. Over 1,900 residents—equal to 17% of the population—identified as Hispanic or Latino.

Table 3. Racial and Ethnic Composition of Wellington's Population, 2022

	Number	Percent
Race		
White	9,440	85%
Black or African American	66	1%
American Indian and Alaska Native	100	1%
Asian	71	1%
Native Hawaiian and other Pacific Islander	0	0%
Other	502	4%
Two or more races	984	9%
Ethnicity		
Hispanic or Latino	1,908	17%
Not Hispanic or Latino	9,255	83%

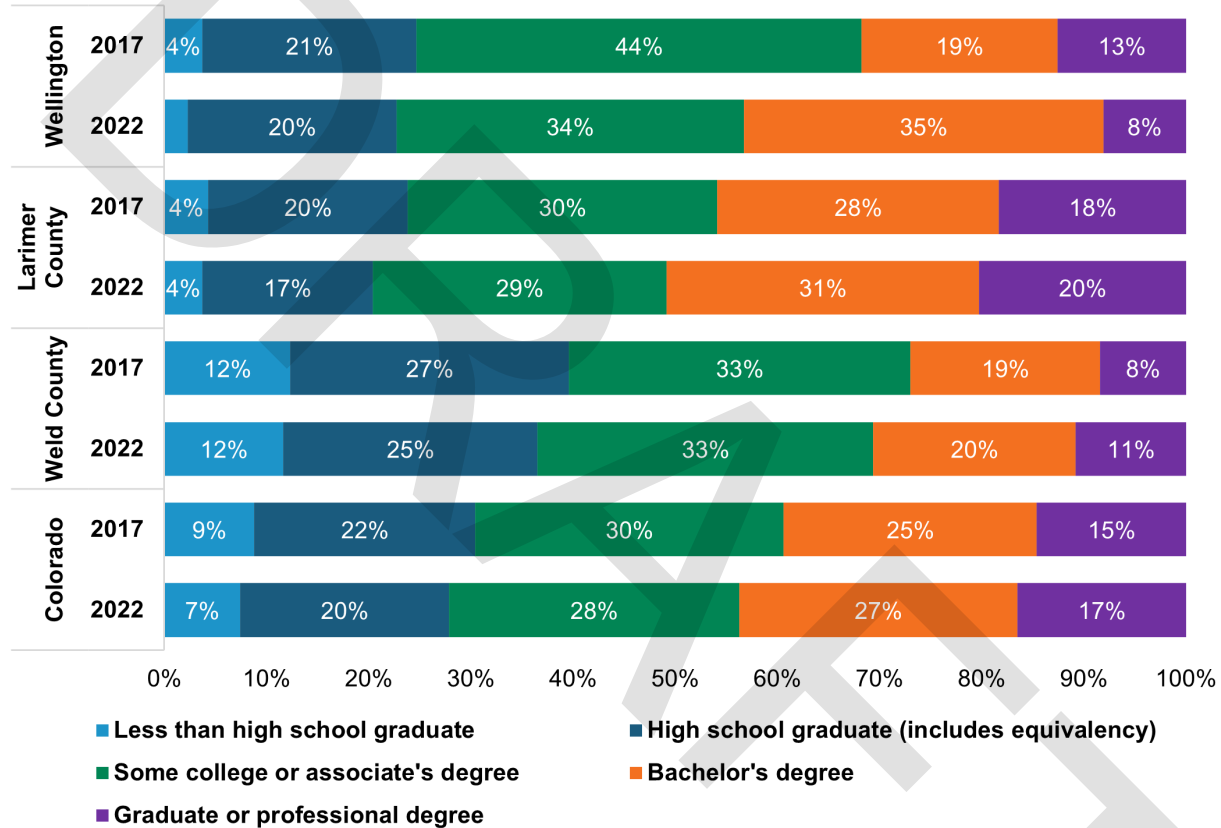
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: Data cover period from 2018 to 2022.

Educational Attainment

As educational attainment is strongly associated with income and housing stability, it is significant that the share of Wellington residents with college degrees has increased dramatically in recent years (see Figure 3). **Forty-three percent of the population had earned at least a bachelor's degree in 2022, up from 32% in 2017.** Still, even in 2022, Wellington had proportionally fewer college graduates than Larimer County, primarily because only eight percent of the town's population reported having earned a graduate or professional degree, compared to 20% for the county. While Wellington's share of residents with a bachelor's degree or higher mirrored Colorado's, it exceeded that of Weld County.

Figure 3. Population Educational Attainment by Region, 2017 and 2022



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

Note: Estimates pertain to 25-years-and-over population. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Disability

People with disabilities often require homes that are wheelchair accessible or equipped with universal design features, such as adjustable countertops, grab bars, and lever-style door handles. ***In Wellington, 872 residents (equal to 8% of the population) reported experiencing a disability in 2022 (see Table 4).*** As expected, disability rates were highest among seniors. Home modification and other accommodations tend to be required by those facing ambulatory, self-care, and independent living difficulties. Nearly 250 seniors were impaired by an ambulatory disability, equal to 23% of the 65-years-and-over population. The population of seniors impacted by a self-care or independent living difficulty was smaller, at 143. These residents typically require assistance from caregivers to stay in their homes or accommodations in assisted living facilities or nursing homes.

Table 4. Wellington Disability Profile, 2022

	Number of residents	Percent of civilian noninstitutionalized population
Total residents with a disability	872	8%
Residents under 18 years	121	4%
Residents 18 to 64 years	462	7%
Hearing or vision	181	3%
Cognitive	78	1%
Ambulatory	222	3%
Self-care or independent living	121	2%
Residents 65 years and over	289	27%
Hearing or vision	61	6%
Cognitive	56	5%
Ambulatory	245	23%
Self-care or independent living	143	13%

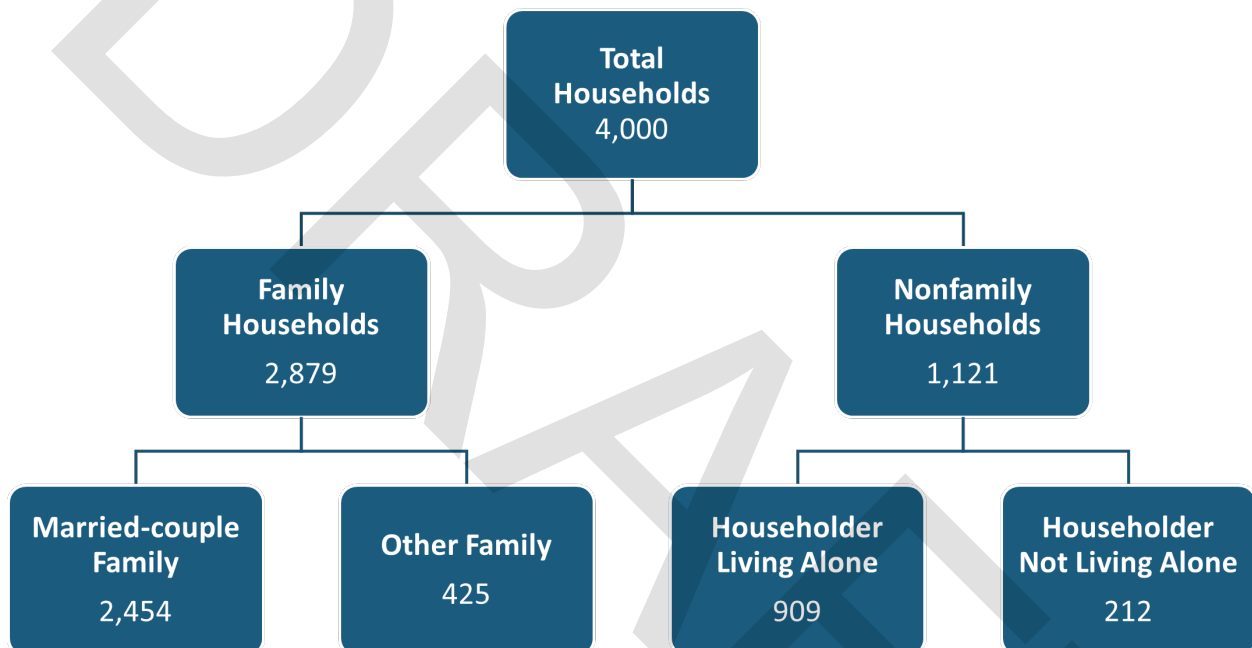
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: The ACS defines a self-care disability as one that causes the person to have “difficulty bathing or dressing,” while an independent living disability causes a person to have “difficulty doing errands alone such as visiting a doctor’s office or shopping.” A cognitive disability causes a person to have “difficulty remembering, concentrating, or making decisions due to a physical, mental, or emotional problem.” Because residents can have multiple disabilities, values do not sum to totals. Data cover period from 2018 to 2022.

Household Type and Size

Figure 4 offers insight into the composition of Wellington's estimated 4,000 households. About 72% of the town's households were family households, defined as those with at least one person who was related by birth, marriage, or adoption to the householder. This subset of households can be further divided into married-couple family and other family households. In Wellington, 85% of family households and 61% of all households featured a married couple. Wellington's 1,121 nonfamily households overwhelmingly consisted of one person. Roommate households were among the 212 nonfamily households in which the householder did not live alone.

Figure 4. Breakdown of Wellington's Households, 2022



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

Note: Data cover period from 2018 to 2022.

Younger generations are more likely than their ancestors to delay marriage, leading to an increased number of nonfamily households.

Table 5 presents the size composition of Wellington's households. In total, Wellington was home to 909 one-person households, for whom studio or one-bedroom units are likely to be suitable in most cases.

Surprisingly, Wellington's one-person households disproportionately consisted of homeowners, as opposed to renters. Two-person households represented a plurality (29%) of households, numbering over 1,100.

Overall, a majority of Wellington households featured one or two people.

Nearly equal numbers of three-, four-, and five-person households existed. These moderate-to-large households represented 43% of all households. Notably, almost one-in-three renter households had five people, indicating that many large families had opted to rent in Wellington. With 3.3 people, the average renter household in Wellington was slightly larger than its owner counterpart.



Table 5. Wellington Households by Size, 2022

Household size	All households		Owner households		Renter households	
	Number	Percent	Number	Percent	Number	Percent
One person	909	23%	813	24%	96	15%
Two persons	1,153	29%	967	29%	186	28%
Three persons	582	15%	582	17%	0	0%
Four persons	548	14%	435	13%	113	17%
Five persons	590	15%	383	11%	207	32%
Six or more persons	218	5%	165	5%	53	8%
Average household size	2.8 persons		2.7 persons		3.3 persons	

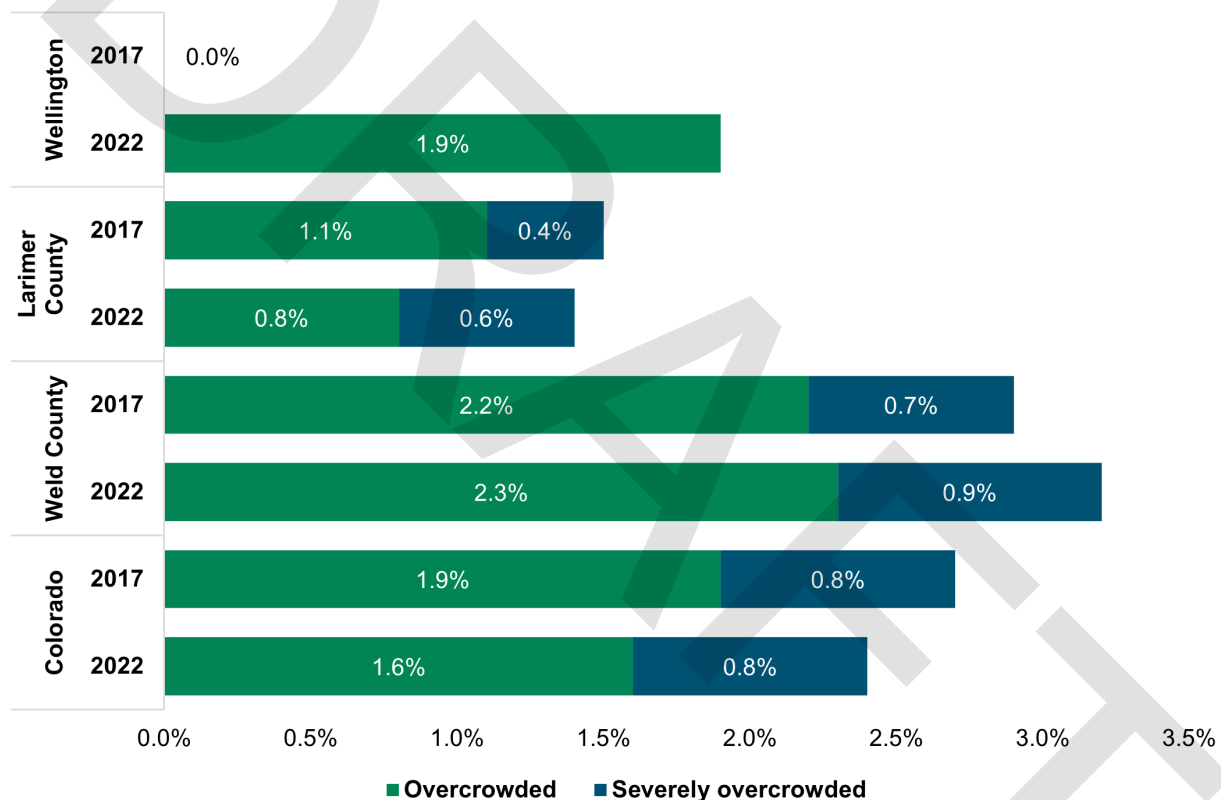
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: Data cover period from 2018 to 2022.

Overcrowding

A community's rate of overcrowding is strongly associated with the extent of its housing affordability challenges. Overcrowding typically results when families opt for a smaller home than they require or choose to “double up” on housing to save money on rent, utilities, and other costs. In Figure 5, “overcrowded” households are defined as those with between 1.01 and 1.50 occupants per room, while households with 1.51 or more occupants per room are considered “severely overcrowded.” No overcrowded households appeared in the 2017 ACS sample for Wellington, which distinguished the town from the broader region. According to the 2022 ACS, however, nearly two percent of Wellington's households were overcrowded—slightly exceeding the rate of 1.4% for Larimer County. Despite witnessing an uptick in overcrowded households, Wellington continued to be in a strong position relative to Weld County and Colorado as a whole.

Figure 5. Rate of Overcrowding by Region, 2017 and 2022



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

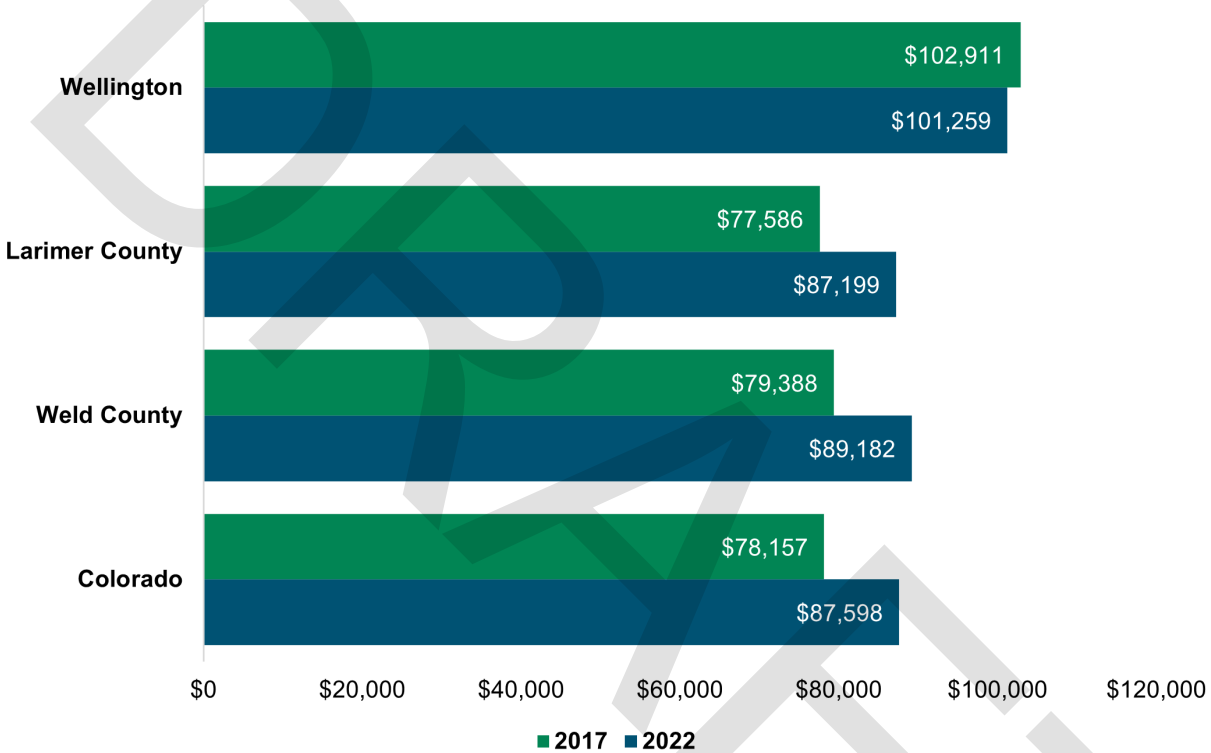
Note: “Overcrowded” households have between 1.01 and 1.50 occupants per room. “Severely overcrowded” households have 1.51 or more occupants per room. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Overcrowding can have negative impacts on mental and emotional health, interpersonal relationships, and children’s development.

Income, Poverty, and Wages

Wellington's population is relatively affluent. *In 2022, the typical Wellington household earned \$101,259 (see Figure 6).* This sum was about 16% higher than Larimer County's median household income (\$87,199), which closely resembled those of Weld County and the state as a whole. Unlike the broader region, however, Wellington did not experience an increase in real median household income from 2017 to 2022.¹ *Given that housing is considered affordable when costs represent less than 30% of household income, the typical Wellington household's total monthly housing expenses should ideally not have exceeded \$2,531.*

Figure 6. Median Household Income by Region, 2017 and 2022



Source: Five-Year American Community Survey; Bureau of Labor Statistics; Matrix Design Group, Inc.

Note: Values adjusted for inflation to constant 2022 dollars. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

¹ Nominally, 2017 median household income was \$86,190 in Wellington.

A more detailed analysis of household incomes in Wellington appears in Table 6. Just over 300 households earned less than \$15,000, while an additional 277 households earned from \$15,000 to \$34,999. These low-income households, which represented 23% of all households, likely found it challenging to meet their monthly housing costs. A sizeable number of households (347) fell into the \$35,000-to-\$49,999 range. Middle-income households, defined in this case as those earning between \$50,000 and \$99,999, accounted for a quarter of all households. Household incomes between \$100,000 and \$149,999 were similarly common. This income bracket included over 1,200 households, or about 30% of Wellington's estimated 4,000 households. A comparable number of households (862) earned \$150,000 or more. ***Contrary to expectations, the median renter household reported about \$22,000 more in earnings than the equivalent owner household.*** This income gap, which sets Wellington apart from most other communities, could be explained, in part, by the larger average size of its renter households.

Table 6. Household Income Distribution for Wellington, 2022

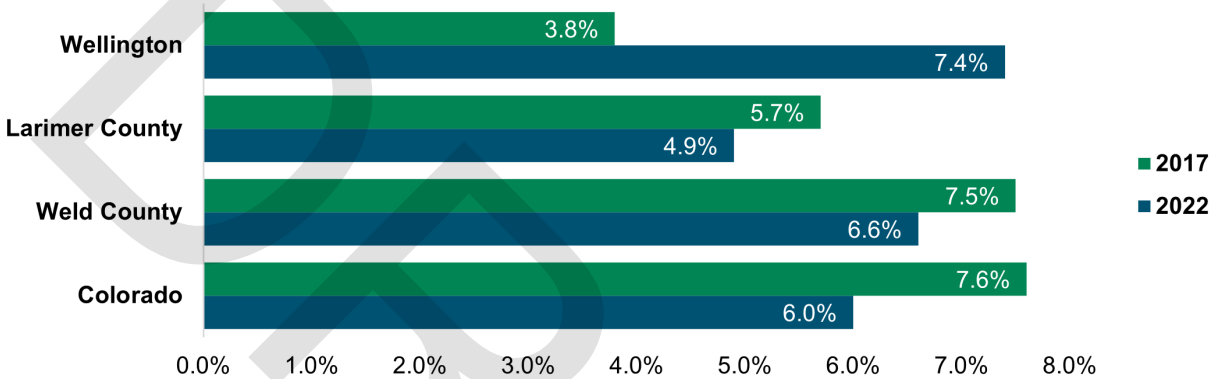
Income range	All households		Owner households		Renter households	
	Number	Percent	Number	Percent	Number	Percent
Less than \$15,000	305	8%	267	8%	38	6%
\$15,000 to \$24,999	210	5%	191	6%	19	3%
\$25,000 to \$34,999	67	2%	18	1%	49	7%
\$35,000 to \$49,999	347	9%	347	10%	0	0%
\$50,000 to \$74,999	509	13%	364	11%	145	22%
\$75,000 to \$99,999	495	12%	466	14%	29	4%
\$100,000 to \$149,999	1,205	30%	1,041	31%	164	25%
\$150,000 or more	862	22%	651	19%	211	32%
Median household income	\$101,259		\$100,393		\$122,688	

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

Note: Data cover period from 2018 to 2022.

How prevalent is family poverty in Wellington compared to the broader region? **According to Figure 7, Wellington's poverty rate was 7.4% as of the most recent ACS.** This means that 213 of Wellington's 2,879 families lived below the poverty line, which equaled \$29,678 for a family of four. While the data suggest Wellington's poverty rate has increased dramatically in recent years, the 2017 rate of 3.8% was likely an underestimate that stemmed from a limited sample size. **In 2022, poverty was more prevalent in Wellington than in Larimer County, which had a poverty rate of 4.9%, as well as Weld County and Colorado.** The combination of Wellington's relatively high median household income and elevated family poverty rate indicates the existence of significant income inequality.

Figure 7. Family Poverty Rate by Region, 2017 and 2022

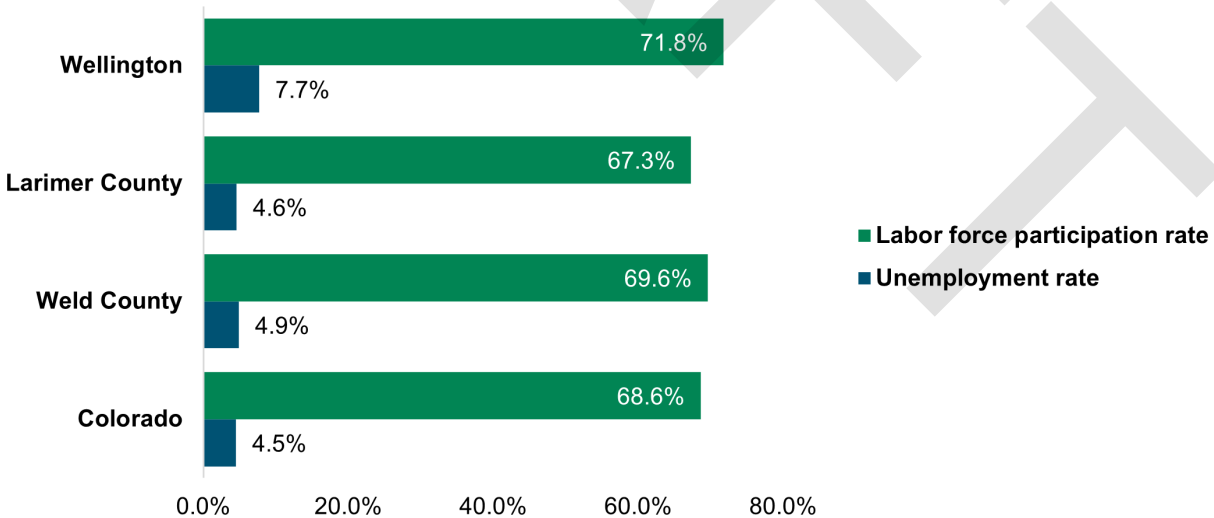


Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Figure 8 compares Wellington's labor market to those of surrounding communities. At nearly 72%, Wellington's labor force participation rate was relatively high. This finding is consistent with the fact that the town's population is young in comparison to other nearby communities. **However, Wellington's unemployment rate of 7.7% exceeded those of Colorado, Larimer County, and Weld County by approximately three percentage points.**

Figure 8. Labor Force Participation and Unemployment Rates by Region, 2022

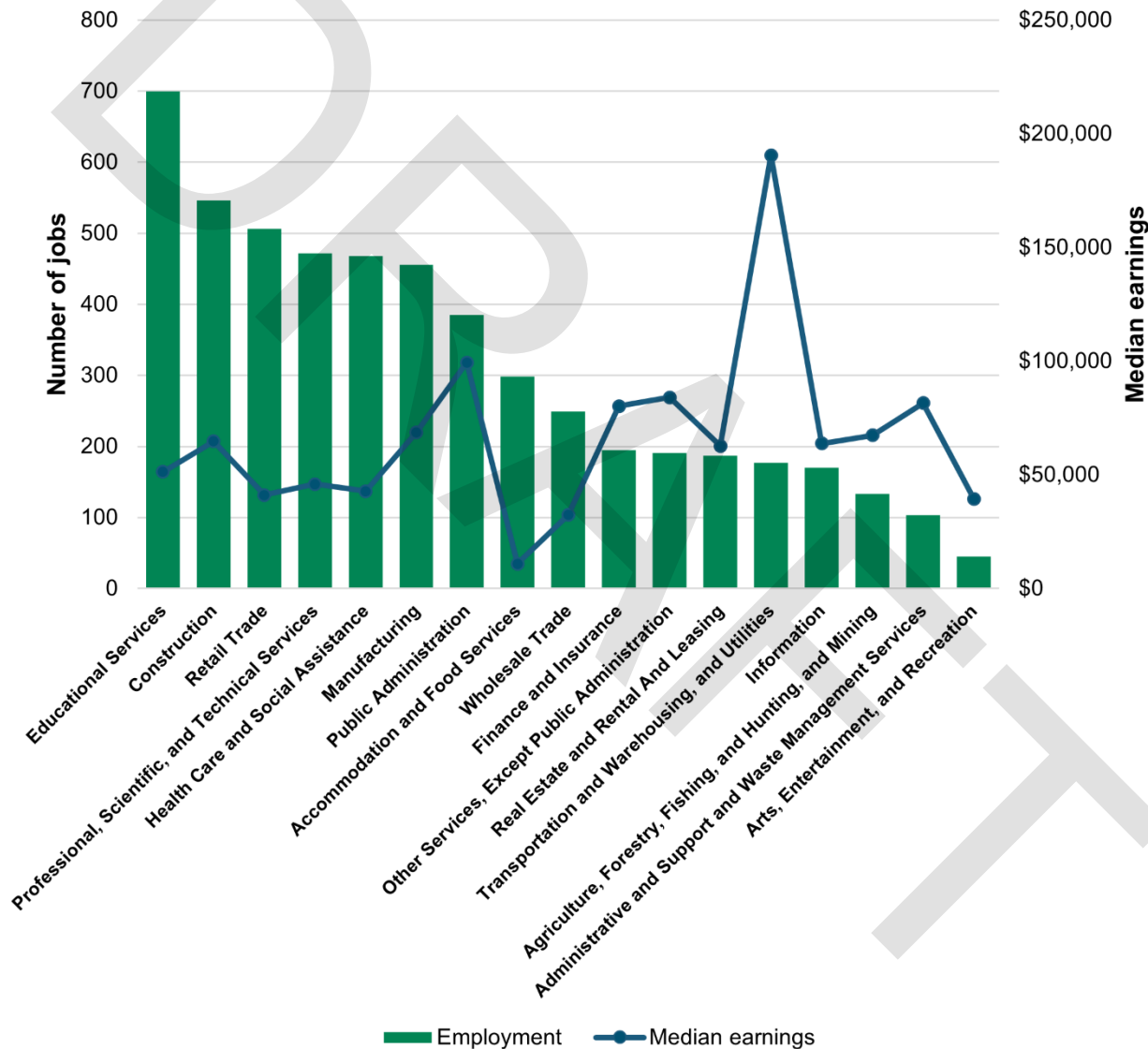


Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: Data cover period from 2018 to 2022.

Figure 9 illustrates how total employment varied in relation to median earnings by sector in Wellington. Sector employment is arranged in descending order from left to right and represented by the vertical bars, while the line plots median earnings. Wellington's largest sector is *Educational Services*, which employed 700 people, followed by *Construction*; *Retail Trade*; and *Professional, Scientific, and Technical Services*. Median earnings in these sectors, however, were modest, ranging from \$41,121 for *Retail Trade* to \$64,694 for *Construction*. Wellington's highest-paying sectors were responsible for a relatively small share of total employment. For example, median earnings in *Public Administration* were \$99,408, but the sector employed only 385 residents. Similarly, Wellington's most lucrative sector (*Transportation and Warehousing, and Utilities*) was also its fifth smallest by total employment.

Figure 9. Total Employment and Median Earnings by Sector in Wellington, 2022



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

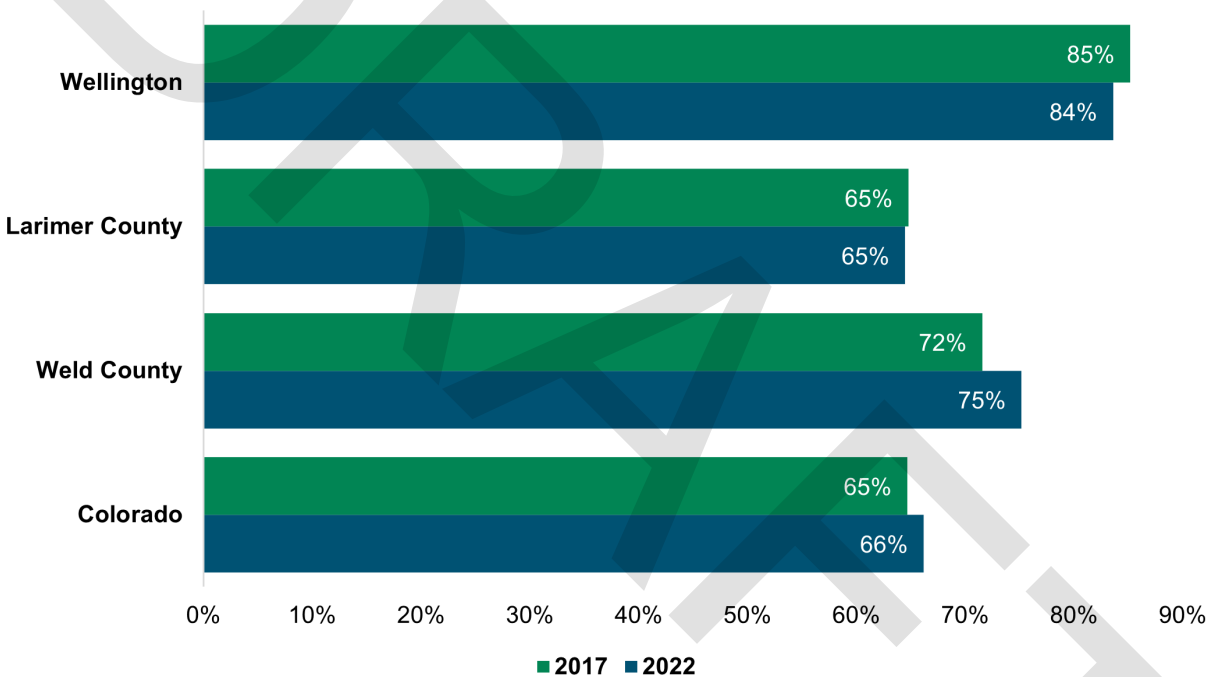
Note: Includes full- and part-time workers. Estimates are specific to Wellington residents. Data cover period from 2018 to 2022.

Tenure

Despite escalating home prices and interest rates, the homeownership rate has largely held steady in Wellington and the surrounding region.² Indeed, Wellington's 2022 ownership rate of 84% was statistically indistinguishable from the rate observed five years earlier (see Figure 10). Reflecting its limited rental inventory, Wellington has consistently had a higher ownership rate than Larimer County, Weld County, and Colorado. *Although homeownership is vital to building intergenerational wealth, increased rental availability could help promote Wellington's continued growth given current market conditions.*

A community's balance of homeowners and renters is directly influenced by the physical composition of the housing stock.

Figure 10. Homeownership Rate by Region, 2022



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

Note: 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

² Future releases of the ACS may tell a different story, especially considering that home prices and interest rates did not begin to increase significantly until the end of the five-year period covered by the 2022 ACS.

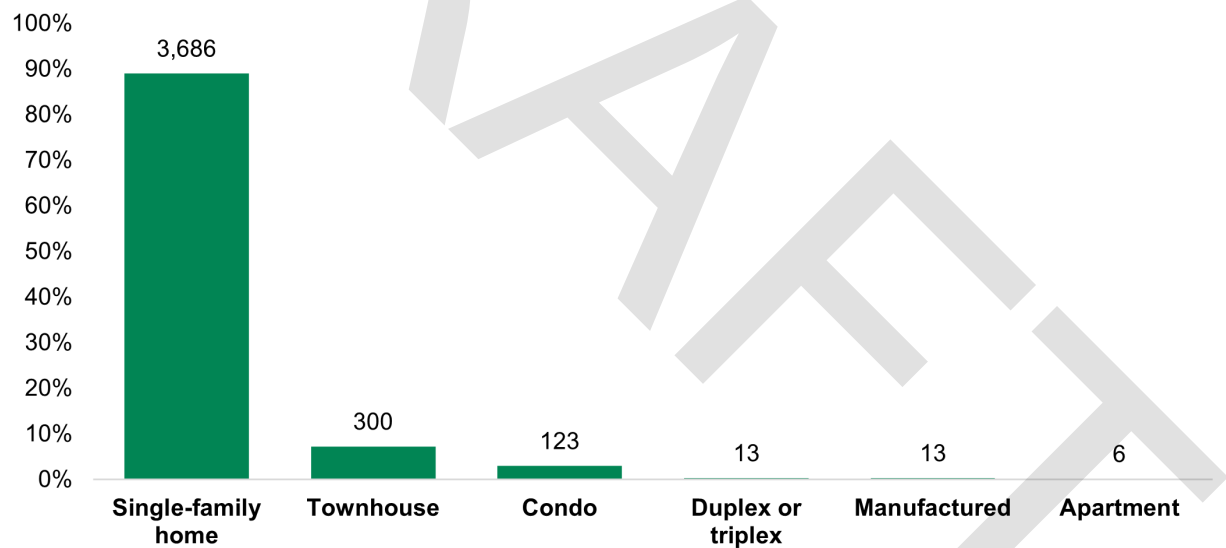
Housing Stock

This section focuses on Wellington’s housing stock. Along with presenting vacancy data, it decomposes the stock’s physical characteristics, age, and condition. The data reveal that the town has limited housing diversity, with single-family detached homes accounting for about nine-in-ten homes. Wellington’s housing stock is also characterized by its youth and favorable condition. Another distinguishing characteristic of Wellington’s housing stock is its low vacancy rate, which affords sellers and landlords substantial leeway to set higher prices.

Physical Characteristics

Figure 11 provides a breakdown of Wellington’s 4,141 residential properties using the Larimer County Assessor’s 2024 parcel data. By a wide margin, traditional single-family homes are the most common property type in Wellington. *Nearly 90% of the town’s residential parcels featured a single-family home.* Townhomes are the second most common property type, currently numbering 300. In addition, Wellington is home to 123 condominiums. The other housing types—duplexes or triplexes, manufactured homes, and apartments—account for the remaining one percent of residential properties.

Figure 11. Wellington Residential Properties by Type, 2024

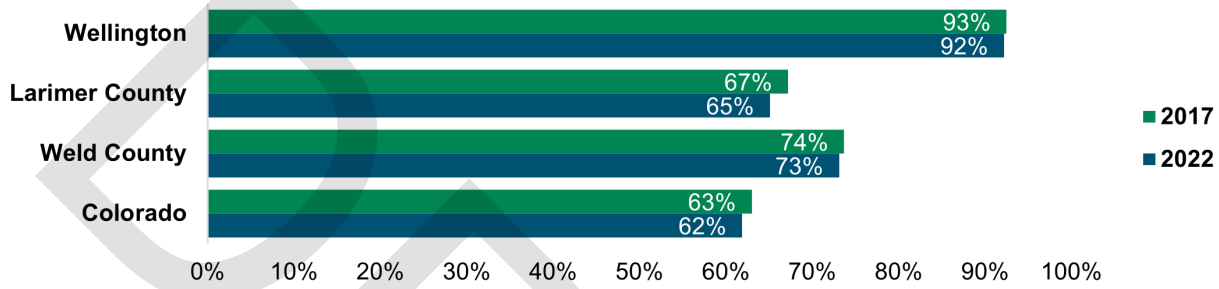


Source: Larimer County Assessor’s 2024 parcel data; Matrix Design Group, Inc.

Note: The unit of analysis is the land parcel.

Figure 12 underscores the lack of diversity in Wellington's housing stock. In this visual, the unit of analysis is the housing unit, rather than the property or land parcel. Ninety-two percent of the town's 4,041 estimated housing units were single-family detached homes in 2022. By contrast, these percentages were 65% for Larimer County, 73% for Weld County, and 62% for Colorado. Across the region, single-family detached homes have declined marginally as a share of the housing stock in recent years as communities have sought to address affordability challenges by emphasizing alternative housing types, including the "missing middle."

Figure 12. Percentage of Single-Family Detached Homes by Region, 2022



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

Note: The unit of analysis is the housing unit. Estimates pertain to occupied and unoccupied units. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

As Table 7 demonstrates, Wellington's housing stock has undergone substantial growth in recent years. From 2017 to 2022, the total number of units increased by 48%. Three- and four-bedroom units accounted for most of the new development, representing 60% and 27% of the total stock by 2022, respectively. Units with two or fewer bedrooms were rare by comparison. Only 178 such units existed in the town, equal to 4% of all units. Five-or-more bedroom units grew in proportion with the overall stock, making up 8% of all units in both 2017 and 2022. Wellington's increased emphasis on three- and four-bedroom units has likely helped it attract young families with children. But at the same time, the housing stock has become less favorable to smaller households in search of affordable options. **Considering that younger households are having children at a lower rate than previous generations, a mismatch may exist between Wellington housing stock, which disproportionately consists of larger homes, and the needs of residents.**

Table 7. Wellington's Housing Stock by Bedroom Count, 2017 and 2022

Number of bedrooms	2017		2022	
	Number	Percent	Number	Percent
Two or fewer	293	11%	178	4%
Three	1,760	65%	2,438	60%
Four	454	17%	1,092	27%
Five or more	216	8%	333	8%
Total	2,723	100%	4,041	100%

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

Note: The unit of analysis is the housing unit. Estimates pertain to occupied and unoccupied units. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Age and Condition

Wellington features a young housing stock (see Table 8). ***This is exemplified by the fact that the median home was constructed in 2007.*** Just 152 homes—equal to 4% of the stock—date back to 1959 or earlier. From 1960 to 1989, 274 homes were added. It was not until the 1990s, when 400 homes were built, that residential development accelerated. Development would increase exponentially through 2009, with the town adding 1,323 homes in the first decade of the twenty-first century. In the 2010s, Wellington saw slightly more development. Since 2020, 513 homes have been constructed, suggesting development has not slowed despite the supply chain disruptions and labor shortages that occurred due to the COVID-19 pandemic. ***That the bulk of Wellington's housing units were built only recently suggests that town likely has a dearth of “naturally occurring affordable housing” (NOAH).³***

Table 8. Age of Wellington's Housing Stock, 2024

Year built	Number	Percent
1959 or earlier	152	4%
1960s	15	0%
1970s	186	4%
1980s	73	2%
1990s	400	10%
2000s	1,323	32%
2010s	1,479	36%
2020s	513	12%
Median year built	2007	

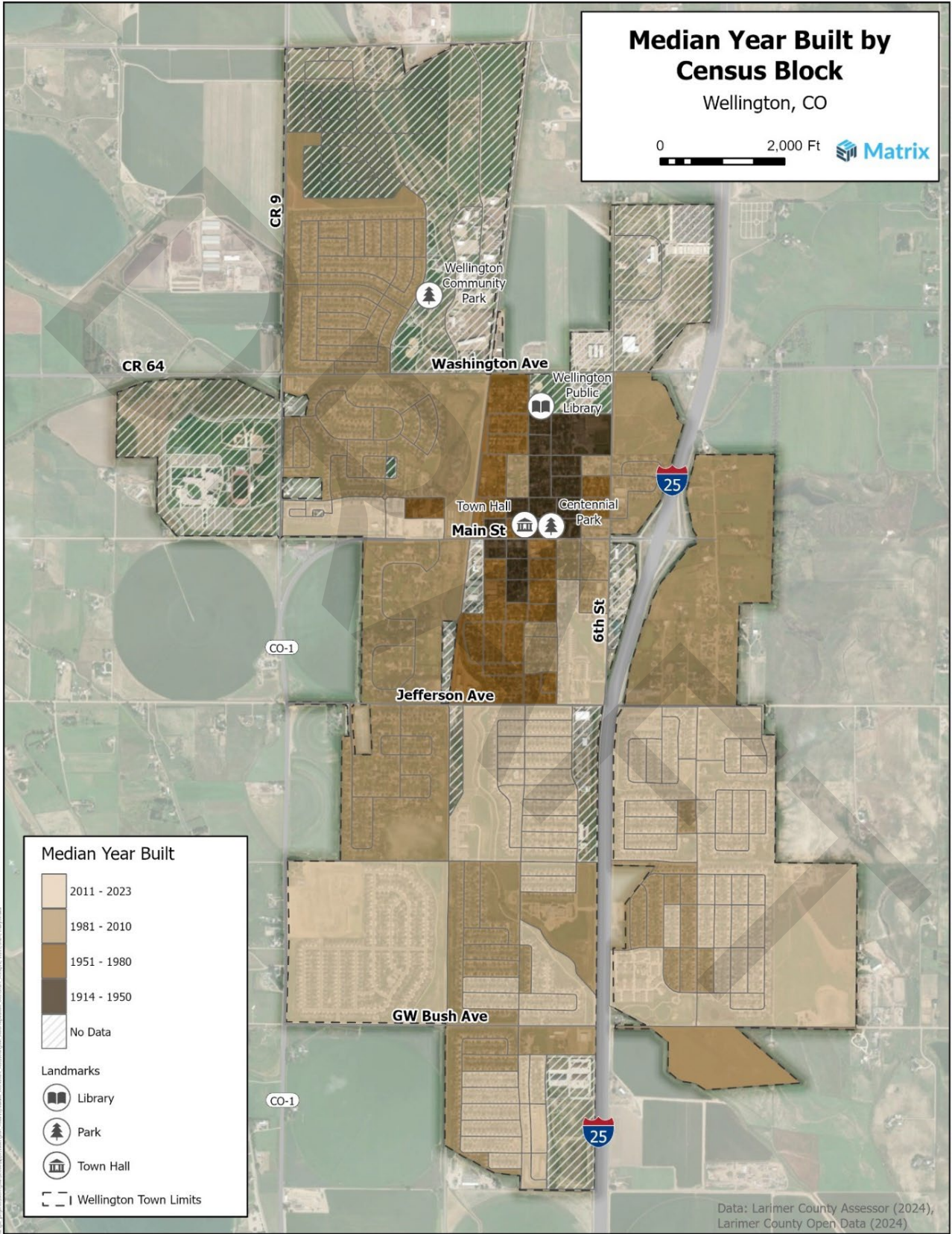
Source: Larimer County Assessor's 2024 parcel data; Matrix Design Group, Inc.

Note: The unit of analysis is the land parcel.

Figure 13 classifies neighborhoods based on the age of the housing stock. The neighborhoods are technically census blocks, the smallest available geographic unit. On average, census blocks contain about 40 people. Wellington's older homes (i.e., those built before 1980) tend to exist in the town's north central neighborhoods, south of the Wellington Public Library. In general, Wellington's outskirts have moderately aged housing stock, with the median year of construction ranging from 1981 to 2010. The town's newer homes (i.e., those built between 2011 and 2023) tend to be found in its southern neighborhoods.

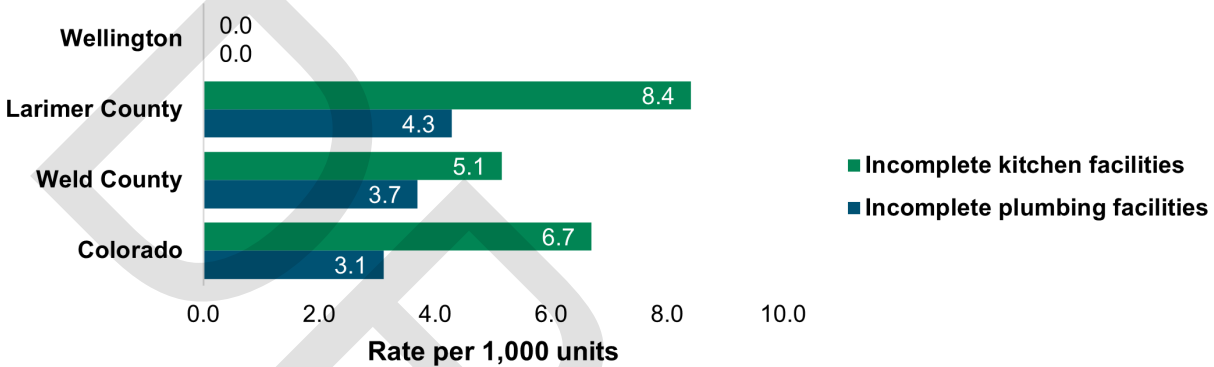
³ NOAH refers to residential properties that are affordable to low- and moderate-income households in the absence of government subsidy. Building age, condition, and location are the key drivers of their lower costs.

Figure 13. Median Property Age by Census Block, 2024



Reflecting its youth, Wellington's housing stock was in exceptional condition as of 2022 (see Figure 14). Housing condition is commonly measured as the prevalence of units with incomplete kitchen or plumbing facilities. No substandard units appeared in the most recent ACS sample of Wellington. This sets Wellington apart from the surrounding region. In Larimer County, 8.4 units per 1,000 lacked complete kitchen facilities, while incomplete plumbing facilities were present in 4.3 per 1,000 units. These rates were higher than those observed in both Weld County and Colorado overall. The absence of substandard units in Wellington represents a boon for property values and residents' quality of life.

Figure 14. Substandard Occupied Housing Units by Region, 2022



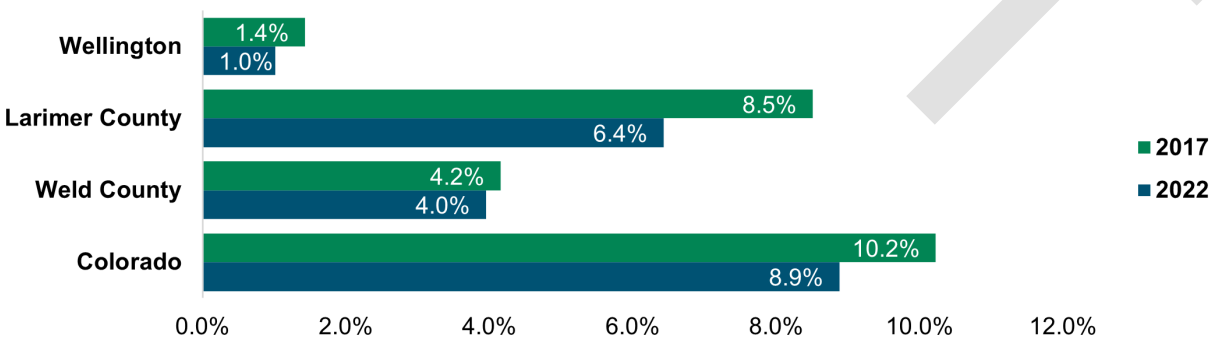
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: Data cover period from 2018 to 2022.

Vacancies

Compared to the broader region, Wellington has consistently had a low vacancy rate (see Figure 15). *As of the 2022 ACS, 41 housing units were vacant, for a rate of 1%.* This does not represent a meaningful decline from the 2017 vacancy rate of 1.4%. In 2022, vacancy rates were notably higher in Larimer and Weld Counties, despite falling to 6.4% and 4.0%, respectively. But as a share of the total housing stock, unoccupied units were less common in these two northern counties than in the rest of the state, as indicated by the statewide vacancy rate of 8.9%. *For context, a vacancy rate of five to eight percent indicates a healthy balance between supply and demand.* The inadequate availability of housing in Wellington has fostered favorable market conditions for sellers and landlords. At the same time, the town's low vacancy rate also suggests it had few dilapidated or otherwise unsuitable homes.

Figure 15. Vacancy Rate by Region, 2017 and 2022



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

Note: 2017 data cover period from 2013 to 2017, and 2022 data cover period from 2018 to 2022.



Rental Housing Market

Wellington’s rental market is the subject of this section. The analyses shed light on inventory, rent levels, and affordability. Due to the combined impacts of inadequate supply and limited housing diversity, rents are high in Wellington compared to the rest of the region. While the town’s rate of cost-burdened renters was relatively low as of 2022, those renters tended to far exceed the recommended 30% income-to-rent threshold.

Availability

A breakdown of Wellington’s available rental inventory as of August 2024 appears in Table 9. *In total, just 19 units were listed for rent, thus*

reinforcing the earlier finding that Wellington’s housing supply is likely inadequate to meet demand. Twelve of those units were single-family detached homes. The market also featured three townhomes and four apartments. The single-family detached homes and townhomes ready for immediate occupancy exclusively had three or more bedrooms; Wellington’s only two-bedroom rental options were apartments.

Table 9. Available Rental Units in Wellington, August 2024

Unit type	Fewer than two bedrooms	Two bedrooms	Three bedrooms	Four or more bedrooms	Total
Single-family detached home	0	0	6	6	12
Townhouse	0	0	2	1	3
Apartment	0	3	1	0	4
Total	0	3	9	7	19

Source: Zillow; Apartments.com; Matrix Design Group, Inc.

Rent Levels and Affordability

Table 10 displays the distribution of asking rents for Wellington's available units. Eight units (42% of the available inventory) were available for between \$1,750 and \$2,000. Given that gross rent (including utilities) is considered affordable when it constitutes no more than 30% of household income, and assuming \$450 in average monthly utility costs, a household would need to earn at least \$98,000 to afford every unit in this price range. This sum is equal to 82% of the FY 2024 area median income (AMI) of \$118,800 for the Fort Collins, CO Metropolitan Statistical Area (MSA). An additional eight units were priced between \$2,001 and \$2,800, meaning that only households earning above AMI could afford all of them. Rents for the final three units ranged from \$2,801 to \$3,200. A family would need to earn at least \$146,000 (or 123% AMI) to afford a unit at the high end of this range. ***The lack of units available for less than \$1,750 suggests it is exceedingly difficult for families earning significantly below AMI to secure rental housing in Wellington.***

Table 10. Asking Rent Distribution for Wellington's Available Units, August 2024

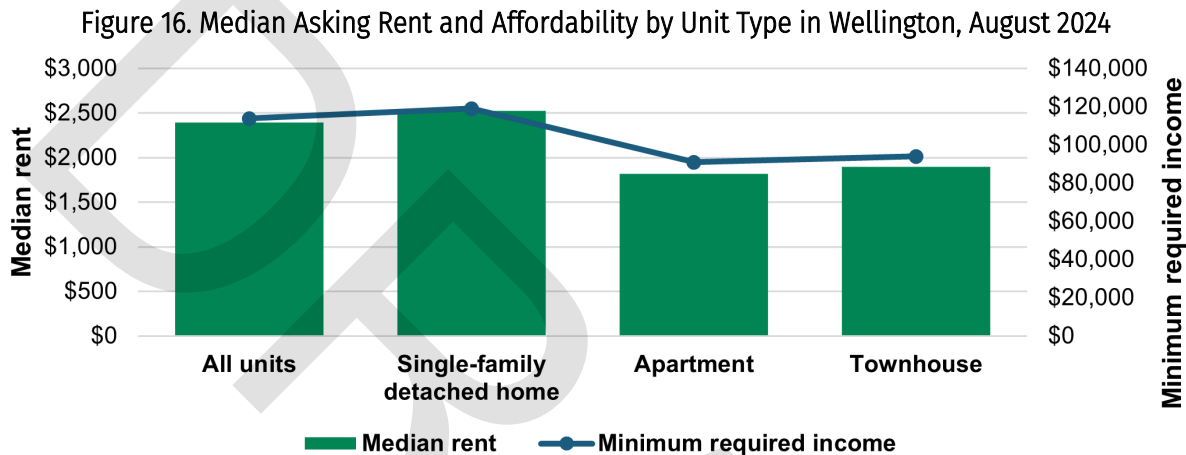
Rent	Available units		Minimum required income	
	Number	Percent	Value	Percent AMI
\$1,750-\$2,000	8	42%	\$71,500-\$98,000	74%-82%
\$2,001-\$2,395	2	11%	\$98,001-\$113,800	82%-96%
\$2,396-\$2,550	4	21%	\$113,801-\$120,000	96%-101%
\$2,551-\$2,800	2	11%	\$120,001-\$130,000	101%-109%
\$2,801-\$3,200	3	16%	\$130,001-\$146,000	109%-123%

Source: Zillow; Apartments.com; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: FY 2024 area median income (AMI) for the Fort Collins, CO Metropolitan Statistical Area is \$118,800. Asking rent does not include utilities, but an estimated \$450 of monthly utility costs were factored into income calculations. Groups were determined using Jens natural breaks optimization.

For families earning substantially below AMI, locating affordable rental housing in Wellington is exceedingly difficult.

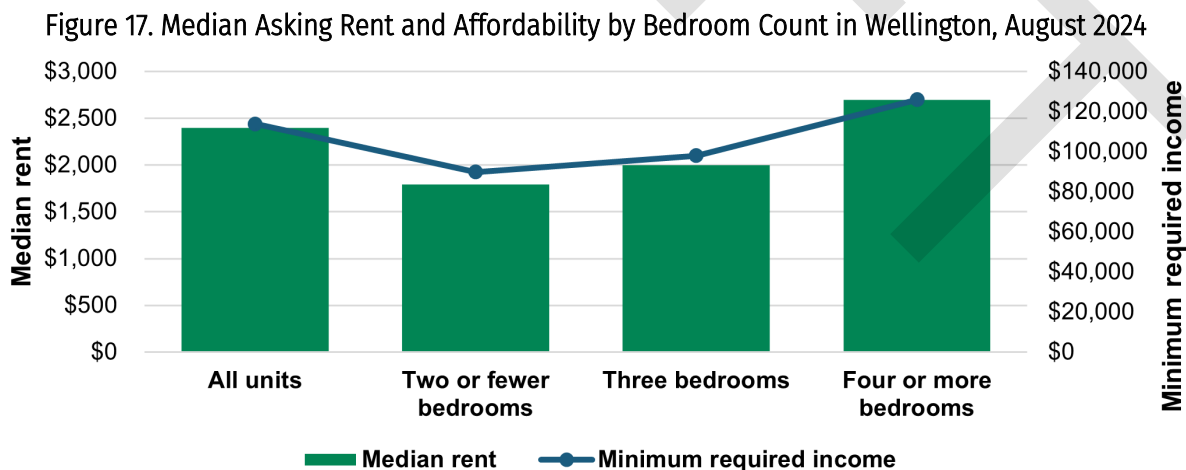
Figure 16 displays median rent by unit type for Wellington. In addition, it plots the minimum household income required to afford median rent. Income calculations were based on the general guidance that gross rent (including utilities) should not exceed 30% of monthly income. **Across all units, median rent was \$2,395. Assuming an average monthly utility payment of \$450, a household had to earn at least \$113,800 annually to afford the typical rental in Wellington.** A large share of Wellington households earn below this threshold, which represents 96% of FY 2024 AMI. As the typical single-family detached home was listed for \$2,525, a household needed to earn at least \$119,000 to comfortably cover rent and utilities. Apartments and townhomes were typically available for just under \$2,000. In most cases, a household income of at least \$90,880 was required to afford an apartment, compared to \$94,000 for a townhouse.



Source: Zillow; Apartments.com; Matrix Design Group, Inc.

Note: Asking rent does not include utilities, but an estimated \$450 of monthly utility costs were factored into income calculations.

Figure 17 presents data on median asking rent by unit size for Wellington. The typical unit with two or fewer bedrooms was listed for \$1,795, meaning that a minimum income of \$89,800 was required to limit rent and utilities to less than 30% of household income. To afford the typical three-bedroom unit, which had an asking rent of \$2,000, a household needed to earn at least \$98,000. Rent for the typical four-or-more bedroom unit was \$2,700. To avoid being burdened by these costs, a household's income needed to exceed AMI (\$118,800) by over \$7,000.



Source: Zillow; Apartments.com; Matrix Design Group, Inc.

Note: Asking rent does not include utilities, but an estimated \$450 of monthly utility costs were factored into income calculations.

Table 11 measures the affordability of Wellington's available rental housing for families in the Fort Collins, CO MSA. The values represent the difference between median family income, which varies by household size, and the minimum income required to afford median rent. Put simply, negative values indicate that the associated unit type is generally unaffordable to families in the region, while positive values denote the opposite. For the median one-person household, 2024 household income in the MSA is estimated to be \$83,200. To limit housing costs to less than 30% of monthly income, the typical one-person household can afford to spend no more than \$2,080 on rent and utilities. Across all unit sizes, median rent alone (\$2,395) exceeds this sum. After accounting for utilities, the median one-person household's income falls \$30,600 short of the amount needed to afford the typical unit. Likewise, the median two-person household's income (\$95,100) is \$18,700 below the threshold needed to afford median gross rent across the town. While smaller units are generally affordable to two-person households, inventory is limited. Due to their higher incomes, larger families generally enjoy more options.



Table 11. Gap between Median Family Income by Household Size and Minimum Income Required to Afford Median Rent

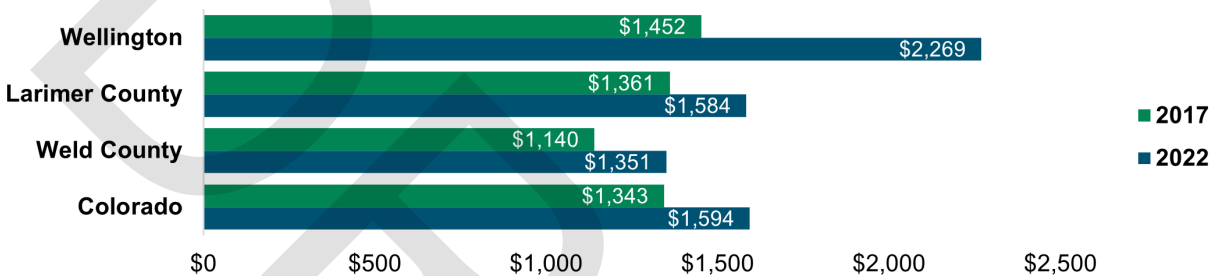
	One-person household	Two-person household	Three-person household	Four-person household	Five-person household
All units	-\$30,600	-\$18,700	-\$6,800	\$5,000	\$14,600
Two or fewer bedrooms	-\$6,600	\$5,300	\$17,200	\$29,000	\$38,600
Three bedrooms	-\$14,800	-\$2,900	\$9,000	\$20,800	\$30,400
Four or more bedrooms	-\$42,800	-\$30,900	-\$19,000	-\$7,200	\$2,400

Source: Zillow; Apartments.com; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: FY 2024 area median income (AMI) for the Fort Collins, CO Metropolitan Statistical Area is \$83,200 for one-person households, \$95,100 for two-person households, \$107,000 for three-person households, \$118,800 for four-person households, and \$128,400 for five-person households. August 2024 median rent was \$2,395 for all units, \$1,795 for units with two or fewer bedrooms, \$2,000 for three-bedroom units, and \$2,700 for four-or-more bedroom units.

Estimates of real median gross rent by region for 2017 and 2022 appear in Figure 18. The data pertain to renter-occupied units generally, rather than only those units available for rent, and are thus unmatched in their comprehensiveness. **As of 2022, the median renter household's gross monthly costs amounted to \$2,269—a 56% increase over the inflation-adjusted 2017 total.** Compared to their counterparts in the broader region, Wellington renters generally faced high costs. This was especially true in 2022, when median rent in Wellington exceeded the equivalent sums for Larimer County, Weld County, and Colorado by \$685, \$918, and \$675, respectively. Furthermore, rental growth has been far less drastic in the latter three regions over time. The findings suggest that market conditions in Wellington have been particularly unfavorable to renters. **The primary culprits have likely been the rental inventory's heavy orientation toward single-family detached homes and an undersupply of units more generally.**

Figure 18. Real Median Gross Rent by Region, 2017 and 2022

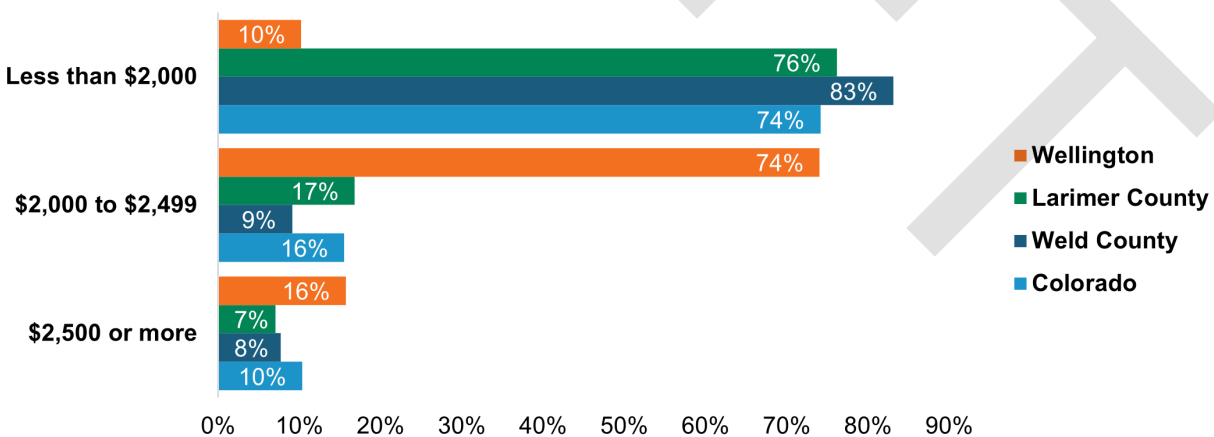


Source: Five-Year American Community Survey; Bureau of Labor Statistics; Matrix Design Group, Inc.

Note: Values adjusted for inflation to constant 2022 dollars and include contract rent, utilities and fuel costs, and other fees. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Wellington's elevated rent levels are further illustrated in Figure 19. In 2022, ten percent of the town's renter households paid less than \$2,000 in rent. This compared to 76% for Larimer County, 83% for Weld County, and 74% statewide. **For a significant majority of Wellington renter households (74%), gross rent fell between \$2,000 and \$2,499.** Gross rent totaled \$2,500 or more for 16% of Wellington renters—over twice the countywide rate of 7%. That rent equaled \$2,000 or more for 90% of Wellington renters implies they overwhelmingly resided in single-family homes.

Figure 19. Gross Rent Distribution by Region, 2022



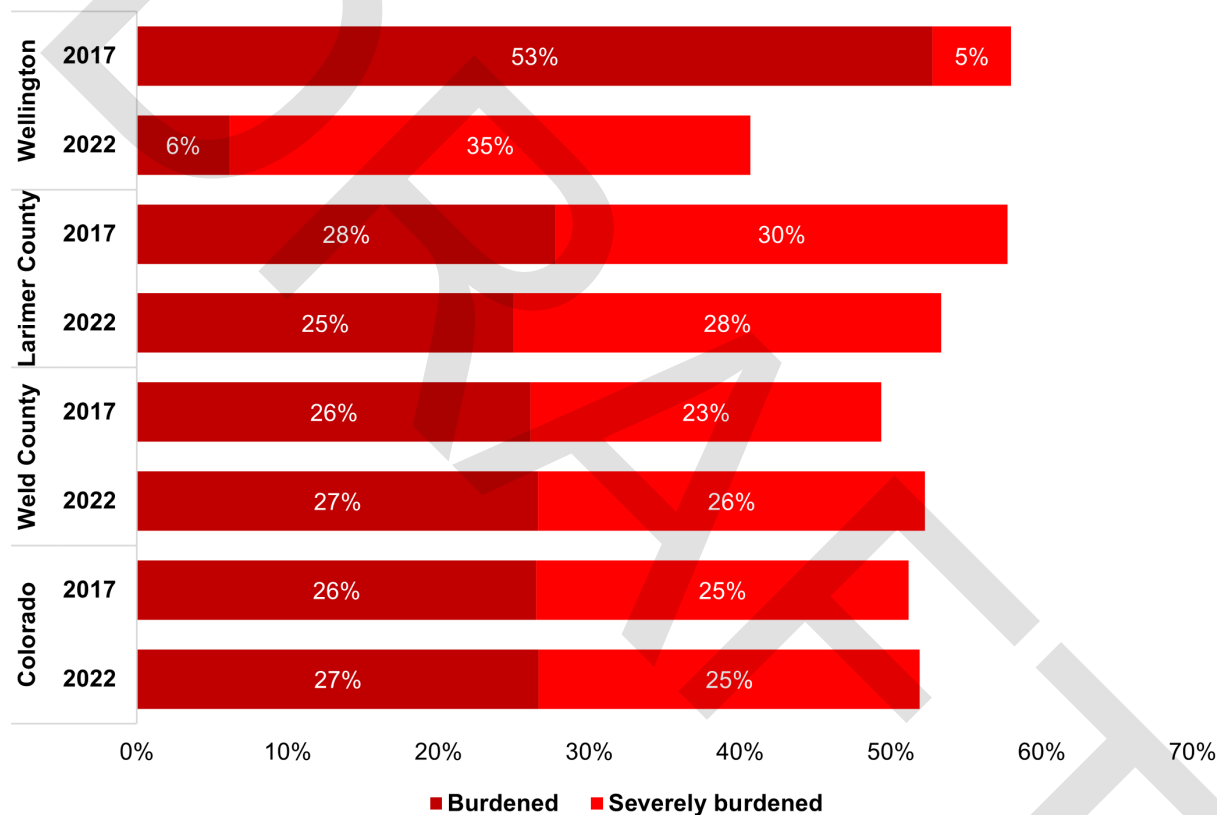
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: Values adjusted for inflation to constant 2022 dollars and include contract rent, utilities and fuel costs, and other fees. Data cover period from 2018 to 2022.

Cost-Burdened Renters

Despite the high cost of renting in Wellington, the town had proportionally fewer cost-burdened renter households than Larimer County, Weld County, and Colorado overall in 2022. **Indeed, 41% of renters devoted 30% or more of household income to gross rent (see Figure 20).** The overall renter cost-burdened rates for Larimer County, Weld County, and Colorado were nearly identical to each other, ranging from 52% to 53%. Furthermore, Wellington's overall cost-burdened rate fell by 17 percentage points from 2017 to 2022 despite the rent hikes that impacted the town. Wellington's relatively low overall cost-burdened rate reflects the affluence of its renter households, who reported a median income of \$122,688. **Of concern, though, is the fact that an inordinate share of Wellington's cost-burdened renters spent 50% or more of household income on gross rent, thus qualifying as "severely burdened."**

Figure 20. Renter Household Cost-Burdened Rate by Region, 2017 and 2022



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

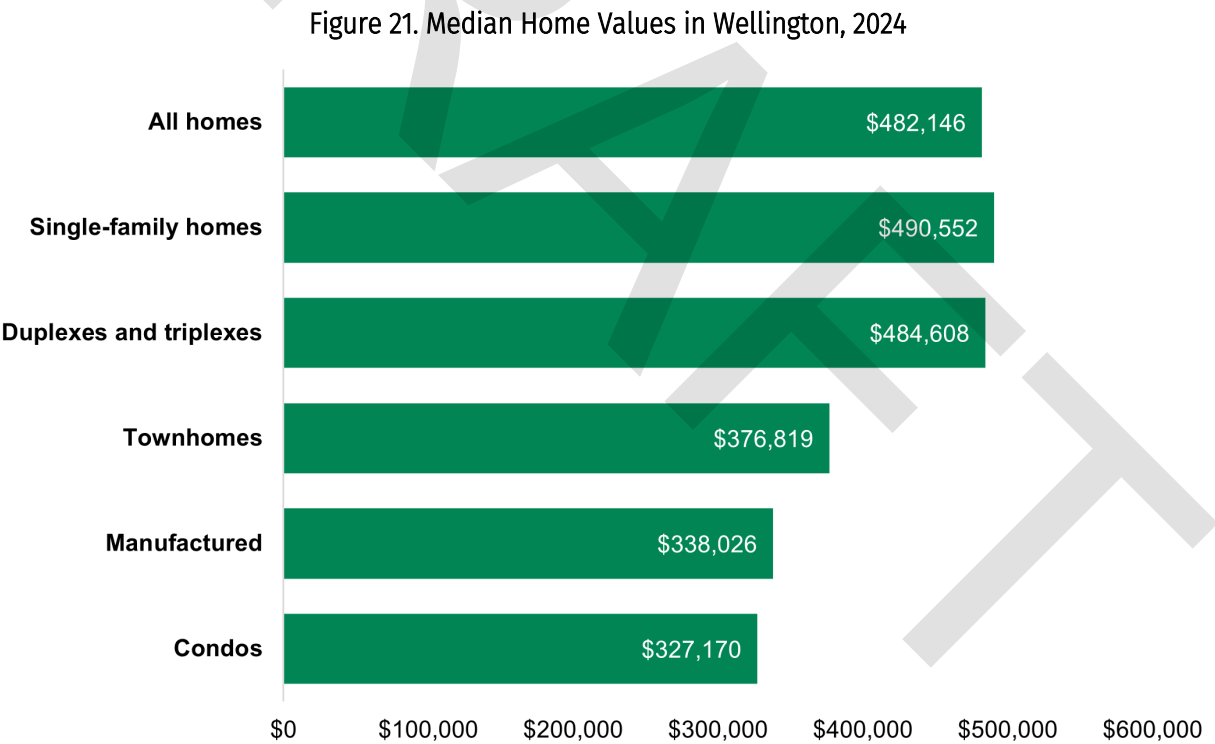
Note: "Burdened" households spent from 30% to 49.9% of household income on total monthly housing costs, compared to 50% or more for "severely burdened" households. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Homeownership Market

This section presents a detailed assessment of Wellington’s owner housing market. It features a thorough analysis of home values, sale prices, supply, and affordability. Currently, the town’s median home sale price is approaching \$500,000, which is unaffordable for a family earning less than approximately \$160,000. In addition to being significantly higher than AMI, the latter sum marks a dramatic increase over the income required to purchase a home in Wellington prior to the pandemic. Home price surges are indicative of a housing shortage—a challenge that is by no means exclusive to Wellington. Nonetheless, according to the most recent data, more than three-in-four homeowners in Wellington do not struggle to meet their total monthly housing costs.

Home Values

Figure 21 presents 2024 median property values for various housing types in Wellington. *Among all homes across the town, the median value is \$482,146.* Single-family homes, as well as duplexes and triplexes, are generally worth more. The opposite is true for other housing types. The median townhome is valued at \$376,819, compared to \$338,026 for the median manufactured home and \$327,170 for the median condo.

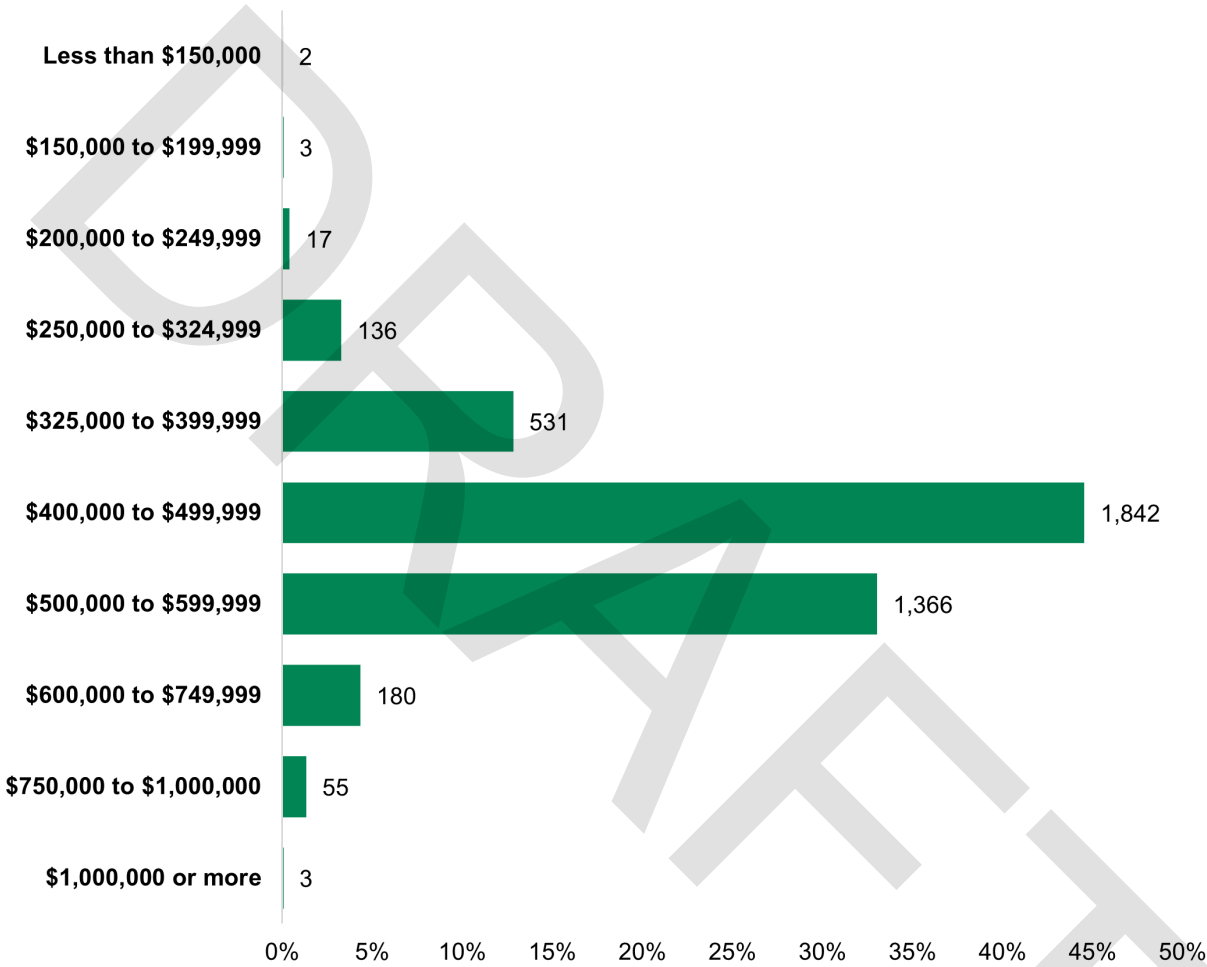


Source: Larimer County Assessor’s 2024 parcel data; Matrix Design Group, Inc.

Note: The unit of analysis is the land parcel.

Figure 22 presents the distribution of Wellington’s home values. The distribution is skewed to the right, with just three percent of homes valued at less than \$324,999. Thirteen percent of homes are worth between \$325,000 and \$399,999. Nearly half of Wellington’s homes are valued from \$400,000 to \$499,999, while 33% fell within the \$500,000-to-\$599,999 range. Homes valued at \$600,000 or more are rare, accounting for six percent of the stock. This figure includes the three homes valued at \$1,000,000 or more.

Figure 22. Home Value Distribution in Wellington, 2024

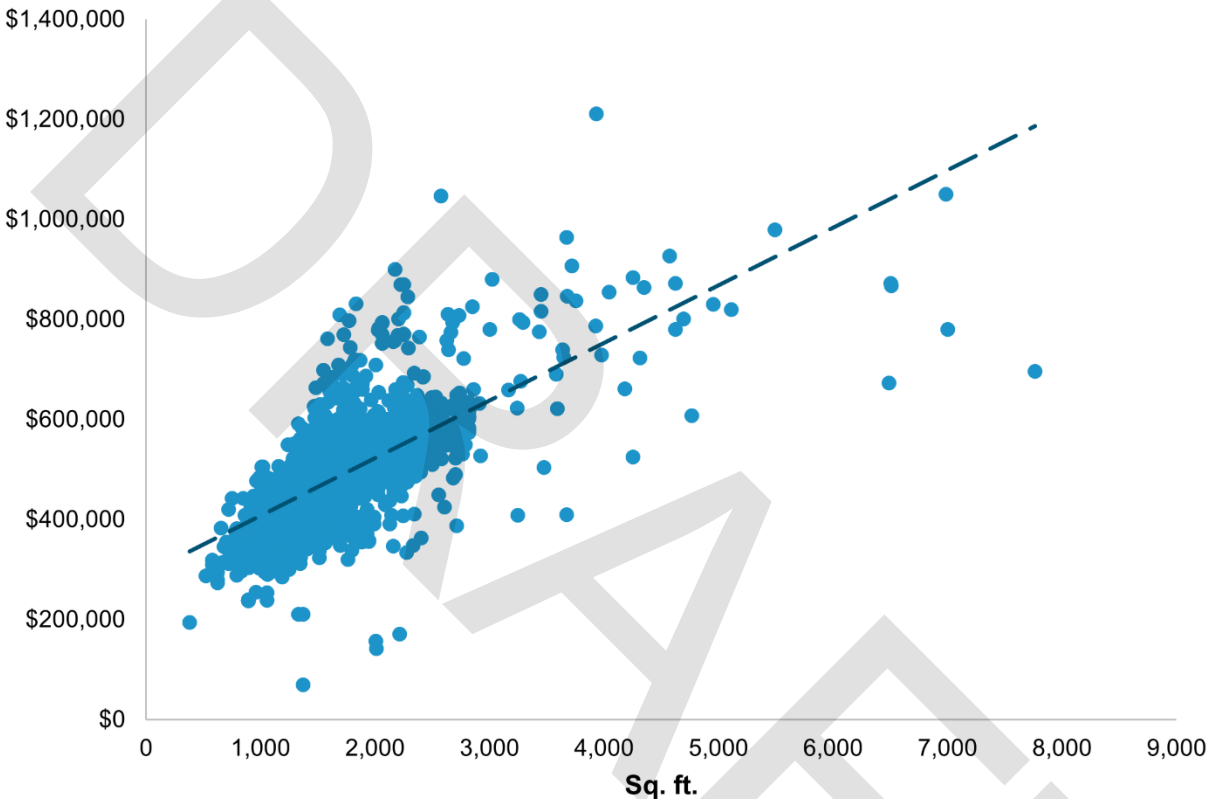


Source: Larimer County Assessor’s 2024 parcel data; Matrix Design Group, Inc.

Note: The unit of analysis is the land parcel.

Figure 23 depicts the relationship between home size and value. The two variables share a strong, positive relationship, confirming the expectation that larger homes are generally worth more.⁴ The relationship, however, is not perfectly linear, since a home's location, age, and other characteristics also influence its value. The best-fit line estimates a home's expected value based on square footage. A 1,500-square-foot home is estimated to be worth \$465,742, compared to \$580,792 for a 2,500 square-foot home and \$695,842 for a 3,500 square-foot home. **On average, each additional square foot increases a home's value by \$115.05.**

Figure 23. Relationship Between Home Size and Value



Source: Larimer County Assessor's 2024 parcel data; Matrix Design Group, Inc.

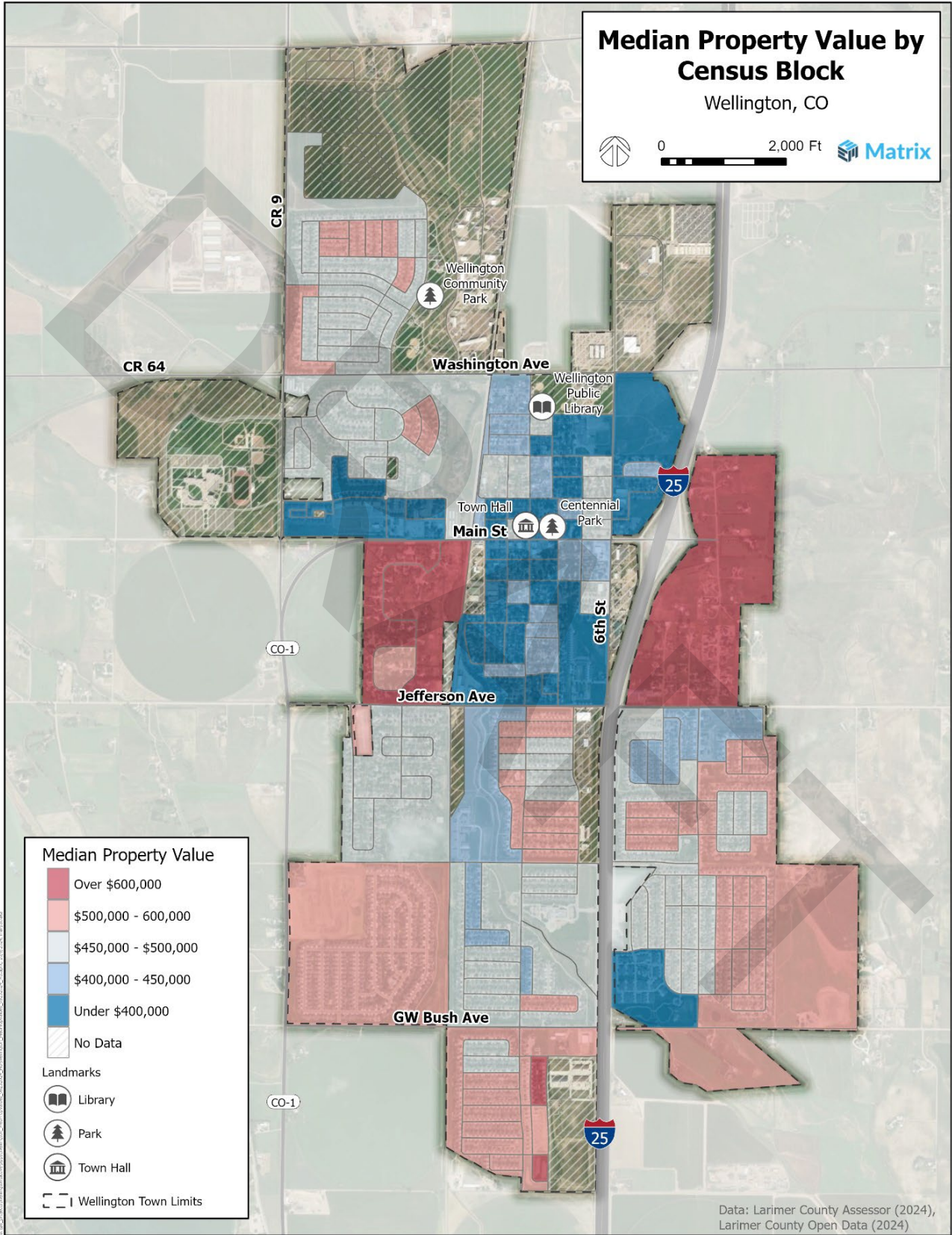
Note: The unit of analysis is the land parcel.

⁴ The correlation coefficient, also known as the *r*-value, is .68. Correlation coefficients close to one or negative one suggest that two variables share a strong association, whereas values near zero indicate a weak association.

How do home values vary throughout the town? In Figure 24, census blocks shaded red have higher median home values, while those shaded blue have lower median home values; the darker the shade, the more extreme the value. According to the map, home values tend to be higher in the outskirts, especially those located north of Jefferson Avenue. Conversely, lower valued homes are heavily concentrated in the neighborhoods near Wellington Public Library and Centennial Park. The town's southern neighborhoods tend to have a light shade, denoting moderate median values (i.e., from \$400,000 to \$600,000). But even this part of the town contains a mix of affluent and more affordable neighborhoods.



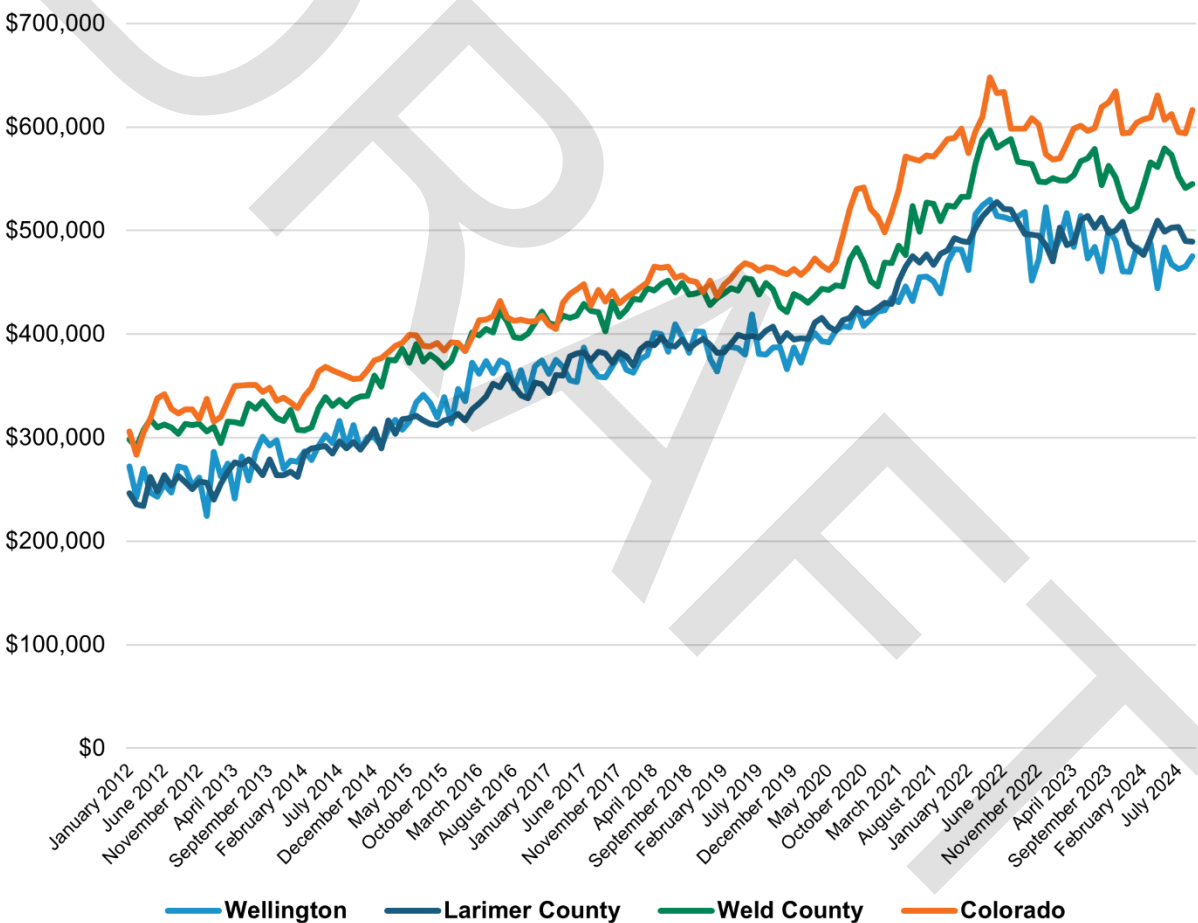
Figure 24. Median Property Value by Census Block, 2024



Sales, Inventory, and Affordability

A historical comparison of median home sale prices across the region appears in Figure 25. To more accurately capture how purchasing power has changed, the values have been adjusted for inflation to September 2024 dollars. In January 2012, when the housing market was still in the early stages of recovery from the Great Recession, the median Wellington home sold for \$272,408. Real home prices rose steadily over the course of the decade, reaching \$372,589 in January 2020. Prices would then start climbing dramatically due to a myriad of factors, including low interest rates, increased demand for space, rising construction costs, and low inventory and supply chain issues. Wellington's median home sale price peaked at \$522,284 in December 2022, nearly doubling the January 2012 inflation-adjusted sum. **The most current estimate of Wellington's median sale price (from September 2024) is \$475,000.** Wellington's housing market nearly mirrors that of Larimer County, but compared to Weld County and Colorado as a whole, Wellington remains considerably more affordable.

Figure 25. Real Median Home Sale Price by Region, January 2012-September 2024

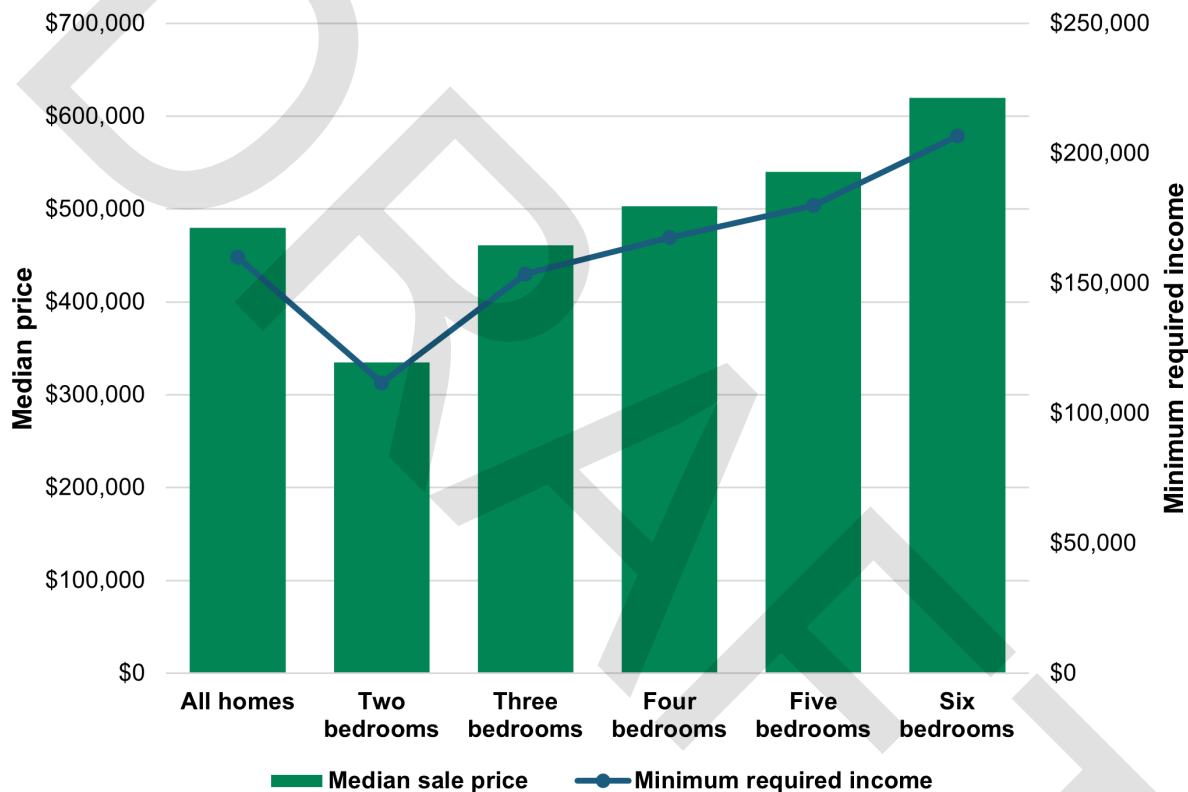


Source: Redfin; Bureau of Labor Statistics; Matrix Design Group, Inc.

Note: Values adjusted for inflation to constant September 2024 dollars.

A home's bedroom count is strongly related to its sale price. Among all homes, Wellington's median sale price fell just short of \$480,000 from January 2023 to August 2024 (see Figure 26). **Assuming a 7% interest rate, 30-year repayment period, and 20% down payment, the median mortgage payment was \$2,555.** Affordability guidelines suggest that a home's sale price should represent no more than three times household income. Under this rule, a family would need to earn at least \$159,982 (or 135% of the AMI of \$118,800) to afford the typical Wellington home. The 15 two-bedroom homes had a median sale price of \$335,000, meaning they were typically affordable to households that earned \$111,666 or more. To purchase a three-bedroom home at the median price of \$461,000, a family's income needed to equal at least \$153,665—about \$35,000 higher than AMI. Not surprisingly, the gaps were substantially wider for four-, five-, and six-bedroom homes. **In sum, AMI was sufficient to afford only the median two-bedroom home in Wellington.**

Figure 26. Median Home Sale Price and Affordability by Bedroom Count in Wellington, January 2023-August 2024



Source: Redfin; Matrix Design Group, Inc.

Note: Estimated median mortgage is \$2,528 for all homes, \$1,756 for two-bedroom homes, \$2,454 for three-bedroom homes, \$2,680 for four-bedroom homes, \$2,874 for five-bedroom homes, and \$3,300 for six-bedroom homes. Mortgage calculations assume a 20% down payment, 30-year loan term, and 7% interest rate. Minimum income requirements are calculated to limit the sale price to three times household income.

MLS data indicate that Wellington's housing market is now relatively upper-income oriented. A plurality of homes (43%) sold for between \$400,000 and \$499,999 in 2023 and 2024 (see Table 12). For context, a home at the upper end of this price range requires an income of at least \$166,665 (or 140% AMI) to be affordable. A substantial share of homes (25%) sold for between \$500,000 and \$599,999. Sale prices below \$250,000 or above \$599,999 were less common. Notably, only one home sold for less than \$250,000.

Table 12. Sale Price Distribution for Homes Purchased in Wellington, January 2023-August 2024

Sale price	Homes sold		Minimum income required	
	Number	Percent	Value	Percent AMI
\$100,000-\$249,999	1	0%	\$33,333-\$83,332	28%-70%
\$250,000-\$399,999	49	16%	\$83,333-\$133,332	70%-112%
\$400,000-\$499,999	129	43%	\$133,333-\$166,665	112%-140%
\$500,000-\$599,999	74	25%	\$166,666-\$199,998	140%-168%
\$600,000-\$749,999	21	7%	\$199,999-\$249,997	168%-210%
\$750,000-\$999,999	15	5%	\$249,998-\$333,330	210%-281%
\$1,000,000-\$1,816,000	9	3%	\$333,331-\$605,327	281%-510%

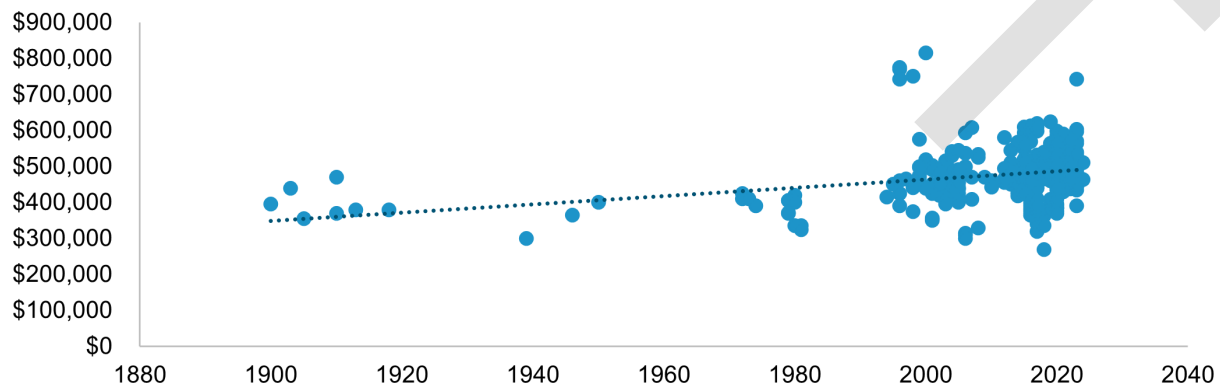
Source: Redfin; Matrix Design Group, Inc.

Note: Minimum income requirements are calculated to limit the sale price to three times household income.

The relationship between home age and sale price is displayed in Figure 27. There is a modest relationship between the two variables, with older homes generally selling for less than newer homes. On average, each one-year increase in a home's age reduces its sale price by \$1,148. The best-fit line predicts that a home built in 1960 would sell for \$417,000, compared to \$486,000 for one built in 2020. Although there are exceptions, a disproportionate percentage of homes that sell for less than \$400,000, and, by extension, are affordable to families earning less than AMI, were built before 1980.

This finding is notable because Wellington's older homes commonly require energy efficiency, insulation, electrical, and plumbing upgrades, as well as repairs.

Figure 27. Relationship between Home Age and Sale Price, January 2023-August 2024



Source: Larimer County Assessor's Office; Matrix Design Group, Inc.

Table 13 presents the gap between actual median family income and the minimum income required to limit the median sale price to three times household income. ***The results indicate that households of all sizes have limited options in Wellington, with median income falling well below the threshold needed to afford the typical home in each case.*** The median one-person household in the MSA earns \$83,200, about \$77,000 less than the sum needed to afford Wellington's median sale price of \$479,950. For most two- and three-person households in the MSA, even two-bedroom homes are generally out of reach. Moreover, four- and five-person households can usually only afford undersized homes. These findings confirm the widely held belief that homeownership has become increasingly unattainable in Wellington.

Table 13. Gap between Median Family Income by Household Size and Minimum Income Required to Afford Median Sale Price

	One-person household	Two-person household	Three-person household	Four-person household	Five-person household
All homes	-\$76,782	-\$64,882	-\$52,982	-\$41,182	-\$31,582
Two bedrooms	-\$28,466	-\$16,566	-\$4,666	\$7,134	\$16,734
Three bedrooms	-\$70,465	-\$58,565	-\$46,665	-\$34,865	-\$25,265
Four bedrooms	-\$84,402	-\$72,502	-\$60,602	-\$48,802	-\$39,202
Five bedrooms	-\$96,798	-\$84,898	-\$72,998	-\$61,198	-\$51,598
Six bedrooms	-\$123,465	-\$111,565	-\$99,665	-\$87,865	-\$78,265

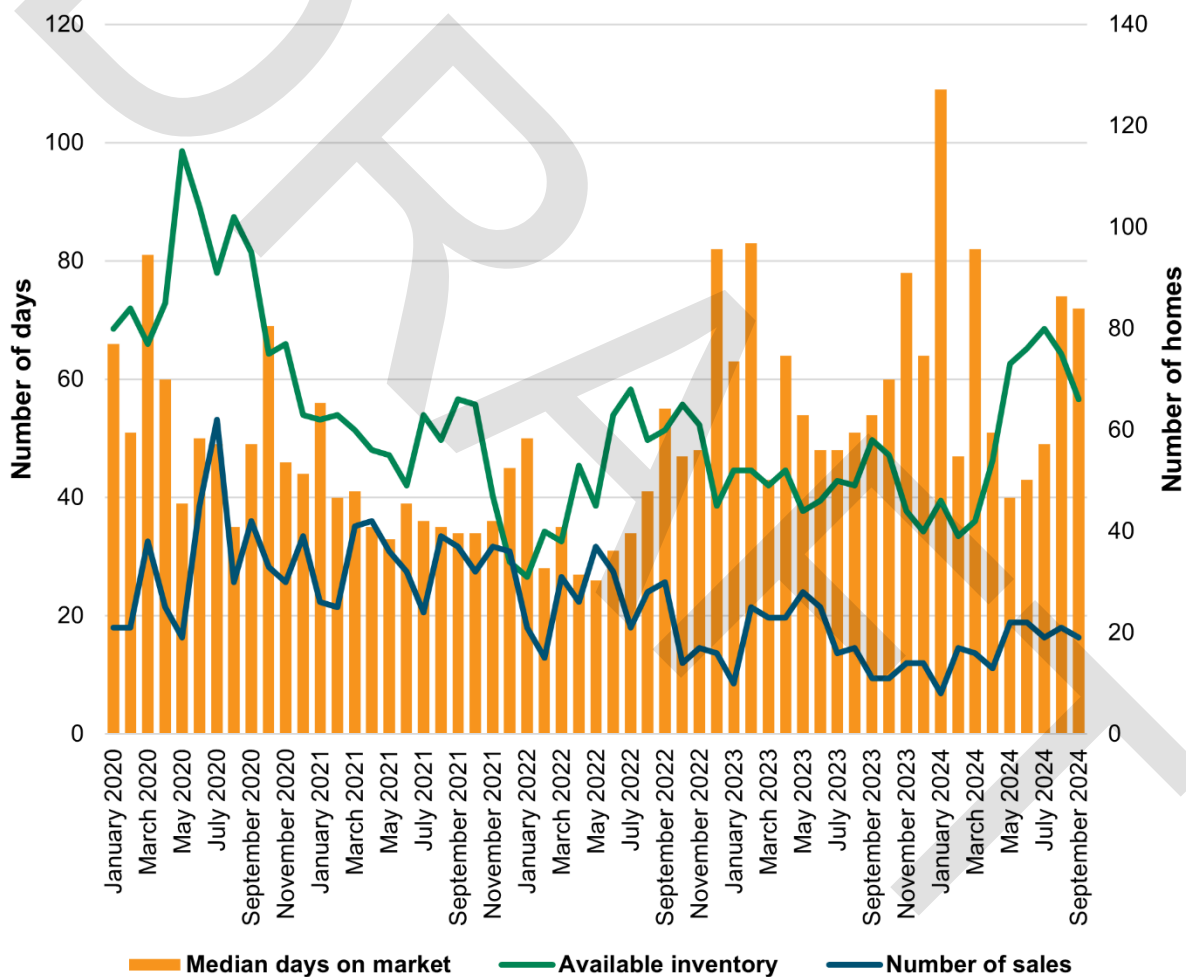
Source: Zillow; Apartments.com; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: 2024 median income (AMI) for the Fort Collins, CO Metropolitan Statistical Area is \$83,200 for one-person households, \$95,100 for two-person households, \$107,000 for three-person households, \$118,800 for four-person households, and \$128,400 for five-person households. Median sale price was \$479,950 for all homes, \$335,000 for two-bedroom homes, \$461,000 for three-bedroom homes, \$502,813 for four-bedroom homes, \$540,000 for five-bedroom homes, and \$620,000 for six-bedroom homes. Minimum income requirements are calculated to limit the sale price to three times household income.

To afford the typical Wellington home, a family needs to earn significantly more than area median income (AMI).

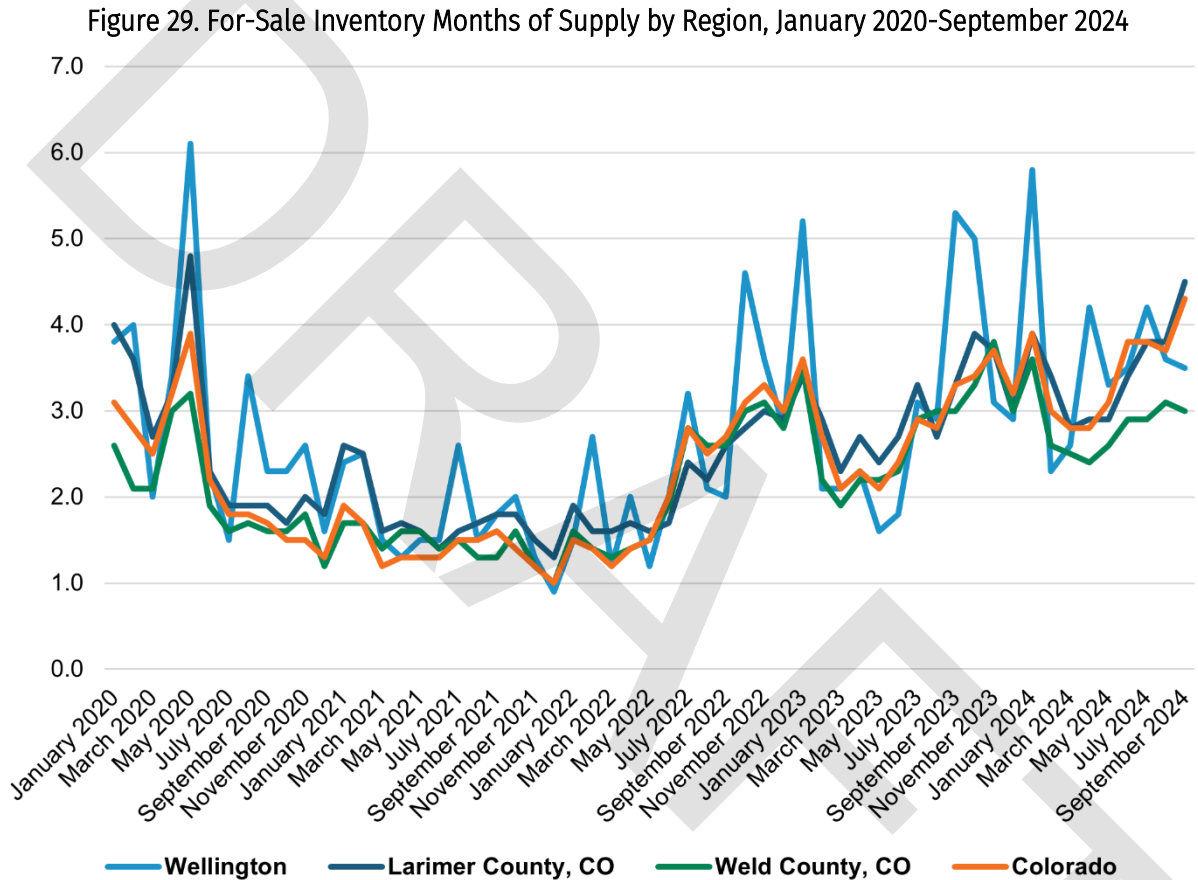
Figure 28 provides more detailed insight into Wellington's housing market, examining how key indicators of supply and demand have varied since January 2020. As the orange bars show, the number of days that the median home spent on the market declined dramatically through May 2022. That month, the median home sold just 26 days after being listed. A shorter window from listing to sale indicates that the market is more favorable to sellers. Since then, homes have generally taken longer to sell, although an uptick in buyer demand regularly occurs in the spring and summer months. By September 2024, 72 days typically elapsed from listing to sale. Consistent with the tendency of homes to sell more slowly during times of higher inventory, and vice versa, this increase coincided with a rise in the number of available homes. From May 2022 to September 2024, Wellington's inventory grew from 45 to 66 homes, the equivalent of a 42% increase. The decline in home sales since 2022 is another indication that the market has become less seller oriented. From January 2024 to September 2024, Wellington averaged just 17 home sales per month, a 39% decline over 2022 levels. A key contributor to this trend has been the sharp rise in interest rates that occurred in 2022 and 2023.

Figure 28. Housing Market Dynamics in Wellington, January 2020-September 2024



Source: Redfin; Matrix Design Group, Inc.

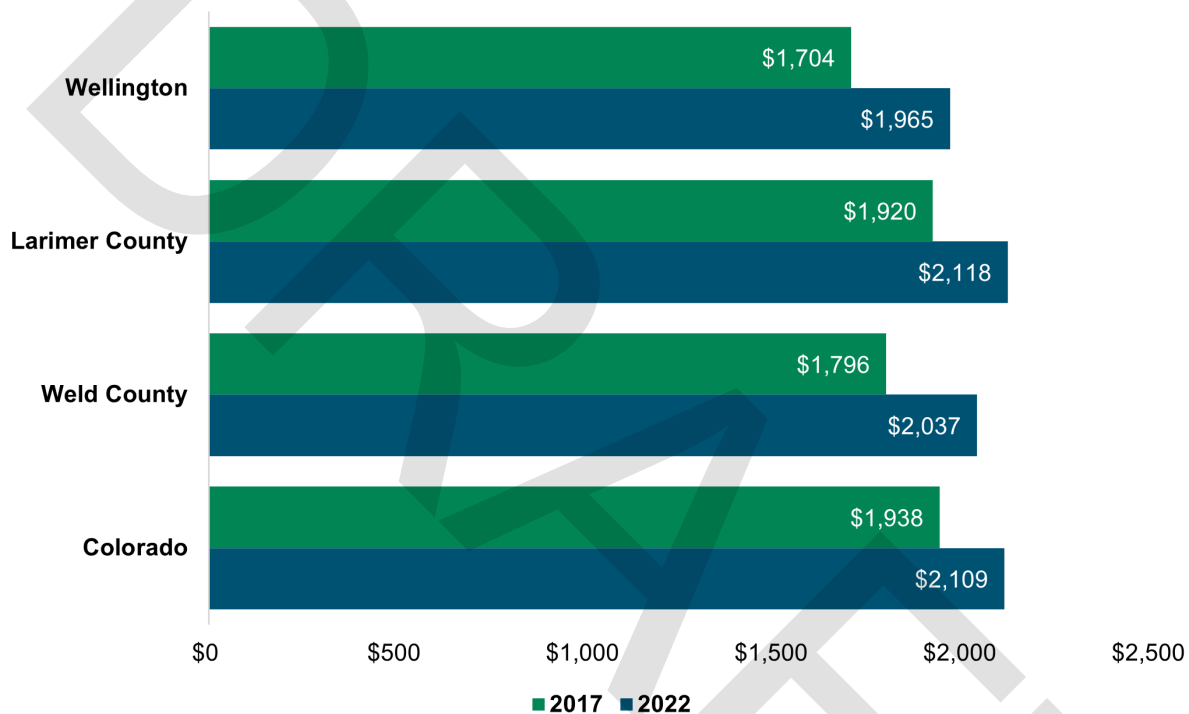
Despite the recent increases in inventory, Wellington's housing market continues to favor sellers. As Figure 29 shows, from January to September 2024, the town averaged 3.6 months of supply. ***This means that assuming sales continued at their previous pace, Wellington's entire inventory was projected to sell out in just over three-and-a-half months, on average, through the first nine months of 2024.*** By comparison, Wellington averaged 2.4 months of supply in 2022 and 3.1 months of supply in 2023. For context, a balanced market is thought to have been five and six months of supply; lower values are indicative of a seller's market, whereas higher values are associated with favorable conditions for buyers. The statewide and Weld County markets have typically been more imbalanced than those of Wellington and Larimer County.



Source: Redfin; Matrix Design Group, Inc.

Figure 30 presents estimates of median total monthly owner costs for households with mortgages. Note that the population from which the sample was drawn includes all mortgagor households regardless of purchase date. As such, the values do not reflect what the typical new homeowner in Wellington pays. In 2017, the median mortgagor household's real monthly costs in Wellington totaled \$1,704. In addition to the mortgage payment, this sum includes property taxes, utilities and fuels, HOA fees, and other required payments. ***Consistent with the appreciation in home prices that occurred during the intervening period, median total costs reached \$1,965 five years later.*** Wellington homeowners have consistently paid less for housing than their counterparts in the broader region. For example, the median homeowner in Larimer County paid \$2,118 in total monthly costs in 2022.

Figure 30. Median Monthly Owner Costs for Mortgagor Households, 2017 and 2022



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

Note: The mortgage payment, property taxes, homeowner's insurance, utilities and fuels, HOA fees, and other required payments are factored into monthly owner cost totals. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.



Table 14 shows that Wellington homeowners' monthly costs were moderate compared to the broader region. As of 2022, about 72% of homeowners with mortgages paid between \$1,500 and \$2,499 in total monthly costs. This compared to 49% for Larimer County, 50% for Weld County, and 44% for Colorado. Relatively few Wellington homeowners paid less than \$1,500 or more than \$3,000 in total costs. Note that the estimates are heavily influenced by the period covered (2018 to 2022); future releases of the ACS will almost certainly show that the share of residents paying \$3,000 or more has increased substantially.

Table 14. Distribution of Monthly Costs for Mortgagor Households by Region, 2022

Monthly costs	Wellington	Larimer County	Weld County	Colorado
Less than \$1,500	16.2%	19.7%	22.7%	22.4%
\$1,500 to \$1,999	37.0%	24.5%	25.6%	23.1%
\$2,000 to \$2,499	34.5%	24.5%	24.3%	20.8%
\$2,500 to \$2,999	10.5%	14.7%	14.6%	14.4%
\$3,000 to \$3,999	0.1%	11.7%	9.6%	13.0%
\$4,000 or more	1.7%	4.9%	3.4%	6.4%

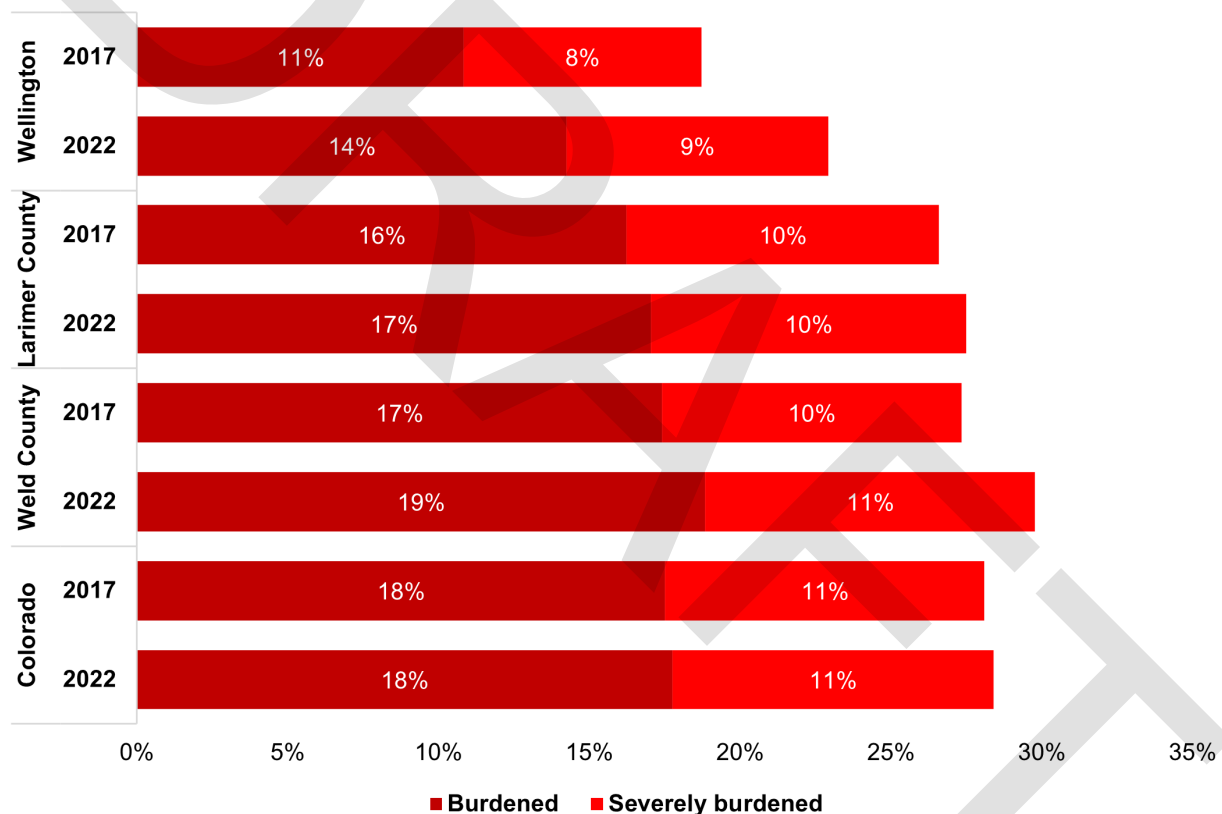
Source: Five-Year American Community Survey; Matrix Design Group, Inc.

Note: The mortgage payment, property taxes, homeowner's insurance, utilities and fuels, HOA fees, and other required payments are factored into monthly owner cost totals. Data cover period from 2018 to 2022.

Cost-Burdened Homeowners

Reflecting Wellington's rising home prices, the share of mortgagor households who spend at least 30% of gross income on housing—and thus qualify as “burdened” or “severely burdened”—has increased (see Figure 31). **From 2017 to 2022, the overall cost-burdened rate rose from 19% to 23%.** The percentage of “severely burdened” homeowners shifted marginally, growing from 8% to 9% of all mortgagor households. As of 2022, Wellington had proportionally fewer cost-burdened homeowners than Larimer County, Weld County, and Colorado. Although these findings appear encouraging when compared to the renter cost-burdened rates, it is important to consider that homeowners are not representative of the general population; rather, homeownership is more attainable for more affluent households. Further, as mentioned above, the fact that the sample includes households who purchased their homes long before the pandemic-related surge in home prices heavily contributes to the relatively low homeowner cost-burdened rate. Accordingly, the findings should not be interpreted to mean that Wellington is widely affordable for prospective homeowners.

Figure 31. Mortgagor Household Cost-Burdened Rate by Region, 2017 and 2022



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

Note: “Burdened” households spent from 30% to 49.9% of household income on total monthly housing costs, compared to 50% or more for “severely burdened” households. 2017 data cover period from 2013 to 2017; 2022 data cover period from 2018 to 2022.

Housing Needs

Collectively, the analyses featured in this section illustrate current and future gaps in Wellington's housing supply. As of 2022, Wellington's rental market predominantly served households earning from 50% to 120% of that year's AMI (or \$55,650 to \$133,650), leading to shortages that particularly impacted low-income households. Wellington's owner housing stock was similarly mismatched. Significantly, the overwhelming majority of Wellington's over 2,800 owner households with incomes below 50% AMI would be unable to afford their homes at today's market values. The findings also reveal that a sizeable share of demand for housing is unrealized, or latent, as individuals and families have resorted to shared living arrangements to save on housing costs.

Rental Housing Needs

A housing gap analysis can provide insight into a community's supply-demand dynamics. The customary approach involves, first, estimating the cumulative number of households below a specified AMI level and, second, determining the number of units affordable to those households based on the widely accepted standard that housing costs should not exceed 30% of household income.⁵ The difference between these two values represents the housing gap. A negative value denotes a housing shortage, which arises when the number of households exceeds the number of housing units. Conversely, a positive value denotes a housing surplus, which occurs when supply outstrips demand. This methodology, developed by Florida Metropolitan University's Jorge M. Pérez Metropolitan Center and refined by Matrix, minimizes assumptions by measuring only the gaps facing existing households.

It is rare for a community's housing stock to perfectly align with the income composition of households, in part because price is not the sole determinant of consumer preferences. Nonetheless, communities should strive to minimize housing shortages, which have direct and indirect adverse impacts on residents. At lower AMI tiers, they increase the likelihood that low-income households will be cost burdened or unable to find housing. When a shortage of market rate or luxury units exists, higher-income households have the flexibility to move into more moderately priced homes. However, this increases competition for these units, driving up prices and placing additional financial strain on middle-income households.



⁵ The AMI-based income ranges were as follows: Below 30% AMI (\$33,390), below 50% AMI (\$55,650), below 80% AMI (\$89,040), below 120% AMI (\$133,560), and below 200% AMI (\$222,600).

The results of the rental housing gap analysis are presented in Table 15. An estimated 98 renter households earned below 30% AMI (equal to \$33,390) in 2022. At this income level, a household could pay, at most, \$835 in gross rent without exceeding the 30% affordability threshold. *Since no units rented out for less than \$835 at the time of data collection, the town's estimated deficit amounted to 98 units.* The below 50% AMI level, encompassing households earning up to \$55,650, included an additional 41 households. Because there were no units in the corresponding rent range (\$1,391 and lower), the total deficit facing below 50% AMI households totaled 139 units. Rental shortages at the below 50% AMI level can lead to severe housing instability for low-income households, forcing them to spend disproportionate amounts of their income on rent. This strain increases the risk of homelessness, reduces disposable income for essentials like food and healthcare, and exacerbates income inequality.

Wellington's rental market exclusively served moderate- and high-income earners. At the 120% AMI level (\$133,560), 655 rental units were available, compared to 391 households, resulting in a surplus of 264 units. Wellington was also home to an estimated 264 renter households who earned 120% AMI or more. These households earned at least \$133,560 annually, allowing them to afford rents of \$3,339 or higher. As of 2022, Wellington's most expensive units were priced below this threshold. Shortages of luxury units force more affluent households to compete with workforce and middle-income households for housing. *Ultimately, this market pressure can give landlords leeway to command higher prices.*

Table 15. Rental Housing Gaps in Wellington, 2022

AMI level	Households	Housing units	Gap
<30% AMI	98	0	-98
<50% AMI	139	0	-139
<80% AMI	268	287	19
<120% AMI	391	655	264
<200% AMI	463	655	192
All	655	655	0

Source: Five-Year American Community Survey; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Affordability tiers based on the 2022 AMI of \$111,300 for the Fort Collins, CO MSA. Units were deemed affordable if they did not cause households to spend 30% or more of income on gross rent. Due to rounding, *Gap* may not equal difference between *Housing Units* and *Households*. Data cover period from 2018 to 2022. Household estimates do not account for latent demand.

How is demand for rental housing likely to change in Wellington over the short and long term? According to Table 16, the number of renter households is expected to reach 793 in 2030. By 2035, 884 renter households are anticipated to reside in Wellington. ***The growth will be dispersed across the income spectrum, but given the existing 139-unit shortage at the below 50% AMI level, it is particularly notable that 29 low-income households are projected to emerge through 2030.*** To meet the total 2030 projected demand for below 80% AMI rental housing, Wellington requires 168 new units. If, as projected, Wellington adds 19 below 50% AMI households in the following five-year period, the total 2035 need would be 187 units. The projected growth in households earning 120% AMI or higher indicates that market pressures on middle-income households from higher-income households could intensify if new development fails to keep pace. Wellington is projected to be home to 320 such households in 2030. This figure is projected to rise to 357 households by 2035.

Table 16. Projected Rental Housing Demand in Wellington, 2030 and 2035

AMI level	2030		2035	
	Households	Change from 2022	Households	Change from 2022
<30% AMI	118	20	132	34
<50% AMI	168	29	187	48
<80% AMI	324	56	361	93
<120% AMI	473	82	527	136
<200% AMI	560	97	624	161
All	793	138	884	229

Source: Esri; Matrix Design Group, Inc.

Note: Housing demand forecasts were inferred from population projections. Due to rounding, values may not sum to totals. Household estimates do not account for latent demand.

Owner Housing Needs

Table 17 presents the owner housing gap analysis results. As in the rental housing gap analysis, households were categorized into cumulative AMI-based tiers. Housing units were sorted correspondingly based on the rule that total monthly owner costs (inclusive of the mortgage, property taxes, HOA fees, utilities, and insurance) should not exceed 30% of household income. Existing homeowners' actual costs were used as the basis of the analysis. Put simply, the gap represents the difference between the cumulative number of households and the number of units affordable to them.

Since existing homeowners are commonly locked into fixed-rate mortgages, their housing costs are less responsive to market conditions than renters'. In Wellington, an estimated 96% of homeowners purchased their homes before 2021, when prices and interest rates were lower than current levels. **Accordingly, Wellington homeowners' monthly costs were overwhelmingly affordable to families with incomes below 120% AMI (\$133,560) as of 2022.** Just 80 units required a household income of 120% AMI or higher to be affordable, a figure that fell far short of the 993 owner-occupied households in the associated income range. Households also outnumbered housing units at the below 50% AMI level, with an estimated 870 homes carrying monthly costs of less than \$1,391—the maximum amount that 905 households could afford to spend. While the monthly costs of 614 homes were affordable to the 473 owner-occupied households earning less than 30% AMI, a large share of these homes were purchased at significantly lower prices than current market values or have limited expenses due to being owned outright. Overall, the results confirm the earlier finding that Wellington's longer-term homeowners face limited affordability challenges.

Table 17. Existing Homeowner Housing Gaps in Wellington, 2022

AMI level	Households	Housing units	Gap
<30% AMI	473	614	141
<50% AMI	905	870	-35
<80% AMI	1,448	2,464	1,015
<120% AMI	2,351	3,305	953
<200% AMI	2,749	3,342	592
All	3,344	3,385	41

Source: Five-Year American Community Survey; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Affordability tiers based on the 2022 AMI of \$111,300 for the Fort Collins, CO MSA. Units were deemed affordable if they did not cause households to spend 30% or more of income on total ownership costs. Due to rounding, *Gap* may not equal difference between *Housing Units* and *Households*. Data cover period from 2018 to 2022. Household estimates do not account for latent demand.

Table 18 builds on the previous analysis by modeling a hypothetical scenario in which Wellington homeowners are assumed to have purchased their homes at today's market values. Under this methodology, a home was deemed affordable if its market value represented less than three times a household's gross income. The findings thus illustrate how well Wellington's current market would serve existing homeowners. Compared to the prior table, fewer housing units are categorized into lower tiers; however, the income composition of households is unchanged. ***The results demonstrate that Wellington would have a severe shortage of homes at the below 80% AMI level if existing homeowners purchased their homes in today's market.*** Specifically, as of 2022, Wellington had 1,448 owner-occupied households in this income range, but only 233 homes would have been affordable to them. The combined shortfall would have amounted to 1,215 homes. The shortage would have extended to households earning up to 120% AMI. The housing deficit transitions into a surplus only when housing units in the 120% to 200% AMI range are factored in, underscoring the challenging market conditions for prospective homeowners earning at or below AMI. ***In sum, a significant share of existing homeowners would be priced out of the current market, and unless home prices fall markedly, the income composition of Wellington's households is set to shift dramatically in the coming years.***

Table 18. Market Value-Based Owner Housing Gaps in Wellington, 2022

AMI level	Households	Housing units	Gap
<30% AMI	473	121	-352
<50% AMI	905	186	-719
<80% AMI	1,448	233	-1,215
<120% AMI	2,351	1,537	-814
<200% AMI	2,749	3,213	464
All	3,344	3,385	41

Source: Five-Year American Community Survey; Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Affordability tiers based on the 2022 AMI of \$111,300 for the Fort Collins, CO MSA. Units whose values did not exceed three times household income were deemed affordable. Due to rounding, *Gap* may not equal difference between *Housing Units* and *Households*. Data cover period from 2018 to 2022. Household estimates do not account for latent demand.

Naturally, as Wellington grows, so will demand for for-sale housing (see Table 19). By 2030, 4,050 owner households are projected to reside in Wellington, an over 700-household increase from 2022. A plurality of these new households are projected to earn from 80% to 120% AMI, but consistent with recent trends, Wellington is expected to continue attracting families from across the income spectrum. Notably, over 120 new homeowners are projected to earn 200% AMI or more, though further real estate appreciation could cause this number to rise further. Wellington is projected to continue growing through at least 2035, when it will have an estimated 4,518 owner households. **To accommodate this anticipated growth, over 1,100 additional units are required.**

Table 19. Projected Owner Housing Demand in Wellington, 2030 and 2035

AMI level	2030		2035	
	Households	Change from 2022	Households	Change from 2022
<30% AMI	573	100	639	166
<50% AMI	1,096	191	1,223	318
<80% AMI	1,754	306	1,956	508
<120% AMI	2,847	496	3,176	825
<200% AMI	3,329	580	3,714	965
All	4,050	706	4,518	1,174

Source: Esri; Matrix Design Group, Inc.

Note: Housing demand forecasts inferred from population projections. Due to rounding, values may not sum to totals. Household estimates do not account for latent demand.

Latent Demand

According to the 2022 ACS, there were 41 fewer total households than housing units in Wellington, seemingly suggesting that supply outstripped demand. However, a portion of the demand for housing is unrealized, or latent. **Indeed, rising housing costs tend to suppress household formation and encourage shared living arrangements.** Common examples include adult children staying with parents, families “doubling up” on housing, and roommates cohabiting. These arrangements artificially reduce the number of independent households. To estimate a community’s number of latent households, one can calculate the additional households that would form if the market operated at its natural vacancy rate (NVR), defined as the point at which supply and demand are at equilibrium. Under balanced market conditions, upward price pressures are less likely to significantly discourage household formation, although affordability challenges may still exist for certain demographics.

Assuming that Wellington's NVR lies somewhere between five and eight percent, it likely had between 170 and 307 latent households as of 2022 (see Table 20). This means that as much as seven percent of total housing demand in Wellington could be unrealized. Considering that the town had 4,041 housing units, it required between 129 and 266 additional units to meet the needs of actual and latent households. To fulfill this need, the bulk of the additional units would have had to be targeted at the below 80% AMI level, since latent households are disproportionately low income. Recall that the housing gap analyses presented previously accounted for only realized demand; as such, the observed shortages, especially at the lower tiers, should be interpreted as conservative estimates.

Table 20. Latent Housing Demand in Wellington, 2022

Variable	Value
Latent households	
<i>Low</i>	170
<i>Medium</i>	237
<i>High</i>	307
Actual households	4,000
Total housing units	4,041
Gap	
<i>Low</i>	-129
<i>Medium</i>	-196
<i>High</i>	-266

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

Note: "Low," "medium," and high values reflect conditions under a 5%, 6.5%, and 8% natural vacancy rate.

Community Engagement

To facilitate the development of housing solutions for Wellington, residents were invited to share their experiences with housing in the community and provide input on the types of housing they would like to see. The engagement campaign consisted of a resident survey and interactive community events. To maximize participation, all engagement materials were created bilingually, ensuring accessibility for a broader range of residents.



Resident Survey

Matrix designed a 24-question survey to assess Wellington residents' level of housing stability, perceptions of the community's housing needs, and other housing-related attitudes. It was primarily disseminated via social media.

To provide residents ample opportunity to participate, the survey was live from September 6, 2024, to December 16, 2024. It garnered 104 responses, exceeding the participation rate typically seen in housing needs assessment surveys. Like most surveys conducted for community planning purposes, this survey

employed non-probability sampling methods. As such, the sample may not be representative of the population. Still, a diverse group of residents participated, especially along the lines of ethnicity, income, and age. This is made evident by the demographic composition of the respondents, which is presented in Table 21. A complete breakdown of survey results appears in the Appendix.

Table 21. Demographic Characteristics of Survey Respondents

Category	Percent of respondents
Ethnicity	
Hispanic or Latino	4%
Not Hispanic or Latino	80%
Declined to answer	14%
Household Income	
Less than \$25,000	5%
\$25,000 to \$49,999	11%
\$50,000 to \$74,999	9%
\$75,000 to \$99,999	21%
\$100,000 to \$149,999	33%
\$150,000 to \$199,999	8%
\$200,000 or more	4%
Unsure	11%
Age	
Under 18	0%
18 to 24	1%
25 to 34	13%
35 to 44	33%
45 to 54	19%
55 to 64	16%
65 and over	17%

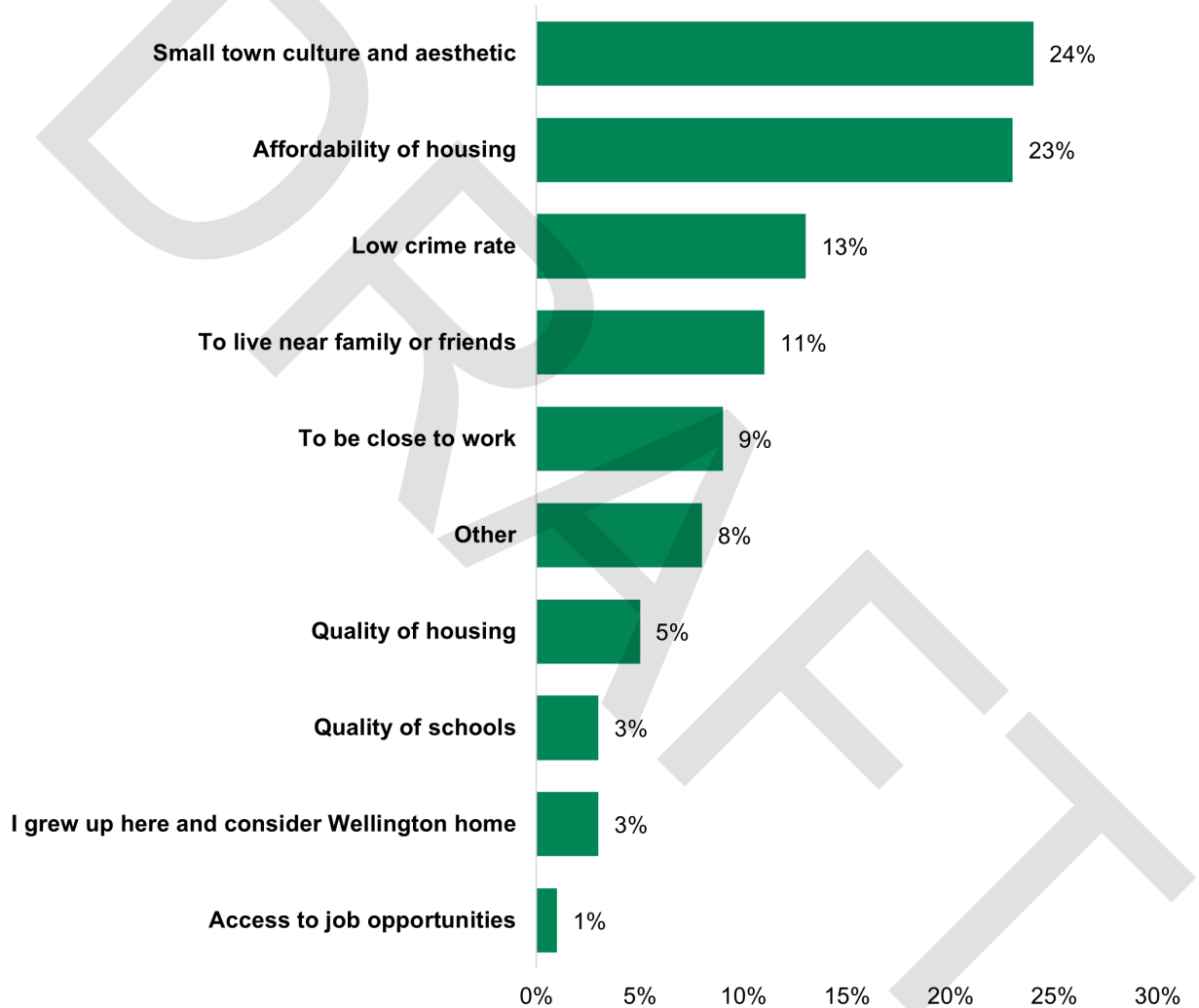
Source: Matrix Design Group, Inc.

Note: N=104

As Figure 32 illustrates, residents primarily chose to make Wellington their home for two reasons: the “affordability of housing” and “small town culture and aesthetic,” both of which were cited at nearly equal rates.

The former reason may be surprising given the recent rent and home price hikes in the town. However, the vast majority of respondents were unaffected by these market changes due to their status as homeowners with fixed-rate mortgages. Additionally, it is possible that residents view Wellington as affordable in relation to communities such as Fort Collins and Boulder. Other popular reasons for residing in Wellington include the town’s low crime rate and the desire to “live near family or friends.”

Figure 32. “Why do you choose to live in Wellington? (Check all that apply)”

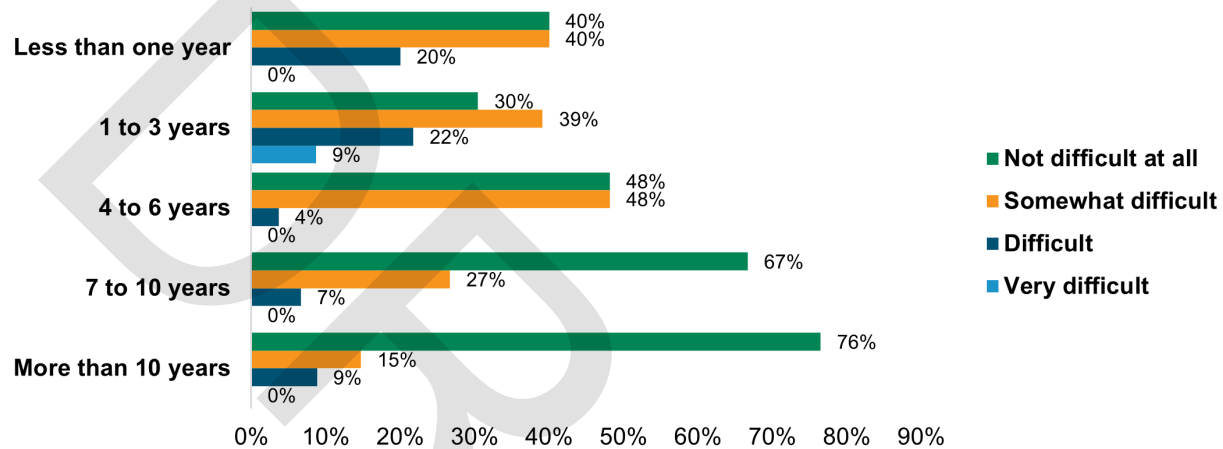


Source: Matrix Design Group, Inc.

Note: N=104

Figure 33 further confirms that locating suitable housing in Wellington has become more difficult over time. A relatively high percentage of respondents who moved into their current home within the past three years indicated it was either “difficult” or “very difficult” to find housing. *Among the subset of respondents who have lived in their current home for one to three years, 22% claimed their housing search was “difficult,” while an additional 9% attested it was “very difficult.”* A significantly smaller share of individuals who reported living in their current home for four or more years said the same.

Figure 33. “How difficult was it for you to locate housing in Wellington?” (By Length of Stay in Current Housing)

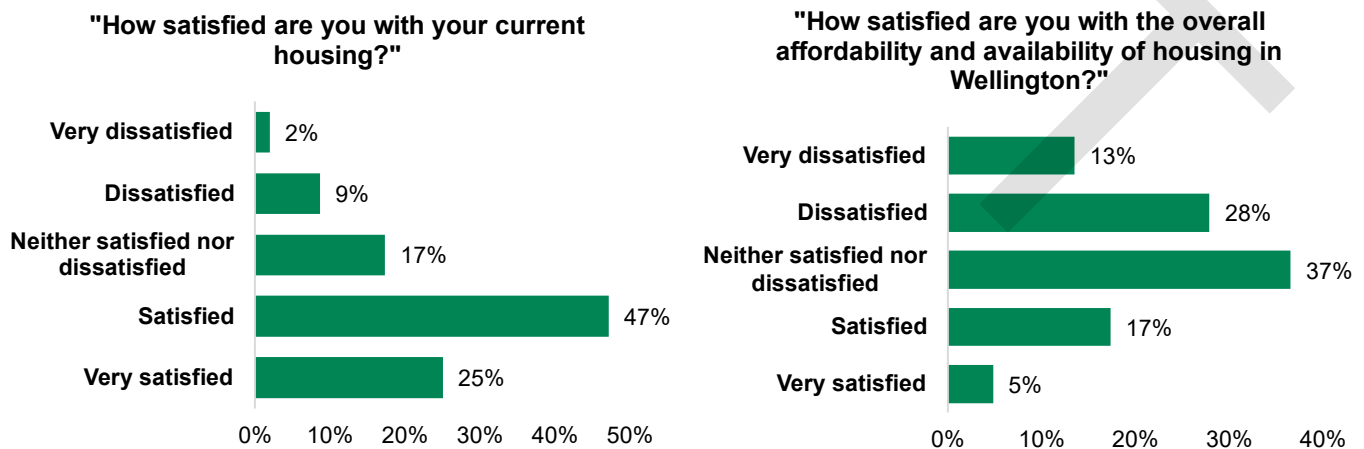


Source: Matrix Design Group, Inc.

Note: N=104

Figure 34 suggests that Wellington residents are generally pleased with their personal housing situations. Indeed, 72% of respondents reported being “satisfied” or “very satisfied” with their current housing. This finding is consistent with the fact that the sample mostly consists of longtime homeowners. *At the same time, respondents acknowledged the affordability and availability challenges facing prospective homeowners and renters, with only 22% of respondents claiming to be “satisfied” or “very satisfied” with overall, community-wide housing conditions.*

Figure 34. Satisfaction with Personal and Community-Wide Housing Conditions

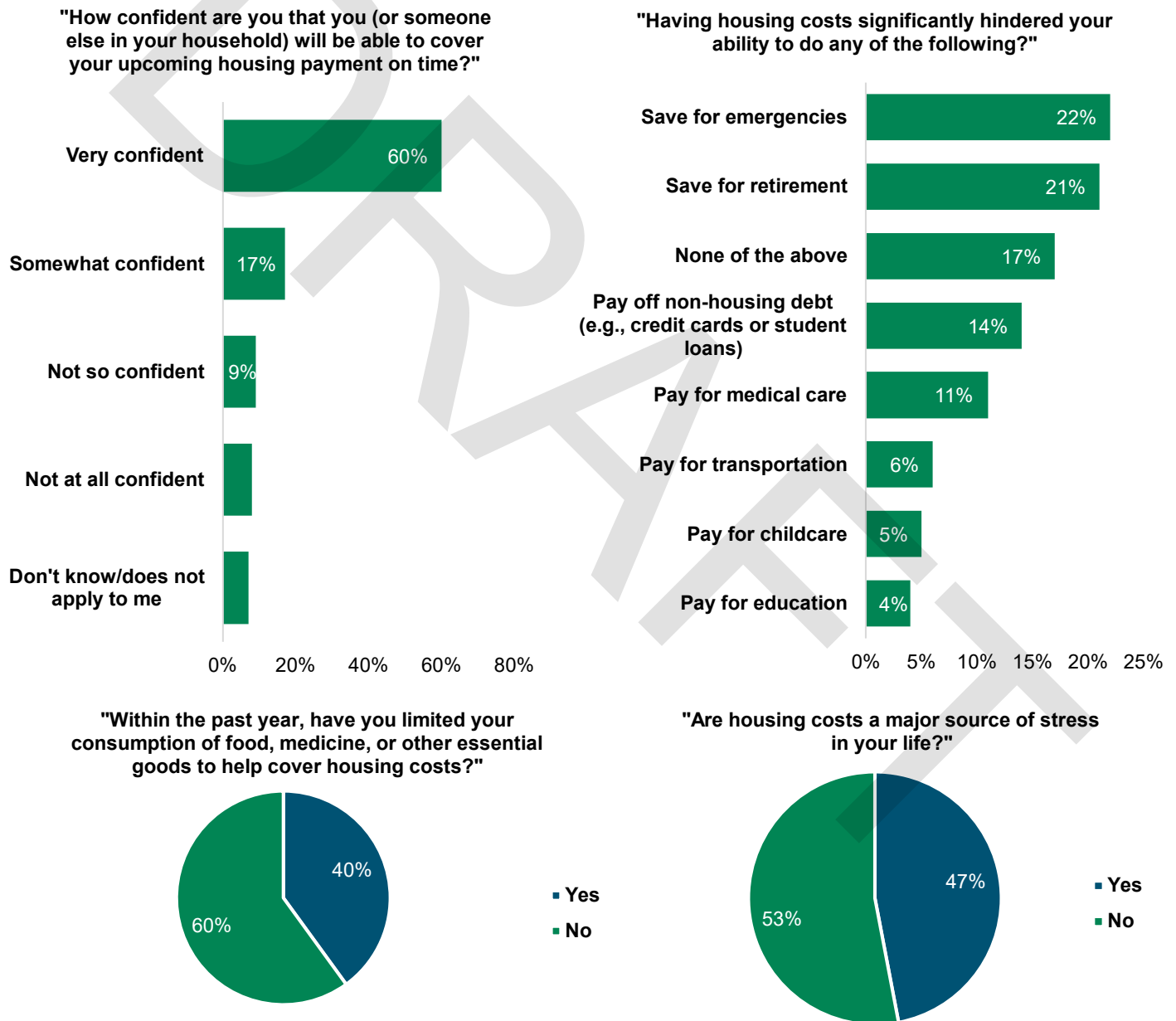


Source: Matrix Design Group, Inc.

Note: N=104

The vast majority of respondents reported being “very confident” or “somewhat confident” that they would be able to cover their upcoming housing payment on time (see Figure 35). However, a sizeable minority (17%) expressed little or no confidence in their ability to do so. Importantly, the fact that most residents are likely to meet their upcoming payment does not mean that housing-related expenses impose no burden on them. A substantial share of respondents reported that housing costs have adversely affected their ability to save for emergencies and retirement, pay off non-housing debt, and cover other essential expenses—such as medical care, transportation, and childcare. **Concerningly, 47% claimed that housing costs are a “major source of stress,” while 40% admitted to limiting their “consumption of food, medicine, or other essential goods to help cover housing costs.”**

Figure 35. The Burden of Housing Costs on Wellington Residents

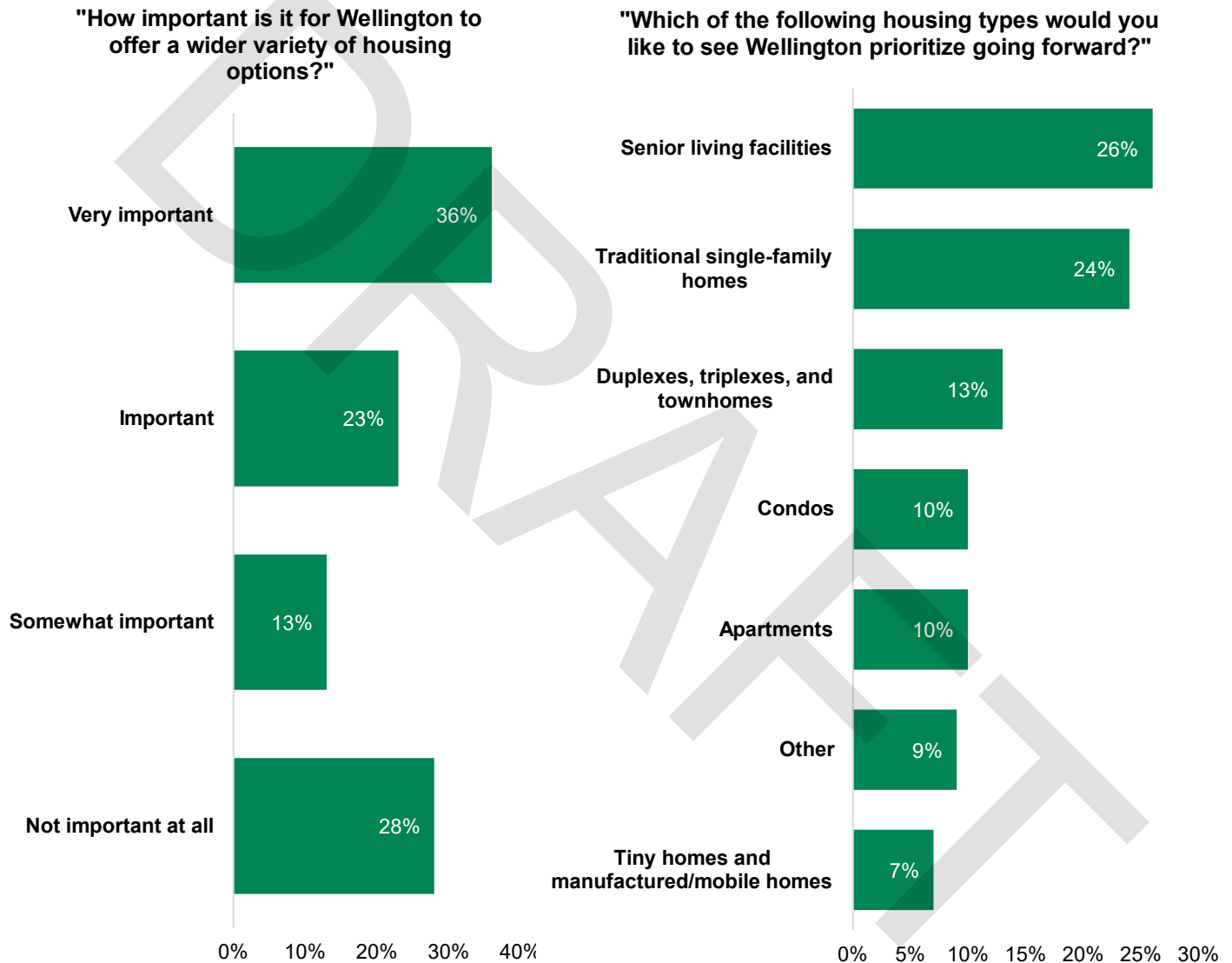


Source: Matrix Design Group, Inc.

Note: N=104

Broad support for alternatives to single-family detached homes exists in Wellington (see Figure 36). **Nearly 60% of respondents indicated it was “very important” or “important” for the town to offer a more diverse array of housing options.** When asked which housing types the town should prioritize in the future, a plurality selected “senior living facilities.” While the second most popular option was “traditional single-family homes,” a substantial share of participants expressed support for duplexes, triplexes, and townhomes, as well as condos and apartments. Tiny homes and manufactured/mobile homes received the least support.

Figure 36. Support for Housing Diversity in Wellington

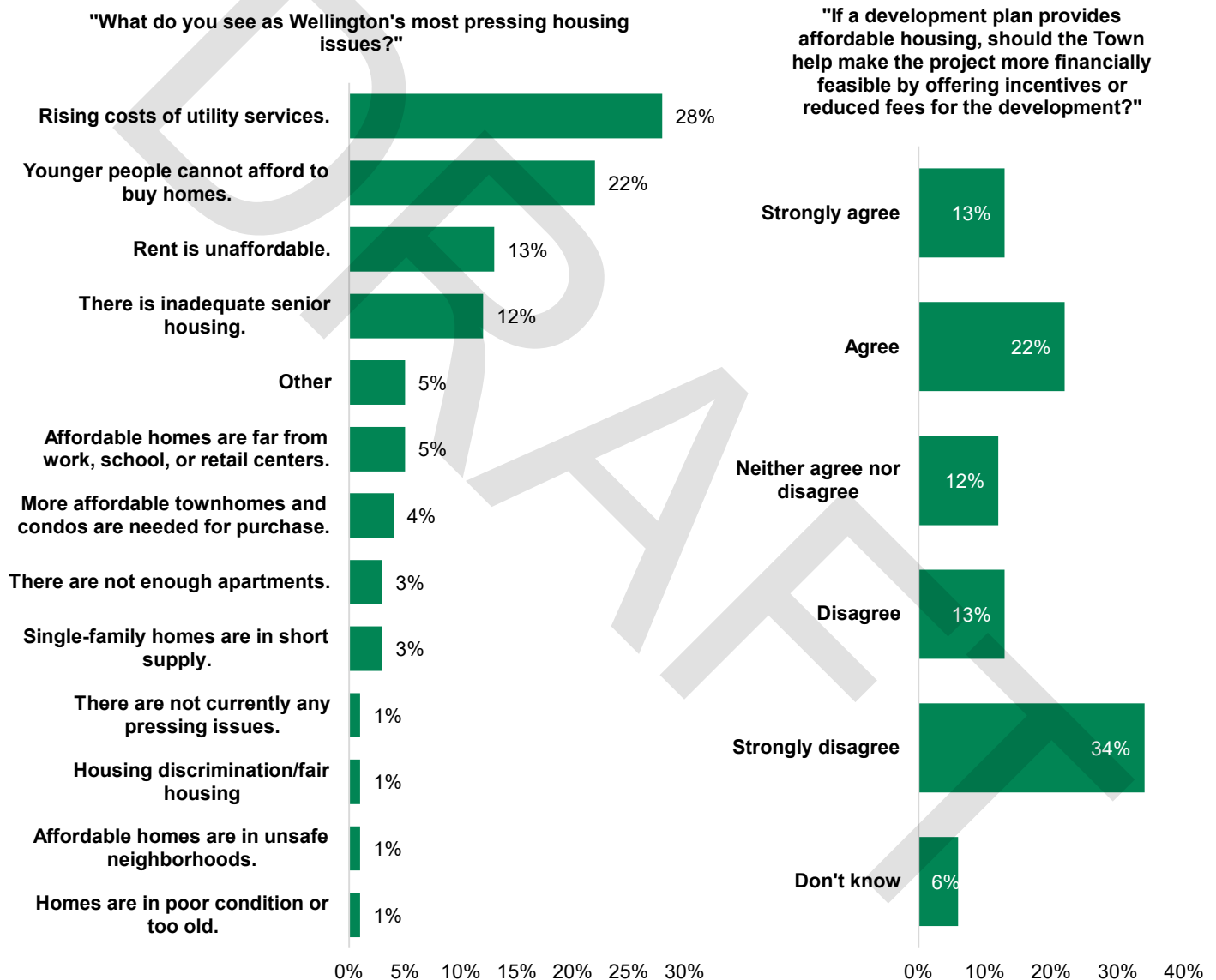


Source: Matrix Design Group, Inc.

Note: N=104

High water rates represent a vexing challenge for the town and its residents. *This is reflected in the fact that a plurality of survey respondents (28%) indicated Wellington's "most pressing" housing issue was the "rising costs of utility services" (see Figure 37).* Concerns about the ability of younger people to become homeowners, the affordability of rent, and the adequacy of the senior housing stock were also relatively widespread. Despite their acknowledgement of Wellington's affordability challenges, respondents viewed a hypothetical policy to encourage the development of affordable housing unfavorably, on net. About 47% "disagreed" or "strongly disagreed" with the policy, compared to 35% who "agreed" or "strongly agreed" with it.

Figure 37. Wellington Residents' Attitudes Toward Housing Issues



Source: Matrix Design Group, Inc.

Note: N=104

The survey concluded with an open-ended section that invited respondents to provide additional housing-related comments. Many residents emphasized the need for Wellington to offer more affordable options, especially for seniors. Others, however, expressed opposition to any form of new residential development, citing Wellington's high utility rates, inadequate dining and retail options, and transportation issues. A representative sample of the open-ended responses appears below.

"Would love to see more affordable senior housing. Either HUD properties or private companies that are income based."

"We wish that Wellington was not building more homes off of GW Bush and Cleveland. Also, will Wellington build another grocery store besides Ridley's?"

"Not enough affordable rentals. Greed has taken over."

"Housing really shouldn't be discussed until road improvements and utilities can be established. More homes shouldn't strain our town, but help it."

"Water rates are the biggest problem outside of lack of senior housing."

"Wellington desperately needs more restaurants and stores."

"Apartments or affordable condos would be so so nice."

"Currently, we are my son's childcare provider. In order to continue, it would be helpful if there were housing options for young people so they could stay in the community."

"We need senior housing and transportation."

"Housing in Wellington to us is fairly priced, but we feel that downtown could be redeveloped to have mixed-use housing."

"The amount of affordable low-income housing available in this town is ridiculously low!"

"Stop the building and taking away the farmlands and small-town feel! Especially stop ANY and ALL new development until the water issues get fixed."

"If affordable housing options are part of the town's plan, I'd like to see further investment in community policing and addressing safety issues including vandalism and teen behavior issues."

"I am concerned that any grants by the town to increase affordable housing will go towards developers, not people."

"I think that there should be more affordable options for water, gas/electric, and internet services. Currently, many of these services have a monopoly and can charge any amount they want without outside supervision and regulation. Those prices have drastically increased, which is causing hardship to residents who are already working multiple jobs to cover necessary expenses and not spending on extraneous items outside of their means or budget."

Community Events

At multiple pop-up community events, residents reviewed informational boards that presented data on Wellington's demographics and housing market. Using a visual reference board, residents were then invited to share their preferences by selecting from a series of photos representing alternatives to single-family detached homes, which dominate Wellington's housing stock. **Feedback indicated strong support for a diverse range of housing options, particularly those that could expand rental opportunities within the community (see Figure 38).**

Figure 38. Visual Preference Board Results



Housing Strategies

Wellington faces unique housing challenges due to its limited availability of developable land and the predominance of detached single-family residential development. As the community seeks to diversify its land use composition, a multi-faceted approach is necessary to address these housing challenges effectively. The strategies outlined below reflect the need to reinvest in the existing housing stock and work within the bounds of developed parcels to create innovative housing solutions that do not require excess land.

Addressing Wellington's housing affordability and diversity issues will require a combination of policy and regulatory changes, creative land use strategies, and leveraging of various funding sources. These strategies are intended to maximize the potential of existing properties, encourage more efficient land use, and create opportunities for a wider range of housing options. Each strategy plays an important role in the overall effort to improve housing affordability and accessibility in Wellington. ***This multi-faceted approach, which is based on the premise that no single solution can address all the community's housing needs, will allow Wellington to adapt to changing demographics and housing preferences while maintaining its community character and making the most of its land resources.***

Expand Accessory Dwelling Units (ADUs)

Accessory dwelling units present an opportunity to foster multi-generational living and support the cohabitation of multiple households in non-overcrowded settings. They meet the needs of the growing senior population by facilitating aging in place while also allowing adult children to live with their parents and families to “double up” on housing. While Wellington already permits ADUs on most single-family lots, limited building permit

applications have been submitted due to high costs and challenges in meeting dimensional standards.

To encourage development, Wellington should consider several key adjustments, including increasing the current 1000-square-foot-limit on unit size, amending design requirements, reassessing utility connection and impact fees, and reconsidering owner-occupancy requirements, especially given the rental shortages documented previously.

The current 1,000-square-foot size on ADUs may be hindering their growth by limiting flexibility in design, functionality, and market appeal. The size constraint is likely too small to accommodate the needs of many homeowners, particularly for multi-bedroom layouts, accessibility features, or additional living space for extended family. Furthermore, the restriction may discourage investment in ADU development by reducing the potential for rental income and resale value, making construction less financially viable. Instead, ADUs should be allowed to occupy up to 75% of the primary residence's interior habitable area, or 1,200 square feet, whichever is less. This change would provide homeowners with greater flexibility in developing ADUs, while ensuring they remain appropriately scaled to the primary dwelling.

In addition, Wellington should consider updating the design standards for ADUs, which currently require these units to maintain the architectural design, style, appearance, and character of the primary residence. While it is recommended that attached ADUs continue to adhere to this requirement, allowing greater design flexibility for detached ADUs could help boost their development. Since many detached ADUs available on the market are modular, Wellington should consider adjusting design standards to permit variations in architectural style, provided the detached unit is painted to match the primary residence.

Wellington should also explore revising the current limit of one ADU per property, particularly for larger lots. For properties that are half an acre or more, it is recommended to permit both one attached and one detached unit. On lots exceeding one acre, allowing one attached and up to two detached units could help boost housing supply while ensuring the units remain proportional to the lot size.

Implementing a short-term rental registration program can help monitor and regulate ADU usage effectively. By requiring property owners to register ADUs used as short-term rentals, the town can gain insight into whether the units are being utilized in a way that aligns with community goals and addresses the housing shortage.

Expanding ADU allowances would enable Wellington to increase its housing supply without requiring new land development, an essential strategy given the community's limited vacant parcels. ***To facilitate ADU construction, the town could explore financing programs tailored specifically for ADUs, utilize Community Development Block Grants to support their development, introduce a pre-approved ADU design program to streamline the permitting and construction process, and collaborate with local banks to offer specialized, low-interest ADU loans.*** Collectively, these measures would reduce common barriers to ADU development.

ADU expansion offers a range of potential benefits to not only homeowners but the community more broadly. For homeowners, ADUs can generate steady rental income, helping to offset mortgage payments, property taxes, and other household expenses. This additional income can make homeownership more sustainable, especially for those on fixed or limited incomes. Moreover, ADUs can increase property values by enhancing the overall functionality and versatility of a property and provide flexible living spaces that can meet a variety of needs. At a community level, ADUs are an efficient way to diversify the housing stock without changing the character of established neighborhoods. An expanded ADU supply could help the town reduce the shortage of rental housing at the 50% AMI level and, by extension, foster a more inclusive and resilient community.

Incentivize Affordable Development

Excessive parking requirements can significantly increase development costs, thus impeding a community's housing supply. ***By reevaluating parking requirements, the town has an opportunity to effectively introduce new development incentives.*** Reducing the number of required parking spaces per unit—especially for affordable housing developments—can help lower construction costs and promote more efficient land use. However, it is essential to carefully assess the long-term implications, particularly in cases where units may transition from affordable to market rate, to ensure that parking remains sufficient to meet future needs.

Wellington should consider revisiting its current parking requirements for affordable housing projects. The existing Land Use Code mandates 1.5 parking spaces for a one-bedroom unit, two spaces for a two-bedroom unit, and 2.5 spaces for a three-bedroom unit. Updated standards of one space per one-bedroom unit, 1.5 spaces per two-bedroom unit, and two spaces per three-bedroom unit are appropriate. Parking can be a significant expense for development projects, as the size of the parking lot directly impacts overall costs. Larger lots require more materials and labor, driving up expenses. For smaller lots, adding 50 extra parking spaces can cost between \$50,000 and \$100,000. This cost includes factors such as space requirements, materials, site preparation, signage, and marking. Reducing these requirements could help lower project costs and improve feasibility.

Wellington could adopt a more flexible approach to the design review process, allowing applicants to request special exceptions to certain guidelines if their proposals enhance housing affordability. These exceptions would still require the projects to align with the community's overarching design principles, ensuring quality and consistency. By evaluating each case individually, the process balances flexibility with maintaining community standards. The Planning Director or a designee could then review and approve such requests administratively.

Goodyear, Arizona recently adopted design standards that include special exemptions aimed at increasing housing affordability. During the design review process, applicants seeking to enhance affordability can request exceptions to any “shall” guidelines, provided the project continues to align with the overarching design principles. These exceptions can be administratively approved by the Development Services Department director or a designee and may include additional conditions. Adopting a similar approach in Wellington could offer developers greater flexibility while maintaining the community’s character.

Introducing inclusionary zoning policies or ordinances can further boost affordable housing production. These policies typically require a certain percentage of new housing developments to be set aside as affordable units. ***When combined with other incentives, inclusionary zoning can be an effective tool for creating mixed-income communities.*** Such socioeconomic integration enhances social cohesion; reduces economic disparities; and improves access to schools, healthcare, and employment for all residents.

Finally, expediting review timeframes and waiving or reducing permit fees for affordable housing projects can serve as powerful incentives to drive development. Streamlining the approval process and cutting associated costs significantly reduces both the financial and temporal barriers that often deter developers from pursuing affordable housing initiatives. By making these projects more economically viable, such measures can accelerate the construction of much-needed housing, helping to address shortages more efficiently. Additionally, these actions send a clear signal of the town’s commitment to prioritizing affordable housing solutions, fostering greater collaboration with developers and reinforcing the community’s dedication to meeting the needs of its residents. The combination of revised parking standards, inclusionary zoning, and expedited review timeframes could invite affordable multifamily residential development.

Support Housing Rehabilitation, Preservation, and Infill Development

Wellington’s approach to housing affordability should focus on a comprehensive strategy of housing rehabilitation, preservation, and infill development. While the town’s newer housing stock is in excellent condition, some older homes could benefit from incremental investments and improvements. Housing rehabilitation programs can help maintain and improve existing affordable housing stock, which is often a more cost-effective strategy than building new units. These programs are particularly valuable for pre-1960s homes that are still habitable and often serve as naturally occurring affordable housing (NOAH). Rehabilitation efforts can range from full-scale renovations to targeted improvements such as insulation upgrades, duct sealing, and window replacements, utilizing Community Development Block Grant (CDBG) funding for cost-effective measures.

To maintain the existing affordable housing stock, Wellington should prioritize the development of a comprehensive inventory of NOAH properties and implement strategies to prevent their conversion to market-rate units. A well-maintained preservation inventory would serve as a foundational tool for tracking at-risk properties and guiding proactive intervention efforts. Additionally, the town should explore targeted policies and incentives that encourage property owners to retain affordable rental rates, such as tax abatements. Partnerships with non-profit organizations, community land trusts, or mission-driven developers could further enhance preservation efforts by facilitating the acquisition and management of NOAH properties, ensuring they remain accessible to lower-income households.

While preservation and rehabilitation are critical for retaining and promoting affordability, Wellington should also recognize that redevelopment may occasionally be necessary. Factors such as severe structural deficiencies, safety hazards, health and wellness concerns, or prohibitive rehabilitation costs may render redevelopment a more viable solution. In such cases,

redevelopment projects should prioritize replacing lost affordable units.

Malden, Massachusetts' Housing Rehabilitation Program could serve as a model for Wellington. It provides financial assistance for a variety of rehabilitation activities, including roofing, heating, electrical, plumbing, and HVAC improvements. The program also addresses critical health and safety concerns such as lead abatement, radon mitigation, and mold remediation. As of 2022, more than 1,100 housing units have been preserved through the Affordable Housing Incentive Program. This initiative provides property tax reductions to landlords who commit to keeping a portion of their rental units affordable for a period of 10 years. A similar requirement in Wellington could help reduce the rental housing shortage impacting families earning below 50% AMI.

Comprehensive Plan 2021 identifies strategic areas in downtown Wellington for redevelopment and infill, both of which can increase housing supply and revitalize neighborhoods. ***Infill development, in particular, promotes the efficient use of existing infrastructure and maximizes the use of available land by developing vacant or underutilized parcels within established neighborhoods.*** In doing so, it helps preserve open spaces and agricultural lands. Additionally, infill development fosters walkable, connected neighborhoods while enhancing access to local amenities. For these reasons, it should be a core part of Wellington's housing strategy.

Update Dimensional Standards

Currently, the majority of residential development in Wellington is zoned for either *R-1: Residential Rural* or *R-2: Residential Low Density*, with limited areas zoned for *R-3: Residential Medium Density* and *R-4: Downtown Neighborhood District*. The town should consider revising lot dimensional requirements, particularly in *R-2* and *R-3* zones, to allow for additional flexibility in development. ***This could involve adjusting lot width, depth, and site area requirements.*** Specifically, it would be beneficial to align the lot width requirements in the *R-2* district with those of the *R-3* district by reducing the minimum width for detached units from 60 feet to 50

feet and for attached units from 30 feet to 25 feet. Smaller lot sizes would enable more units per acre, facilitating higher-density development. Ideally, this new development would be entry-level housing for families earning below 120% AMI.

Given the limited developable land in Wellington, increasing density allowances for multi-family products could significantly improve the housing supply.

Increasing the maximum net density, especially in the R-3 and R-4 zones, could encourage more multi-family development and better utilize available land.

In the *R-3* district, Wellington should consider increasing the maximum allowable dwelling units per acre from the current limit of 12 units to 15 units per acre.

In the *R-3* category, Wellington could encourage cluster development, which allows for higher density in certain areas while preserving open space elsewhere. Such development requires less infrastructure—and, by extension, incurs lower costs—and can make housing more affordable by spreading land costs across more units. While most of Wellington is built out, any newly annexed land should consider a balance of land uses—not just residential. As Wellington is primarily a bedroom community, incorporating additional commercial, industrial, and civic uses to support residents is important for creating a more economically viable community.

Diversify Housing Stock

To diversify Wellington's housing stock and address affordability concerns, the town must expand its focus beyond single-family detached homes. ***Amending the Land Use Code to encourage additional multi-family housing in various use categories, particularly R-4, could effectively address the rental availability deficiency and create a more diverse housing composition.*** This strategy aligns with the *Comprehensive Plan's* vision of supporting low-density housing near neighborhoods and medium-density, mixed-use development near activity centers.

A key strategy in this diversification effort is expanding the mixed-use category allowance to permit residential uses by right rather than as conditional uses. While Wellington seeks to maintain a balanced mix of land

uses and encourage non-residential development with this use type, mixed-use solutions—such as live-work spaces—can help achieve the goal of increasing housing units while also supporting revenue-generating land uses that benefit the community. This change would significantly increase rental options and housing diversity. ***Complementing this, the implementation of “gentle density” solutions, such as duplexes and triplexes designed to harmonize with single-family homes, can preserve neighborhood character while increasing housing options.*** Because it allows for the seamless integration of alternative housing types into existing neighborhoods without drastically altering their character, gentle density has emerged as a widely favored approach to addressing the national housing shortage.

Minneapolis, Minnesota focused on increasing residential density to optimize land use and accommodate population growth by allowing and encouraging duplexes and triplexes in more areas. Data from 2020 to 2022 suggest this approach has been successful, with a 45% increase in permits issued for two-to-four-unit properties. These findings have promising implications for Wellington.

Allowing smaller lot sizes is a strategic approach to facilitating higher-density development, effectively boosting the housing supply in desirable areas while preserving opportunities for economic development on available land. By enabling more homes to be built within a given area, this strategy maximizes land use efficiency and helps alleviate market pressure. Smaller lot sizes can also reduce overall development costs, making it possible to create more affordable housing options and expand access to homeownership for a wider range of buyers, including first-time homeowners and moderate-income families. Additionally, this approach promotes walkability, efficient infrastructure use, and stronger community connections.

Provide More Senior Housing Options and Facilitate Aging in Place

An abundance of evidence indicates Wellington's population is aging. As mentioned previously, about 10%

of the population was aged 65 and over as of the 2022 ACS—up from 7% just five years earlier. Moreover, the absolute size of this age demographic nearly doubled. Currently, Wellington's senior housing options are virtually nonexistent, an assessment validated by the results of the resident survey. The need extends to not only independent living facilities but also assisted living and memory care centers: 143 seniors reported experiencing an independent living or self-care difficulty, while 56 were impacted by a cognitive difficulty.

Fortunately, the strategies used to promote affordable housing in general can similarly spur the production of affordable senior housing. In this regard, Washington, D.C., serves as a useful case study. The U.S. capital was able to reinforce its supply of affordable senior housing by leveraging multiple tools at its disposal, including an expedited process for disposing of city-owned properties and rezoning land, four and nine percent federal low-income tax credits, adaptive reuse, and a loan furnished by its Housing Production Trust Fund. The efforts resulted in three developments consisting of 185 rental and ownership units. Nearly half of the units are reserved for senior households earning 60% AMI or less.

Of course, many seniors prefer to “age in place” rather than relocate to senior housing. However, it is common for homes to be inaccessible to those with ambulatory or other disabilities, with the American Housing Survey indicating that 47% of homes nationally require the use of stairs for entry from the outside. Further, ramps and lifts are exceedingly rare, existing in just six percent of homes. Administered by the Loveland Housing Authority, the Larimer Home Improvement Program offers zero- and low-interest loans for home repairs and accessibility modifications. Maximum loan amounts are \$24,999 for single-family homes and \$12,000 for mobile or manufactured homes. Households with incomes equal to 80% AMI or below are eligible for the funding. By working to increase residents' awareness of the program, Wellington could help seniors stay in their homes.

Similarly, the Department of Housing and Urban Development offers an Older Adult Home Modification Grant Program for which the Town of Wellington may be

eligible. To apply directly, it would need to demonstrate three years of experience delivering services to older adults. The town could also qualify by partnering with an eligible entity, such as a nonprofit, Larimer County, or a public housing authority. In FY 2023, \$30.5 million was available via this program.

HUD Funding Opportunities

The U.S. Department of Housing and Urban Development (HUD) offers several funding sources that present viable options for Wellington to address its housing challenges. These programs have been carefully selected based on gaps identified in the town's housing stock through comprehensive market research and community engagement. Some programs are exclusively available to the town government, while others are open to applications from nonprofits and other key stakeholders.

To capitalize on these resources, Wellington should focus on educating residents and developers about available funding opportunities. Hosting informational workshops, creating resource guides, and fostering partnerships with housing organizations can encourage participation and maximize the impact of these resources. By aligning local efforts with these proven programs, Wellington can effectively address housing affordability, increase the availability of affordable units, and build a more sustainable and inclusive community.

Community Development Block Grants

The Community Development Block Grant (CDBG) program provides flexible funding to address a wide range of community development needs, including affordable housing, infrastructure improvements, and public services. While entitlement communities receive funds directly, smaller towns like Wellington access CDBG funds through the Colorado Division of Housing, which administers grants for non-entitlement areas. For Wellington, CDBG funding could be instrumental in addressing local priorities, such as rehabilitating affordable housing, improving essential infrastructure, or supporting programs for low- and moderate-income residents. By applying for these funds or partnering with regional entities, Wellington can enhance its capacity to tackle pressing community development challenges,

promote economic growth, and improve the quality of life for its residents. This funding flexibility makes CDBG a valuable tool for advancing long-term community goals.

PRO Housing

In an omnibus bill passed in 2022, Congress established the Pathways to Removing Obstacles to Housing (PRO Housing) program. The program's primary goal is to assist communities in identifying and eliminating barriers that hinder the preservation and development of affordable and attainable housing. Examples of these barriers include outdated zoning and land use policies, inefficient permitting processes, threats from natural resource limitations, and inadequate or deteriorating infrastructure.

In the first round of funding, HUD allocated approximately \$85 million to 21 state and local governments. An additional \$100 million was made available in the second round, which had an application deadline of October 15, 2024. It is plausible that the program will be extended by Congress to support a third round of funding, considering the nation's ongoing housing affordability challenges, the strong demand seen in the first two rounds, and the bipartisan support for housing solutions.

Fair Housing Initiatives Program

Under the Fair Housing Act (FHA), it is illegal to discriminate against individuals based on race, color, sex, sexual orientation, gender identity, religion, familial status, or disability. The Fair Housing Initiatives Program (FHIP), administered by HUD's Office of Fair Housing and Equal Opportunity (FHEO) since the 1980s, provides funding to nonprofits and fair housing organizations to combat housing discrimination, giving it a critical role in upholding the FHA's protections. These organizations engage in education, outreach, and enforcement activities to address discriminatory practices. Wellington may consider partnering with regional nonprofits or advocacy groups, such as Colorado Legal Services or Volunteers of America Colorado, to bring fair housing resources to the community. In partnership with HUD, FHIP grantees assist victims of housing discrimination in filing complaints and conduct preliminary investigations.

These investigations often involve deploying “testers”—individuals trained to pose as renters or buyers to uncover discriminatory behavior by housing providers.

Self-Help Ownership Program

Authorized by the Housing Opportunity Program Extension Act of 1996, the Self-Help Homeownership Opportunity Program (SHOP) provides funding to assist nonprofit organizations and consortia in creating affordable homeownership opportunities for low-income families. The program specifically supports the purchase of home sites and the development of infrastructure for homes built or rehabilitated through sweat equity and homeowner participation.

Eligible expenses under SHOP are limited to land acquisition, infrastructure improvements, and related administrative costs necessary for these activities. The funds cannot be used for actual construction. All projects must directly benefit low-income households, enabling families who might not otherwise achieve homeownership to do so. Additionally, the average combined cost of land acquisition and infrastructure improvements for each unit must not exceed \$25,000.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program (HOME) is a federally funded initiative to provide grants for the creation and preservation of affordable housing for low-income households. State and local governments can use these funds for activities such as constructing or rehabilitating affordable housing, providing tenant-based rental assistance, assisting homebuyers, and addressing homelessness. While Wellington cannot receive HOME funds directly as a non-entitlement community, it can leverage this program by collaborating with the Colorado Division of Housing, which administers HOME funds for non-entitlement areas. By partnering with the Division of Housing or eligible nonprofit organizations, Wellington could secure funding to support affordable housing projects, such as rehabilitating existing units or developing new ones to meet the needs of low-income residents. Additionally, Wellington could use HOME funds to provide down payment assistance or rental subsidies, expanding housing accessibility for its workforce and vulnerable populations. These efforts

would not only improve local housing options but also foster greater community stability and economic growth.

Section 811 Supportive Housing for Persons with Disabilities Program

The Section 811 Supportive Housing for Persons with Disabilities Program provides funding to develop and subsidize rental housing with supportive services for very low-income adults with disabilities. This program enables individuals with disabilities to live independently while receiving the assistance they need to thrive. Section 811 funds can be used for the construction, rehabilitation, or acquisition of affordable housing units and include rental subsidies to ensure affordability for residents. For a community like Wellington, the program could address gaps in accessible and affordable housing for individuals with disabilities, a need often overlooked in smaller towns. By partnering with nonprofits or housing authorities experienced in serving this population, Wellington could help direct funding toward the creation of supportive housing options, thereby enhancing inclusivity and quality of life for residents with disabilities.

DOLA Funding Opportunities

Matrix identified several key funding sources from the Colorado Department of Local Affairs (DOLA) that are specifically designed to address the state’s growing need for affordable housing. These programs, many of which are relatively new, demonstrate Colorado’s heightened focus on and renewed commitment to tackling housing challenges. By strategically utilizing these programs, communities like Wellington can leverage state resources to address pressing housing needs and foster long-term economic and social growth.

Housing Development Grant and Loan Funds

The Housing Development Grant Fund (HDGF) program offers Wellington an opportunity to stimulate the production of affordable housing through infill projects and adaptive reuse of existing structures. Administered by the Colorado Division of Housing, the program provides grants to support key activities such as the acquisition, rehabilitation, and construction of affordable housing. Beyond these core uses, the funds can also

finance foreclosure prevention initiatives and data collection efforts to better inform housing strategies. Grants are awarded on a competitive basis to nonprofit developers, public housing authorities, and local governments, making the program a flexible tool for addressing Wellington's housing needs. Its sister program, the Housing Development Loan Fund, provides collateral loans to nonprofit developers and housing authorities for the (re)development and rehabilitation of affordable housing.

Proposition 123

In 2022, Colorado voters approved Proposition 123, creating the State Affordable Housing Fund (SAHF) to address the state's growing affordable housing crisis. Funded by 0.1% of existing state tax revenue, SAHF is projected to allocate up to \$300 million annually to local governments, nonprofits, community land trusts, and private entities. To qualify, jurisdictions must commit to increasing their affordable housing stock by 3% annually over a three-year period. SAHF funds can be used for a wide range of activities, including the acquisition, maintenance, and development of land; rental and down payment assistance; case management for individuals experiencing homelessness; and streamlining land use, permitting, and zoning processes.

For Wellington, opting into Proposition 123 offers an opportunity to secure substantial funding to tackle local housing challenges. These resources could support initiatives such as new affordable housing developments, assisting renters and first-time homebuyers, and enhancing the town's capacity to process development applications efficiently. While meeting the 3% annual growth requirement may present some challenges, especially for a community of Wellington's size, the potential benefits make it a compelling option. At the time of this writing, 202 of Colorado's 336 eligible local governments have opted into Proposition 123, representing over 90% of the state's population.

Creation of Supportive Housing Program

In the resident survey, 32% of residents indicated they were "concerned" or "very concerned" about homelessness. To address the housing needs of its

most vulnerable populations, including those experiencing homelessness or housing instability, Wellington can apply for grants and loans available through the Creation of Supportive Housing Program in collaboration with nonprofit organizations, housing authorities, or private developers experienced in building and managing supportive housing projects. In fiscal year 2024, the program awarded three projects totaling over \$12 million, facilitating the development of 218 supportive housing units. More recently, a November 2024 Request for Applications (RFA) designated \$2.7 million for the Creation of Supportive Housing program.

Implementation Plan

Table 22 outlines a comprehensive set of strategies designed to address Wellington's housing needs across short-, medium-, and long-term horizons, as well as ongoing initiatives. These strategies aim to balance immediate interventions with sustainable, long-term planning, ensuring a broad range of housing options are available to meet the diverse needs of the community. By categorizing these approaches by timeframe, the table provides a clear framework for prioritization and implementation, offering actionable steps to guide Wellington's housing policy and development efforts effectively.

Table 22. Implementation Timeline

Short-Term Strategies (0-2 years)
Amend the Land Use Code to expand ADUs by increasing unit size limit, updating design standards, and pursuing funding opportunities.
Revise parking standards for affordable housing projects.
Amend the dimensional standards to encourage alternative housing options and sizes.
Medium-Term Strategies (2-5 years)
Create and implement a short-term rental registration program for ADUs.
Update the design review process to allow for special exemptions for affordable housing projects.
Expedite review timeframes and waive or reduce permit fees for affordable housing projects.
Introduce inclusionary zoning policies, requiring new developments to include a percentage of affordable units.
Enhance community education by hosting informational workshops on available funding opportunities.
Long-Term Strategies (5+ years)
Introduce a pre-approved ADU design program.
Prioritize senior housing and facilitate aging in place.
Develop incentives for infill projects that maximize existing infrastructure.
Explore partnerships with non-profit organizations and community land trusts for NOAH preservation.
Establish a housing rehabilitation program.
Ongoing Strategies
Pursue HUD and DOLA funding mechanisms
Develop and maintain naturally occurring affordable housing (NOAH) inventory

Appendix

Table 23. Full Resident Survey Results

1. Do you currently live in Wellington?	Yes (97%)	No (3%)											
2. Do you own or rent your home?	<i>I rent my home or live in a home rented by another member of my household. (3%)</i>	<i>I own my home or live in a home owned by another member of my household. (95%)</i>	<i>Other (2%)</i>										
3. If you are currently renting your home, do you plan to buy a home in Wellington in the future?	<i>Yes, I plan to buy a home in Wellington within the next two years. (0%)</i>	<i>Yes, I plan to buy a home in Wellington within the next three to five years. (0%)</i>	<i>Yes, I plan to buy a home in Wellington at some point, but I am not sure when. (3%)</i>	<i>No, I plan to buy a home outside of Wellington. (4%)</i>	<i>No, I plan to continue to rent indefinitely, either in Wellington or elsewhere. (1%)</i>	<i>I do not currently rent a home. (92%)</i>							

4. Why do you choose to live in Wellington? (Check all that apply)	<i>I grew up here and consider Wellington home (3%)</i>	<i>To live near family or friends (11%)</i>	<i>To be close to work (9%)</i>	<i>Affordability of housing (23%)</i>	<i>Quality of housing (5%)</i>	<i>Access to job opportunities (1%)</i>	<i>Quality of schools (3%)</i>	<i>Low crime rate (13%)</i>	<i>Small town culture and aesthetic (24%)</i>	<i>Other (8%)</i>			
5. How long have you lived in your current housing?	<i>Less than one year (5%)</i>	<i>1 to 3 years (22%)</i>	<i>4 to 6 years (26%)</i>	<i>7 to 10 years (14%)</i>	<i>More than 10 years (33%)</i>								
6. How difficult was it for you to locate housing in Wellington?	<i>Very difficult (2%)</i>	<i>Difficult (11%)</i>	<i>Somewhat difficult (32%)</i>	<i>Not difficult at all (56%)</i>									
7. How satisfied are you with your current housing?	<i>Very satisfied (25%)</i>	<i>Satisfied (47%)</i>	<i>Neither satisfied nor dissatisfied (17%)</i>	<i>Dissatisfied (9%)</i>	<i>Very dissatisfied (2%)</i>								
8. How satisfied are you with the overall affordability and availability of housing in Wellington?	<i>Very satisfied (5%)</i>	<i>Satisfied (17%)</i>	<i>Neither satisfied nor dissatisfied (37%)</i>	<i>Dissatisfied (28%)</i>	<i>Very dissatisfied (13%)</i>								
9. How confident are you that you (or someone else in your household) will be able to cover your	<i>Very confident (60%)</i>	<i>Somewhat</i>	<i>Not so confident (9%)</i>	<i>Not at all confident (8%)</i>	<i>Don't know/does not</i>								

upcoming housing payment on time?		confident (17%)			apply to me (7%)								
10. Are housing costs a major source of stress in your life?	Yes (47%)	No (53%)											
11. Within the past year, have you limited your consumption of food, medicine, or other essential goods to help cover housing costs?	Yes (40%)	No (60%)											
12. Have housing costs significantly hindered your ability to do any of the following (Check all that apply)?	Pay off non-housing debt (e.g., credit cards or student loans) (14%)	Save for retirement (21%)	Save for emergencies (22%)	Pay for medical care (11%)	Pay for education (4%)	Pay for childcare (5%)	Pay for transportation (6%)	None of the above (17%)					
13. How important is it for Wellington to offer a wider variety of housing options?	Very important (36%)	Important (23%)	Somewhat important (13%)	Not important at all (28%)									
14. Which of the following housing types would you like to see Wellington prioritize going forward?	Apartments (10%)	Condos (10%)	Traditional single-family homes (24%)	Duplexes, triplexes, and (24%)	Senior living facilities (26%)	Tiny homes and manufactured/mobile (9%)	Other (9%)						

				town-homes (13%)		homes (7%)							
15. How concerned are you about homelessness in Wellington?	Very concerned (13%)	Con-cerned (19%)	Some-what con-cerned (27%)	Not at all con-cerned (41%)									
16. What do you see as Wellington's most pressing housing issues?	There is inade-quate senior housing. (12%)	Younger people cannot afford to buy homes. (22%)	Rent is unaf-fordable. (13%)	Homes are in poor condi-tion or too old. (1%)	Single-family homes are in short sup-ply. (3%)	There are not enough apart-ments. (3%)	More af-fordable town-homes and con-dos are needed for pur-chase. (4%)	Rising costs of util-ity ser-vices. (28%)	Afforda-ble homes are far from work, school, or retail centers. (5%)	Afforda-ble homes are in unsafe neigh-bor-hoods. (1%)	Housing discrimi-na-tion/fair housing (1%)	There are not currently any pressing issues. (1%)	Other (5%)
17. If a development plan provides af-fordable housing, should the Town help make the project more fi-nancially feasible by offering incen-tives or reduced fees for the devel-opment?	Strongly agree (13%)	Agree (22%)	Neither agree nor disa-gree (12%)	Disa-gree (13%)	Strongly disagreed (34%)	Don't know (6%)							
18. What is your age?	Under 18 (0%)	18-24 (1%)	25-34 (13%)	35-44 (33%)	45-54 (19%)	55-64 (16%)	65+ (17%)						
19. Within the past year, how much has your entire household earned in income?	Less than	\$25,000 to	\$50,000 to	\$75,000 to	\$100,000 to	\$150,000 to	\$200,000 or more (4%)	Not sure (11%)					

	\$25,000 (5%)	\$49,999 (11%)	\$74,999 (9%)	\$99,999 (21%)	\$149,999 (33%)	\$199,999 (8%)							
20. How many people live in your household (including you)?	One (13%)	Two (31%)	Three (19%)	Four (29%)	Five or more (9%)								
21. What is the highest level of education you have completed?	Less than high school (0%)	High school diploma or equivalent (8%)	Some college or associate's degree (25%)	Bachelor's degree (37%)	Graduate or professional degree (24%)	I'd rather not say (7%)							
22. What is your race?	White (79%)	Black (0%)	American Indian or Alaska Native (0%)	Asian (0%)	Native Hawaiian or Pacific Islander (0%)	Other (3%)	Two or more races (2%)	I'd rather not answer (16%)					
23. Are you Hispanic or Latino?	Yes (4%)	No (80%)	I'd rather not say (14%)										
24. Thank you for taking the time to share your feedback. If you have any additional comments about housing in Wellington, please provide them below.	Open-ended responses												

Glossary

Area Median Income: The midpoint of household incomes for a specific geographic area, indexed to a household size of four. In this case, the Fort Collins MSA is the geographic area of interest. FY 2024 AMI was \$118,800.

Condo: A type of multifamily residential property where an individual owns the interior of their specific unit, but the land and exterior structure are jointly owned with other unit owners in the development.

Cost-Burdened Households: Households that spend at least 30% of household income on total housing costs. For renters, total costs include contract rent and utilities; for homeowners, they include the mortgage, property taxes, homeowner's insurance, utilities and related expenses, and other fees.

Duplex: A residential building that contains two separate housing units within a single structure. The units typically share a common wall, floor, or ceiling but have separate entrances and living facilities.

Family Household: A household in which at least one person is related by birth, marriage, or adoption to the householder.

Household: The people who occupy a housing unit as their usual place of residence. A community's number of households equals its number of occupied housing units. People who do not reside in housing units, such as those in group quarters, are not considered part of a household. Nonresidential units and groups quarters are excluded.

Housing Unit: A house, apartment, mobile home, group of room, or a single room that is occupied as separate living quarters or intended for occupancy as separate living quarters.

Latent Household: A group of individuals or family unit that has the potential to form a separate household but is currently unable to due to housing affordability and availability constraints.

Median Household Income: The midpoint of household incomes for a specific geographic area. For Wellington, the most recent estimate of median household income is \$101,259.

Months of Supply: The number of months it would take to sell all the homes currently available on the market, given the current pace of sales, if no new homes were listed. This metric helps assess whether the market favors buyers or sellers.

Townhome/Townhouse: A single-family attached dwelling in which the owner owns both the interior and exterior of their unit, as well as the land beneath it. Townhomes are often constructed in rows, sharing walls with adjacent units.

Triplex: A residential building that contains three separate housing units within a single structure. The units typically share a common wall, floor, or ceiling but have separate entrances and living facilities.