

# Nobody's home free:



## **A closer look at Colorado's housing crisis.**

We all need to be educated about the high cost of housing in our state. Let's work together for affordable solutions that boost our economy, while keeping our residents safe and thriving.

**Here is your guide to the issue.**

**[LiveAffordablyColorado.org](https://LiveAffordablyColorado.org)**

# A pricey place to live.

Colorado is one of the fastest growing states in the nation, with housing costs growing out of reach for more and more families. Since 2011, Denver metro rents are up 46% and housing prices are up 49%, while average wages have only increased 11%.<sup>1</sup> The effects of Colorado's tight rental market are not limited to low-income households. In 2015, a Denver Metro two-person household earning 60% area median income could afford the median market-rate for a two-bedroom apartment. By 2017, these households could not afford the median market-rate rent and would not qualify for low-income housing.<sup>2</sup>



A household must earn at least \$49,780 annually in order to afford an average Colorado two-bedroom apartment at fair market rent and associated utilities without paying more than 30% of income on housing.<sup>3</sup> That's higher than the average wages in Colorado for teachers, mechanics, social workers, and paramedics.<sup>4</sup>

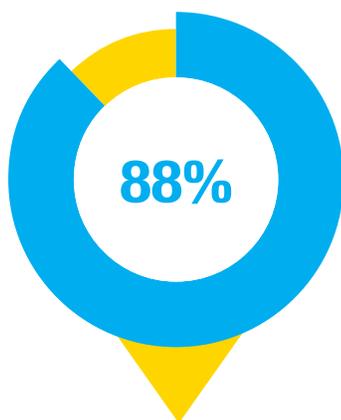
<sup>1</sup> Housing Unaffordability. Shift Research. 2018

<sup>2</sup> CO State LIHTC Year End Report 2017. Colorado Housing and Finance Authority.

<sup>3</sup> Out of Reach: 2018 Colorado. National Low Income Housing Coalition.

<sup>4</sup> May 2016 State Occupational Employment and Wage Estimates Colorado. Bureau of Labor Statistics

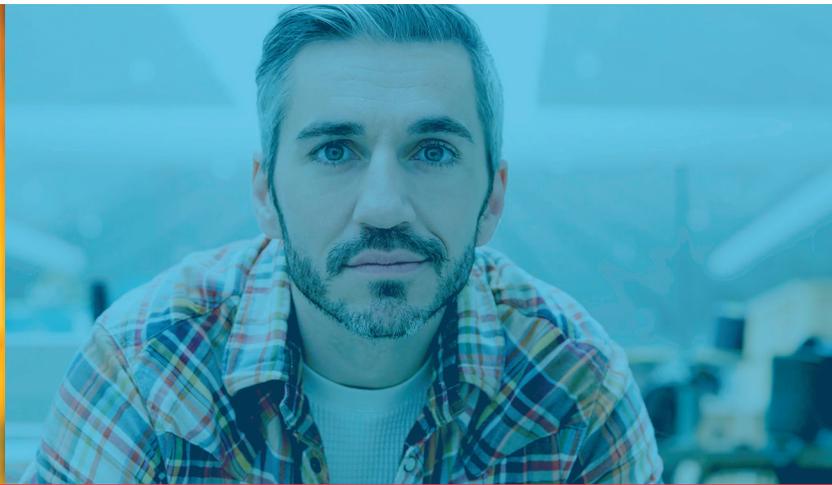
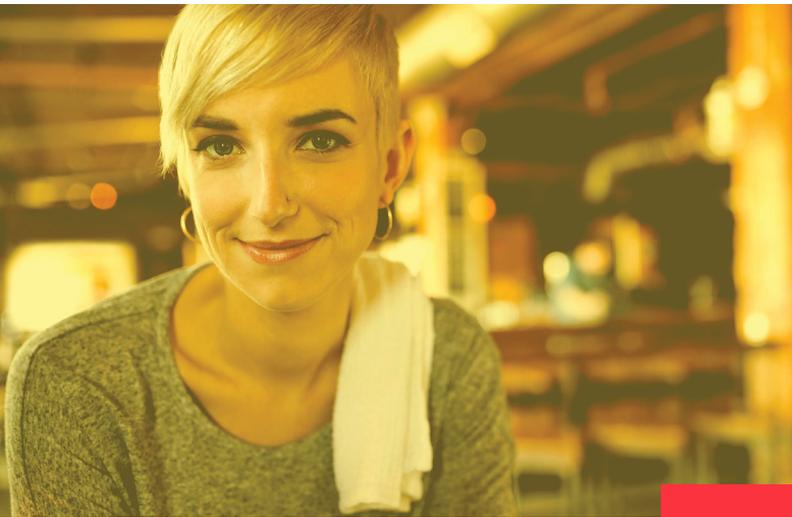
# The gap continues to grow.



By 2028, Colorado's population is projected to reach 6,697,517, up roughly one million from today's population.<sup>5</sup> Demand for housing has outstripped supply for nearly a decade, a trend that is forecast to persist despite record levels of building permits.<sup>6</sup> Unlike other states, Colorado lacks a dedicated and permanent source of funding for affordable housing. Two of the most important federal funding sources for affordable housing, HOME and Community Development Block Grant (CDBG) programs, have been cut in half since 2000.<sup>7</sup> In 2017, requests for the federal 9 percent Low Income Housing Tax Credits outpaced availability by 2.3 to 1.<sup>8</sup>

## < \$45,000

THE COLORADO DEPARTMENT OF LABOR ESTIMATES THAT 88% OF THE JOBS CREATED IN COLORADO OVER THE NEXT 10 YEARS WILL HAVE CURRENT STARTING SALARIES UNDER \$45,000.<sup>9</sup>



## Proposed and existing state policies.

While Colorado has taken steps to address the affordable housing crisis through the Affordable Housing Tax Credit and the Housing Development Grant, additional policy and funding is needed to meet the demand for affordable housing. Particularly, Colorado lacks what the majority of other states have: a dedicated affordable housing funding source.

### **Proposed: Dedicated Funding Source**

Colorado desperately needs a permanent dedicated state funding source for affordable housing. Continued federal funding is unreliable, and the needs will continue to strain the state's limited revenue. Many strategies have been used in other states, such as accessing a portion of the Unclaimed Property Fund or establishing a modest documentary fee on real estate transactions.

### **Existing: Affordable Housing Tax Credit & Housing Development Grant (HDG)**

In the 2018 legislative session, the Affordable Housing Tax Credit was extended until 2024. In 2017, this state tax credit generated a return of more than \$17 in private investment and economic activity for every \$1 of state investment. The HDG line item within the Department of Local Affairs (DOLA) budget is the only source for affordable housing development grants in the state. The Division of Housing awarded more than \$7.95 million of HDG funds from the FY15-16 appropriation, resulting in 15 new housing construction and rehabilitation projects and three additional housing programs.

<sup>5</sup> CO State Demography Office

<sup>6</sup> Housing Unaffordability. Shift Research. 2018

<sup>7</sup> Block-Granting Low-Income Programs Leads to Large Funding Declines Over Time, History Shows. February 2017. Center on Budget and Policy Priorities.

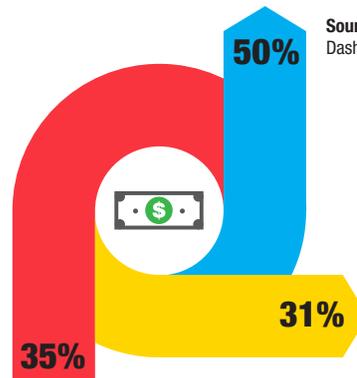
# Who's affected?

Colorado's housing affordability crisis affects us all. Our marginalized communities – seniors, disabled citizens, and veterans, among others – feel this crisis acutely. But no one is immune; teachers, first responders, and many college-educated workers struggle to afford housing as well.



**One out of every four renters in Colorado pay more than 50% of their income on housing**

Source: Enterprise Housing Insecurity Dashboard [housinginsecurity.org](http://housinginsecurity.org)



**One out of every three children in Colorado live in a household with a high cost burden, spending more than 31% of their income on housing.**

Source: Annie E Casey Foundation, Kids Count Data Center 2016



**Of Colorado's households who are paying over half their income toward rent, 35% are elderly or disabled.**

Source: CBPP Federal Rent Assistance CO Fact Sheet, 2017

<sup>8</sup> CO State LIHTC Year End Report 2017. Colorado Housing and Finance Authority.  
<sup>9</sup> Colorado Office of Labor Market Information  
<sup>10</sup> Shift Research. Housing Unaffordability. 2017

# Affordable housing boosts our economy.

Housing plays an important role in the success of our state's economy for ALL citizens. Continued development of affordable housing stimulates the economy through increased local income, tax revenues, and job creation. Colorado cost-burdened households earning less than \$50,000 annually account for \$2 billion less spending each year on consumer goods.<sup>10</sup>

## What's the state and local economic impact of building and rehabilitating affordable housing during one year?

**economic impact**

In 2017, the construction, rehabilitation, and management of affordable housing programs together with the provision of housing vouchers created:

**11,687**  
FULL AND PART-TIME JOBS

**\$510.7M**  
EARNINGS FOR COLORADANS

Additionally, affordable housing programs (construction, rehabilitation, management and housing vouchers) contributed

**\$971.4M**  
IN ECONOMIC ACTIVITY IN COLORADO

Source:  
Shift Research Lab in partnership with Phyllis Resnick, PhD

# You can make an impact.

## Three key ways you can make an impact on housing issues:

- ✓ Educate yourself. Learn more about housing in Colorado at [LiveAffordablyColorado.org](https://LiveAffordablyColorado.org) and [HousingColorado.org](https://HousingColorado.org).
- ✓ Get to know your community's housing economy. Meet with your local housing providers and supportive services agencies that serve residents. If you need help, contact Housing Colorado for a list of providers in your area.
- ✓ Support proposals that promote the development and preservation of long-term, reliable affordable housing that meets your community's needs.

## Who is Housing Colorado?

Housing Colorado is an industry resource for all aspects of affordable housing including: professional advocacy, issue expertise, and networking opportunities. We are the statewide membership association representing the affordable housing industry.

Housing Colorado's mission is to be a unified voice promoting the preservation and production of quality affordable housing for low- and moderate- income Coloradans through statewide education and advocacy to build a strong economy and healthy communities.

**For more information about the issues, please visit [liveaffordablycolorado.org](https://liveaffordablycolorado.org).**

**For more information about Housing Colorado and how to contact us, please visit [housingcolorado.org](https://housingcolorado.org).**