



Affordable Housing Crisis in Colorado

HB XXXX Fact Sheet -- draft 3/26/19

Owning or renting a home is out of reach for many

- Since 2011 housing costs have risen by more than 40% while wages have risen by just 11%.
- Average HUD calculated Fair Market Rent for a two-bedroom apartment in the Front Range metropolitan areas is just under \$1,500/month. A household **must earn over \$60,000 annually** or almost \$30/hour to afford this rent. The estimated average wage for a renter is \$17.59/hour.
- Outside the metropolitan area, the average rent for a two-bedroom apartment is \$976/month. To make this affordable, a household **must earn an hourly wage of \$18.77/hour (or \$40,000 annually)**. The estimated average wage for a renter in non-metro areas of the state is about \$13/hour—well below the hourly wage needed to afford the rent on a two-bedroom apartment.

The market is not building homes that are affordable to many Coloradans

- As of the most recent HUD data, **275,000 Colorado households were spending more than half their income** on their mortgage or rent. This includes over 162,000 renters.
- Over **6000 households on the Eastern Plains, 9000 households in the Central Mountains and 32,000 on the Western Slope** are weighed down by the cost of housing.

Percent of Colorado renters and home owners spending 50% or more of income on housing by region

	Front Range	Eastern Plains	Central Mountains	Western Slope
Less than 30% AMI	67%	55%	54%	62%
31% to 50% AMI	33%	17%	26%	36%
51% to 80% AMI	12%	6%	9%	16%
81% to 100% AMI	4%	3%	3%	7%

Source: HUD CHAS data based on 2010-2014 American Community Survey

Healthy Economy Requires a Healthy Housing Market

- **Thriving communities have a range of housing options for people across the income spectrum.** These communities are more appealing to businesses looking to relocate and to families looking to put down roots. Home construction provides an economic boost for communities.
- **More affordable housing options in rural Colorado would help attract teachers and health care professionals.**

- **Affordable housing supports the larger economy.** If housing were more affordable for the thousands of Coloradans paying more than 30 percent of their income on housing, there would be a \$2 billion boost in spending on food, clothing, health care, recreation and other household expenditures. This spending could support local businesses and contribute \$89 million in additional sales tax for important public services.

Housing that is Affordable Provides a Platform for Long-Term Stability

- **Reduces housing instability, and homelessness** - - Families that can afford their housing costs are more stable, their children do better in school, and they can save for emergencies, education and retirement.
- **Reduces poverty and the impact of poverty on children** - - Reducing the rent burden in low-income families frees up more resources for children and results in better outcomes.
- **Reduces health care and other public services costs** - - The provision of affordable housing decreases Medicaid expenditures and use of emergency services and increases use of primary care to improve health. The health impacts of stabilizing housing also improve mental health.

Proposal to Increase Funding for Affordable Housing

- The bill appropriates a portion of the unused funds in Colorado's Unclaimed Property Trust Fund **while protecting the 20-year claims reserve**. The bill ensures **all claims** will always be paid and there would always be an **excess** reserve cushion.
- **\$40 million per year** or one-half of the excess balance in the fund would be appropriated to the Division of Housing for a wide range of housing needs.
- HB19-XXX reflects discussions of a **broad group of stakeholders from urban and rural areas** convened by Democrats and Republicans in the House and Senate that identified the needs in their communities
- The funds would support grants and loans for the following purposes:
 - Homeownership for households with income up to 120% of the area median income;
 - Home modification and rehabilitation;
 - Mobile home repair and replacement;
 - Land and infrastructure costs to support affordable rental and/or ownership workforce housing developments; and
 - Funding for the development, acquisition, and rehabilitation of affordable rental housing.
- Rental assistance programs that benefit the following populations:
 - Homeless families with school-age children;
 - Medicaid clients in nursing homes who can live in their communities with in-home services;
 - Family unification and related programs that support a two-generation solution to intergenerational poverty;
 - Homeless veterans;
 - Low-income households with an annual income at or below 60% of the area median income;
 - Survivors of domestic violence.