

# REIMAGINING HOUSING SOLUTIONS

EQUIPPING COLORADO'S LOCAL LEADERS TO ADDRESS HOUSING DEMANDS

Session 1: March 4, 2022



Housing Markets in 2022

# Agenda

**12:00 — Welcome and Program Overview**

Sara Monge, Colorado Health Foundation

**12:10 — Introduce Yourself in the Chat**

**12:15 — Housing Markets Overview**

Jenn Lopez, Project Moxie

**12:25 — Housing at the Federal Level**

Mike Washington, Senator Bennet's Office

**12:45 — Colorado Housing Markets, Resources & Strategies**

Jonathan Cappelli, Neighborhood Development Collaborative & Cappelli Consulting

**1:05 — Communities Most Impacted by Housing Market Shifts**

Cesiah Guadarrama, 9to5 Colorado

**1:35 — Q&A and Panel Discussion**



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# Series Overview

**March 4** — *Housing Markets in 2022*

**April 1** — *Developing Community Housing Strategies*

**May 6** — *The Role of Housing Policy and Land Use in Housing Strategy*

**June 3** — *Housing Stability and Preventing/Addressing Homelessness*

**July 8** — *Public Will Building and Innovative Public/Private Partnerships*

**August 5** — *Building and Preserving Inventory*





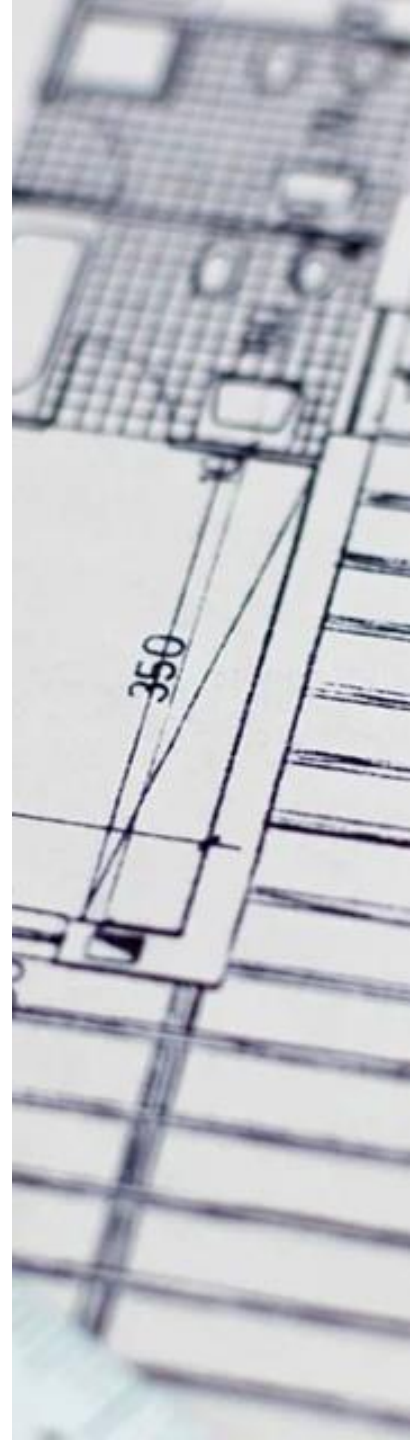
# Program Logistics & Housekeeping

Attend all sessions in the series if possible:

**March 4, April 1, May 6, June 3, July 8, August 5**

12:00pm to 2:00pm MT via Zoom

- If you registered, you'll receive an invitation email from Zoom for the April session sometime next week. This link will allow you to add the session to your calendar.
- Each session will be recorded and posted on the Colorado Health Foundation website, and will be shared in a follow-up email.
- **Submit questions using the Q&A function.** These will be answered throughout the session, and some will be flagged for the end of the session to answered live by our panel.



**We are bringing health in reach for all Coloradans by engaging closely with communities across the state through investing, policy advocacy, learning and capacity building.**



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# Advocacy Priority

## Supporting Advocates

Integrate our funding and other types of support for other organizations advocating for health equity

## Leveraging the Foundation's Voice

Focus how we use the Foundation's own voice and influence to advocate for health equity

## Understanding Coloradans

Generate better insight into Coloradans' values, beliefs, and opinions that will be leveraged to create more impactful advocacy strategy and tactics



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# Zoom Polling

Let's take a few minutes to get a sense of the top housing concern in your community, and what you're most interested in learning more about in this webinar series.







**Jenn Lopez**  
President, Project Moxie

# Housing Markets Overview

# The National Housing Market in 2022

- **Economic outlook:** Incomes are projected to **increase by 3.3%** and with many employers looking to attract and retain talent without impacting costs, we expect workplace flexibility will continue.
- **Financial sector adjustments:** The Federal Reserve is expected to **raise interest rates a few times in 2022**, which means mortgage rates will likely rise. Both Redfin and Realtor.com predict the 30-year-fixed mortgage rate will reach 3.60%.
  - This means that despite high housing demand and insufficient housing supply, investors will be disincentivized from acting in the space (less money to be made from investing in housing, reduce churn).
- **Housing market response:** Zillow predicts **home values will rise by 11%** in 2022 — not as much growth as in 2021, but still substantial.

**Takeaway:** Housing affordability will remain a key issue as the nation's rental housing market tries to stabilize from lingering pandemic and housing stock issues. Supply chain delays and continued inflation will also impact every facet of the industry, from property managers to renters to owners.

# Colorado Housing Market in 2022

According to the Housing Task Force, we need **325,000 new homes** over the next few years alone to restore the market to a historic balance, yet Colorado has struggled in recent history to build more than 40,000 homes in a single year.

- The State is looking at historic levels of spending for housing and will likely only support 15,000 new units this year
- Federal and state funding is not enough
- Many communities are looking at how to create local resources for development and programs. Local communities also need to find places to build new housing or ensure support to repurpose existing commercial buildings

**Takeaway: We need bold, new, courageous strategies to address the significant need in our state and we need to start building now**

# What's Causing Demand Issues?

In short, **we have not kept up with market demand for years.**

Present day contributing factors include:

1. **COVID impacts** — we had an increase in demand in more rural areas as people “fled” cities to work remotely. In Durango, for example, we have less than 2 weeks of inventory. A balanced market is 6 months of inventory.
2. **Supply chain issues** — we can't get the materials to build, or the prices are inflated.
3. **Land inventory** — we don't have enough land with infrastructure at scale ready to go.
4. **Labor issues** — we don't have enough labor to build.
5. **Market mismatch** — The market builds to the market: if the demand is for high-end homes, that is what we get.
6. **Wages** — wage growth has significantly lagged behind rent and home price increases year over year.



# Market Forces: Investors

- Last year, investors bought **nearly one in seven homes** sold in America's top metropolitan areas, the most in at least two decades, according to the realty company Redfin
- Real estate investors can be large corporations, local companies or wealthy individuals, and they generally don't live in the properties they are buying
- Some look to flip homes to new buyers, while others rent them out
- Neighborhoods where a majority of residents are Black have been heavily targeted, according to a Washington Post analysis of Redfin data
- Last year, **30 percent of home sales in majority Black neighborhoods were to investors, compared with 12 percent in other ZIP codes**, The Washington Post's analysis shows





# Market Forces: Investors (Continued)

- A report from John Burns Real Estate Consulting estimates that **firms have invested about \$50 billion in single-family rentals** in the last couple of years. That includes purchasing existing homes and “build to rent” properties, said Dan Immergluck at Georgia State University.
- “They’re buying properties that are already laid out for development and building basically single-family rental subdivisions,” he said. (Market Watch)
- In January, there were just over 923,000 U.S. homes listed for sale on Zillow. **That’s down 40.5% from the pre-pandemic level** in January 2020, and down 19.5% from January 2021.
- Individual investors or second-home buyers, who make up many cash sales, bought 22% of homes. That was the largest share since October 2015 and was up from 15% a year ago. Investors are renovating, and either re-selling or renting the homes to take advantage of the hot housing market. All-cash sales made up 27% of transactions compared to 19% last January (Reuters)



# Other Major Challenges

- Nationally, **75% of residential land is zoned for single-family homes**, limiting the amount of new housing that can be built to one house per parcel, and often with additional requirements for yard size and parking
- Nationally, **governmental regulations are responsible for 23.8% of the cost of housing** on average, so streamlining red tape can help to significantly reduce prices (*Time*, Aug 2021)
- “It’s taking longer to build, and it’s costing more,” Dietz said. “Using the [Producer Price Index] inflation data, we build a basket of goods that are connected to residential construction, and right now, those prices are up about 19 percent year-over-year.”
- **Shortages of skilled labor persist.** Dietz said more than 400,000 jobs are open in the industry, on top of the fact that NAHB estimates the construction industry needs to add 740,000 workers a year to make up for retirements and the industry’s growth. (*Washington Post*, Jan 10, 2022)



# What is “affordable housing”?

Affordable housing means paying **no more than 30% of gross income** for rent/mortgage + utilities

**Regulated affordable housing** — what we commonly refer to as “affordable housing” are homes that have **income restrictions**. When the public sector invests in a housing unit, a **restrictive covenant** or **land use restriction agreement** is recorded. These limit the cost of the unit and who is eligible to rent or buy the home.

**Naturally occurring affordable housing (NOAH)** — this is market-rate housing that *happens* to be leased or sold affordably.



# More terms and definitions

## 1. “Workforce Housing”

Used often at the local level to define the need of the low-moderate income workforce. This includes those in the service, recreation, and often civil service sectors.

## 2. “Middle Income Housing”

Used to indicate affordability for white collar households.

## 3. “Community Housing”

Used to indicate affordability for low to moderate income households with an emphasis on local residents.

## 4. “Attainable Housing”

Used interchangeably with the categories to the left and above depending on context. Usually not used to refer to very low income housing.

## Below-Market Housing

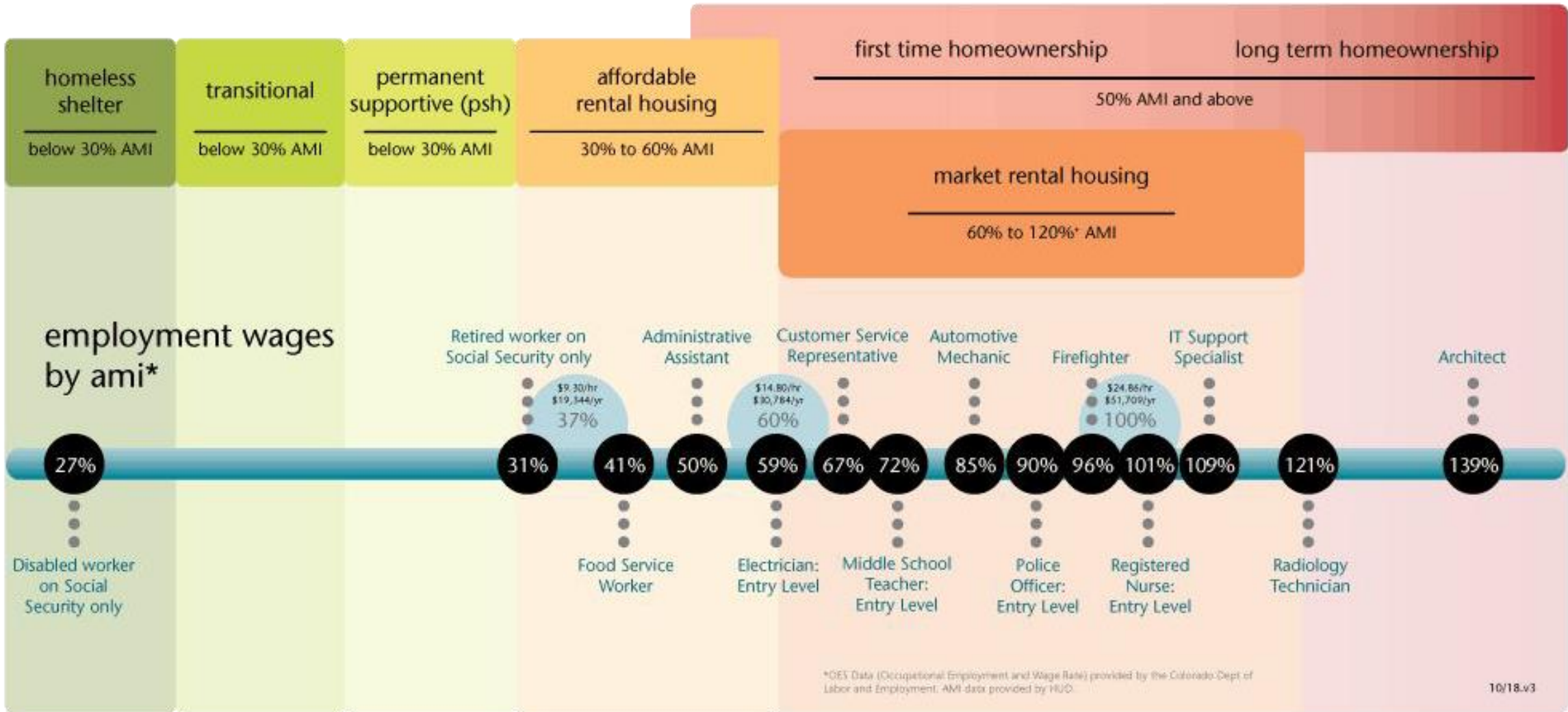
Housing at affordability levels that the market currently does not provide on its own.

We prefer this term because it eliminates the ambiguity or preconceived notions sometimes elicited by the categories to the left.

**Example:** many very low income households work, some moderate income households don't work, and none of the categories to the right explicitly name seniors adults.



# Below Market Housing By Tenure & Type







**Mike Washington**  
Office of U.S. Senator Michael F. Bennet

# Housing at the Federal Level

**BENNET/HICKENLOOPER  
HOUSING AFFORDABILITY GROUP  
FRAMEWORK OVERVIEW**

JANUARY 2022

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# The Strategy Group

## Co-Chairs:

Kelly Brough, Chief Strategy Officer, Metro State University

Jenn Lopez, President, Project Moxie

John Suthers, Mayor, Colorado Springs

## PARTICIPANTS

- Statewide Representation (Housing leaders from Western Slope, Mountains, Eastern Plains, Northern Colorado, San Luis Valley, Southern Colorado, and Denver Metro)
- Diversity of Backgrounds: Housing Authorities, Developers, Business Leaders, Health Care Leaders, Community Leaders, Homelessness Advocates, and more
- Bipartisan

# The Goal

- **Build a strategy that:**
  - **Built on the collaborative work already happening;**
  - **Covered the state;**
  - **Would mean progress on housing affordability; and**
  - **Could garner bipartisan support**

# 4 Prong Approach

- **Increase Supply** (Everyone—government, non-profit, for-profit at the table)
- **Update Our Policy Approach:** (Flexibility, Equity, Sustainability)
- **Housing Stability Through Prevention** (Support on the front end reduces instability in crisis)
- **Embrace Innovation:** (more efficient integration and scaling of new approaches to housing)



# Recommendation 1: Increase Supply

- **Bring more partners into the business of building new affordable and attainable housing:**
  - **Examples**
    - **New tax incentives targeted towards private-sector partners;;**
    - **New financing tools that are competitive in the market**
- **Put more public dollars to work for affordable and attainable housing:**
  - **Examples:**
    - **Increase funding for the programs that work (LIHTC)**
    - **Change programs to enable more dollars to go to work**
- **Pull more existing property into the affordable and attainable home market:**
  - **Examples:**
    - **Incentives for property owners who pull short-term rentals back into the long-term rental pool; and**
    - **Permit preference to the construction or retention of affordable housing as primary residences.**

# Recommendation 1: Increase Supply

- **Protect and bolster our “naturally occurring affordable housing” stock**
  - **Example:**
    - Targeted lending programs to help owners cap rents for existing apartment stock
- **Reduce the cost of housing construction and homeownership.**
  - **Land Example**
    - Expand opportunities to make land available below market value,
    - Transition more publicly owned land and buildings for development into housing
  - **Capital Example:**
    - Increase options to reduced-cost mortgage products (low interest, long repayment)
  - **Construction:**
    - Standardize building codes,
    - Expand construction workforce
- **Expediting the approval of affordable and attainable housing projects:**
  - **Examples:**
    - streamline zoning requirements

# Recommendation 2: Update Our Policy Approach

- **Simplify federal housing programs so that they are easy to access, to use, and to implement**
  - **Example:**
    - **Create a common regulatory framework to govern all of the different federal housing programs**
- **Allow local leaders more flexibility to respond to the housing needs in their communities:**
  - **Examples:**
    - **Create new program for housing that allows local control over eligibility criteria, payment standards, and lease terms;**
    - **Give more flexibility to specify limits on Area Median Income (AMI), Fair Market Rents (FMR)**

# Recommendation 2: Update Our Policy Approach

- **Work with BIPOC, low-income, and other historically marginalized communities to update housing programs so that we address historic discrimination and current inequity.**
  - **Examples:**
    - **Take a comprehensive look to uncover systemic issues and approaches that are supporting continued inequity in housing;**
    - **Address known issues.**
- **Make sure newly built or refurbished housing is sustainable:**
  - **Examples**
    - **Implementing incentives for new housing projects to include energy efficiency;**
    - **Support net-zero energy standards**

# Recommendation 3: Housing Stability Through Prevention

- **Create a pathway to housing stability for people in transition**
  - **Examples:**
    - Use navigators and new technology to prevent the transition into homelessness from institutionalized settings,
    - Align housing vouchers with funding for the supportive services
- **Build a system that helps families facing a housing stability emergency in a way that minimizes long-term consequences:**
  - **Examples:**
    - One-stop-shop for families facing a housing crisis ( legal services, applications for emergency rental assistance, and support for rehousing)
- **Create a national strategy targeted towards preventing unnecessary evictions:**
  - **Example:**
    - Collecting and publishing comprehensive data on evictions
    - Make sure tenants are aware of their rights and possible support



# Recommendation 3: Housing Stability Through Prevention

- Invest in programs aimed at keeping families in stable housing
  - Example:
    - Pair supportive services dollars with affordable housing development;
    - Allow for flexibility so that program dollars can be applied in a way that actually reflects a household's need
- Build stability for households over the long-term through expanding programs that support housing stability and the accumulation of wealth
  - Example:
    - Expand support for promising models to promote long-term affordability and wealth-building, such as community land trusts

# Recommendation 4: Embrace Innovation

**Our system needs to better support new innovation in affordable and workforce housing and better support bringing working models to scale.**

## **Examples:**

- **Create a pathway to support the research, development, piloting, and scaling of new approaches to affordable and attainable housing**
- **Provide grants that enable projects to address the whole continuum of need at once. Allow funding for those projects span the housing affordability spectrum**
- **Provide low-cost financing and other incentives to increase the energy efficient manufactured/modular/panelized housing industry in order to reduce unit costs and development timelines.**



**Jonathan Cappelli**  
Neighborhood Development Collaborative  
Cappelli Consulting

# CO Housing Markets, Resources & Strategies

# Overview

## **1. What is happening in CO towns and cities?**

- What things look like on the ground
- How cities and towns are responding

## **1. How we fund housing at the State Level**

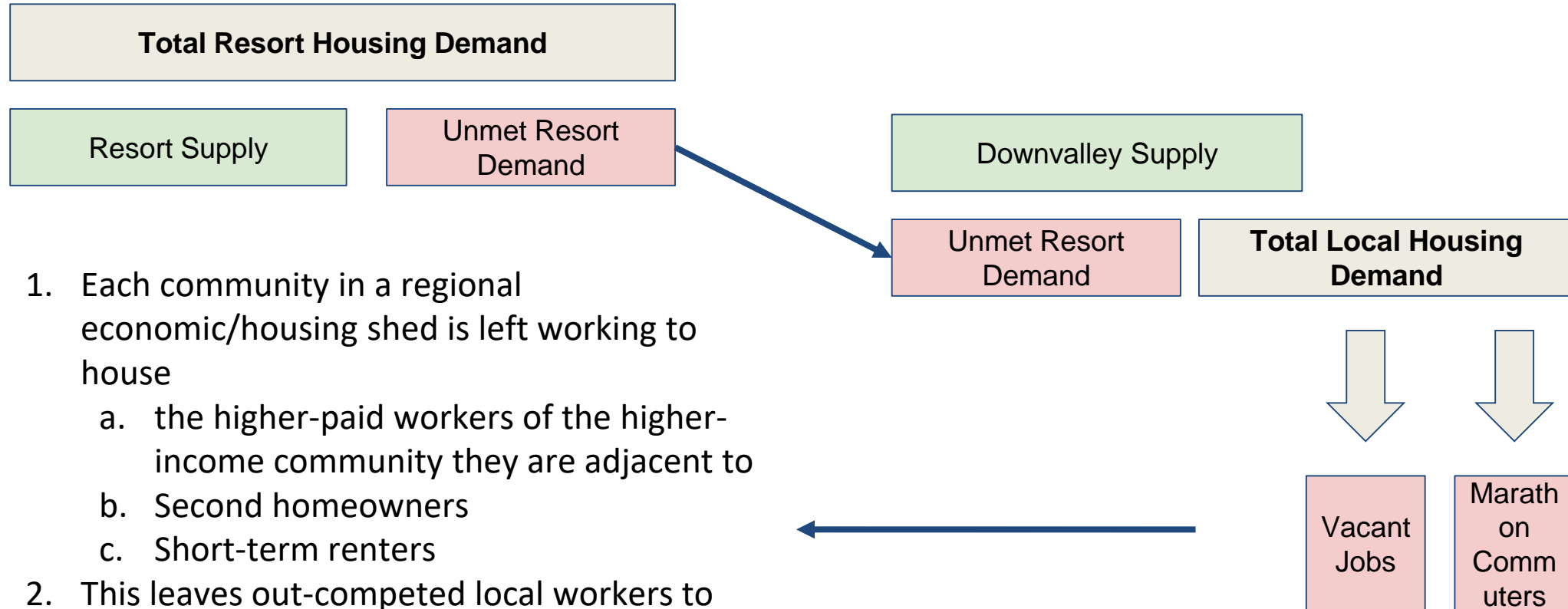
- State programs

## **1. 2022 Legislative Session & ARPA**

- Local ARPA Fund Use
- State ARPA Fund Earmarks (SLFR)

# What's Happening on the Ground

## - *Supply/Demand Cascade*



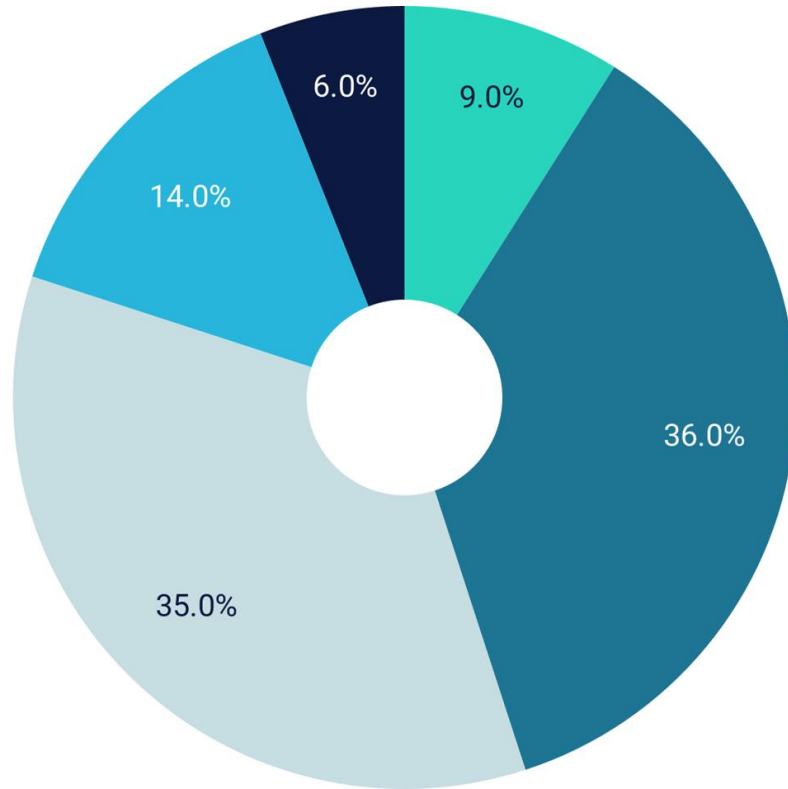
1. Each community in a regional economic/housing shed is left working to house
  - a. the higher-paid workers of the higher-income community they are adjacent to
  - b. Second homeowners
  - c. Short-term renters
2. This leaves out-competed local workers to move out of town to the county or a lower-income municipality... thus repeating the cascade



# What's Happening on the Ground

## *Sample Employer Survey of CO Town*

- The most critical problem in the City
- One of the more serious problems
- A moderate problem
- One of the City's lesser problems
- Not a problem



**Cities and Towns across the State are facing significant pain points:.**

- Insufficient workforce housing
- Unclear path forward to the creation of new housing
- Loss of existing housing stock to Short-Term Rentals, Second Homeowners, and Commuters

**What they are doing to address housing shortages**

- Resurrecting housing authorities (regional, other)
- Creating housing needs assessments and Action Plans
- Rezoning
- Enabling ADUs
- Requesting technical assistance

# How we Fund Housing at a State Level - *Sentiments/Initiatives on the Ground*

## Obstacles:

- Overarching Impediments
  - Funding gaps
  - Financing gaps
- Local Impediments
  - NIMBY
  - Infrastructure
  - Zoning
  - Construction Costs/Labor Shortages

# How we Fund Housing at the State Level

	Units	Housing Relief	PSH	Rental Vouchers	Rental Units	Sale DPA	Sale Units
<b>Housing Dev. &amp; Preservation Units</b>	2,427		457		1,970		
<b>Priv. Activity Bond Units</b>	212				212		
<b>New SF Homeownership Contracts</b>	51						51
<b>Pre-Existing SF Homeownership Contracts for Homes to be Build</b>	136						136
<b>New DPA Contracts</b>	51					51	
<b>Pre-Exist DPA Contracts (new units)</b>	38					38	
<b>New Housing Choice Vouchers</b>	800			800			
<b>New Emergency Housing Vouchers</b>	438	438					
<b>New Veteran VASH Vouchers</b>	200			200			
<b><i>Total HH</i></b>	<b>4,353</b>	<b>438</b>	<b>457</b>	<b>1000</b>	<b>2,182</b>	<b>89</b>	<b>187</b>
<b><i>Total % Households/Units by Program</i></b>	<b>100%</b>	<b>10%</b>	<b>10%</b>	<b>23%</b>	<b>50%</b>	<b>2%</b>	<b>4%</b>

# How we Fund Housing at the State Level

2020-2021 DOH Investments Along Housing Spectrum					
	Funding	Units	% of \$	% of Units	\$/Unit
Homeownership	\$ 4,946,137	285	11.3%	10.1%	\$17,355
Rental	\$ 28,335,409	1,968	64.8%	69.7%	\$14,398
PSH	\$ 3,626,234	335	8.3%	11.9%	\$10,825
Transitional	\$ 6,578,880	223	15.1%	7.9%	\$29,502
Shelter	\$ 223,826	11	0.5%	0.4%	\$20,348
<b>Total</b>	<b>\$ 43,710,486</b>	<b>2,822</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$15,489</b>

# How we Fund Housing at a State Level

## 2020-2021 DOH Investments/Production by Region

	<b>Funding</b>	<b>Units</b>	<b>% of \$</b>	<b>% of Units</b>	<b>\$/Unit</b>
Front Range	\$ 28,779,767	1830	66%	73.6%	\$15,727
Mountain Resort	\$ 5,144,500	215	12%	8.6%	\$23,928
Central Mountains	\$ 3,471,145	174	8%	7.0%	\$19,949
Western Slope	\$ 3,720,285	212	9%	8.5%	\$17,549
Eastern Plains	\$ 2,594,789	56	6%	2.3%	\$46,336
<b><i>TOTAL</i></b>	<b>\$ 43,710,486</b>	<b>2,487</b>	<b>100.00%</b>	<b>100.0%</b>	<b>\$17,576</b>



# How we Fund Housing at the State Level - *By Geography*

Figure 3: Development Project Awards by Location (Denver Metro)

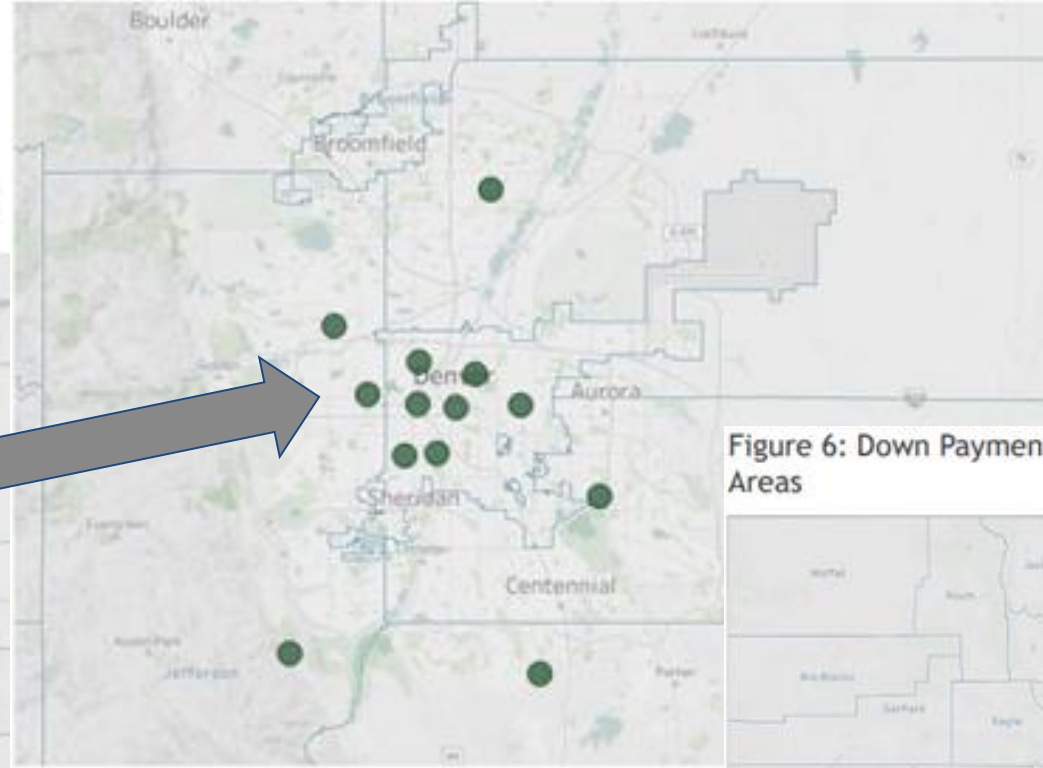


Figure 6: Down Payment Assistance Program Agency Service Areas

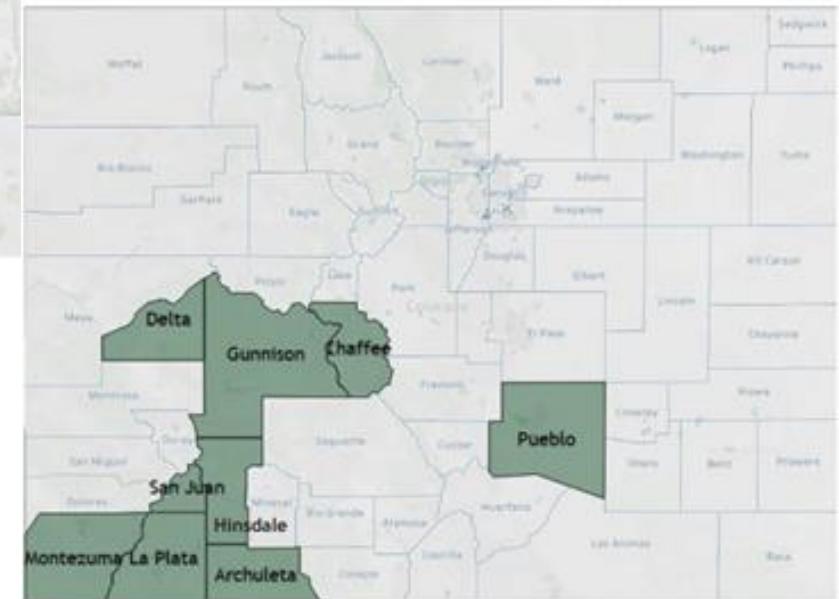
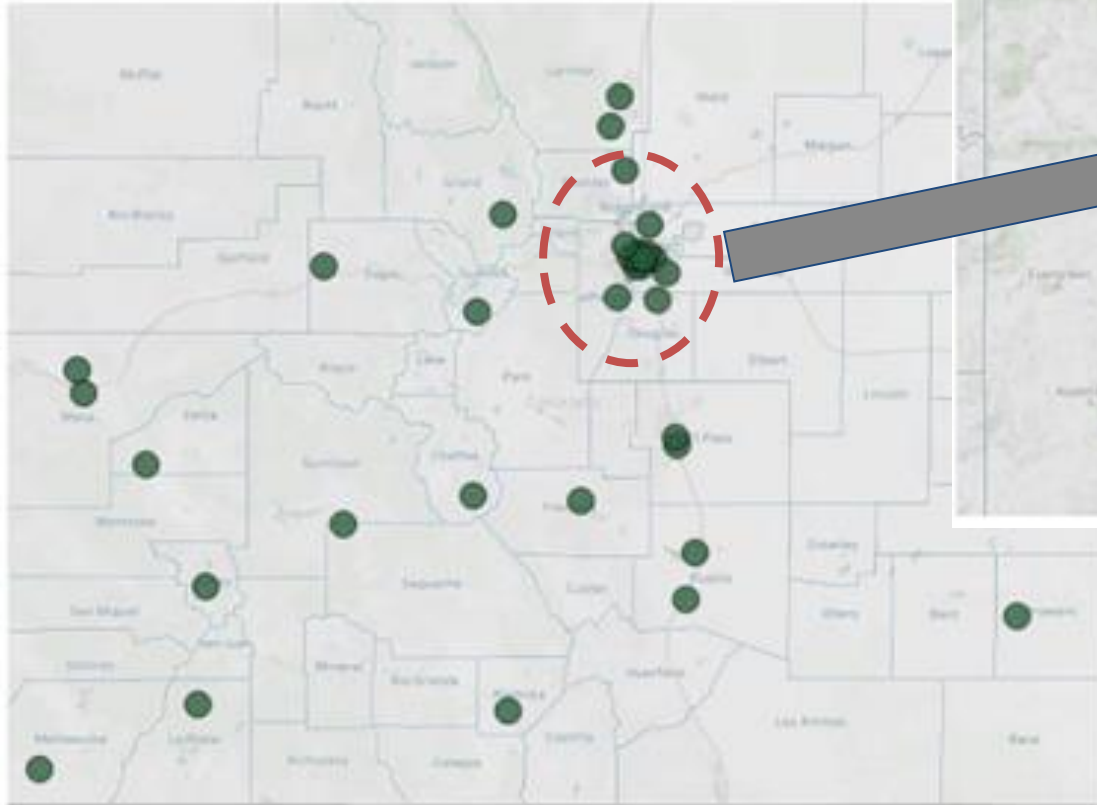
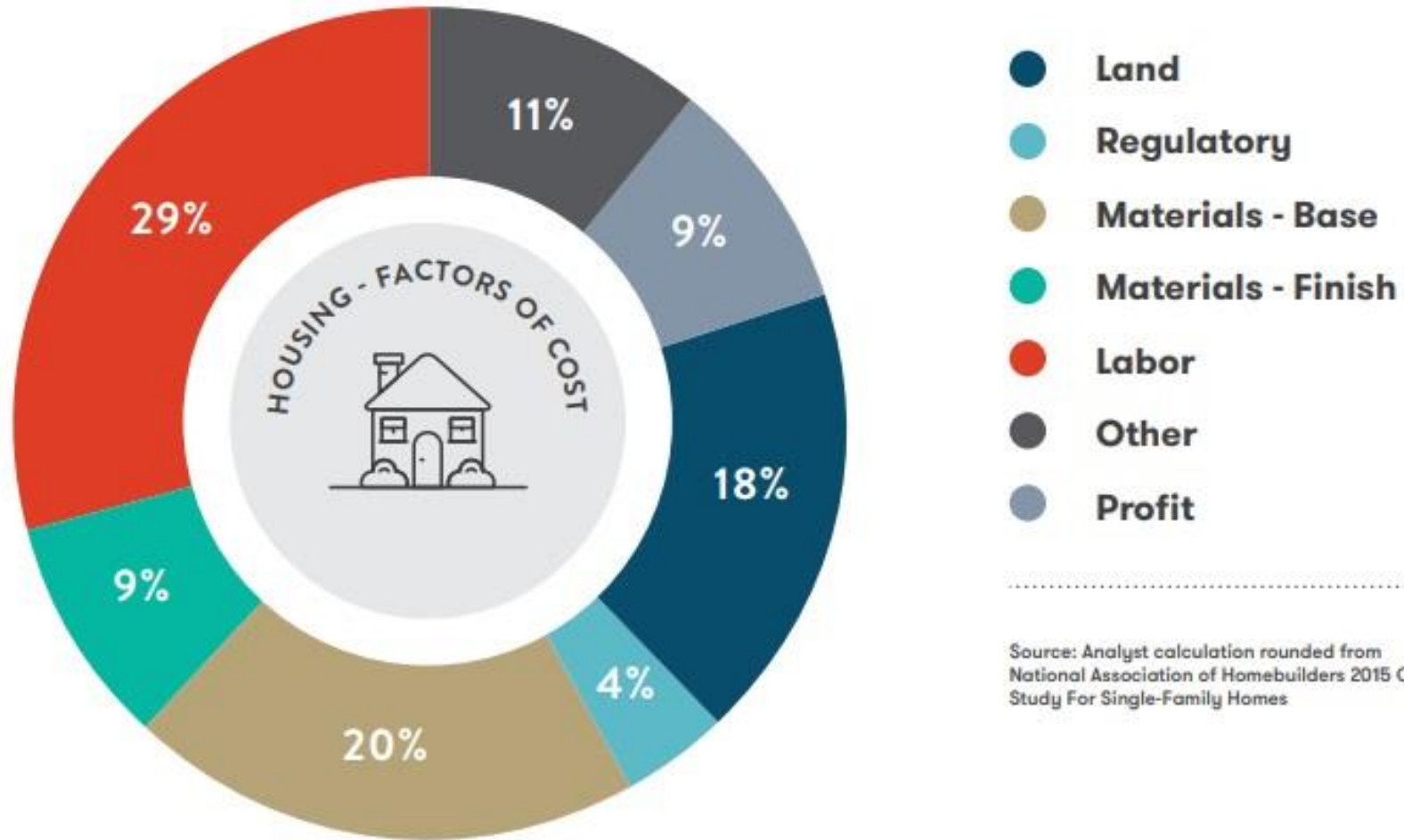


Figure 2: Development Project Awards by Location



# **How Federal, State, & Local funding Sources Come Together to Create Housing**

# How we Fund Housing at a State Level



Source: Analyst calculation rounded from National Association of Homebuilders 2015 Cost Study For Single-Family Homes

# How it is Funded: Example of how *Market-Rate Housing Construction Costs* are Covered

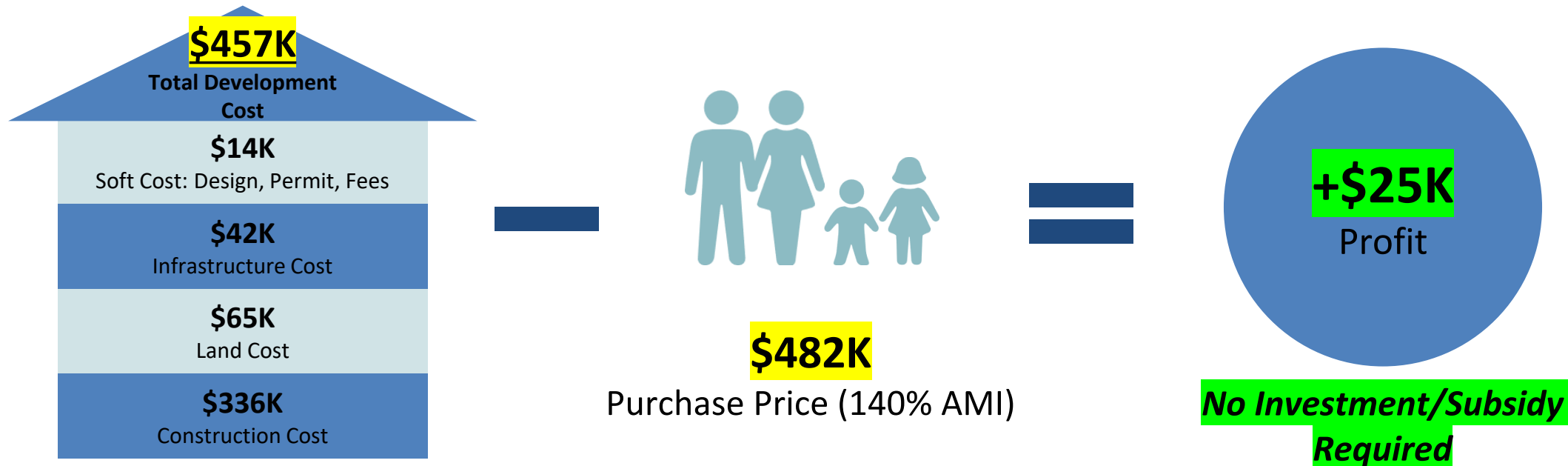
Sample Development B (*based on a real world example*)

Single Family ; 1600 sqft ; Market Rate

What it costs to build

Who we are trying to serve

Community Investment



# How it is Funded: Example of Implicit *Below Market Rate* Funding Gaps

## Sample Development A (based on a real world example)

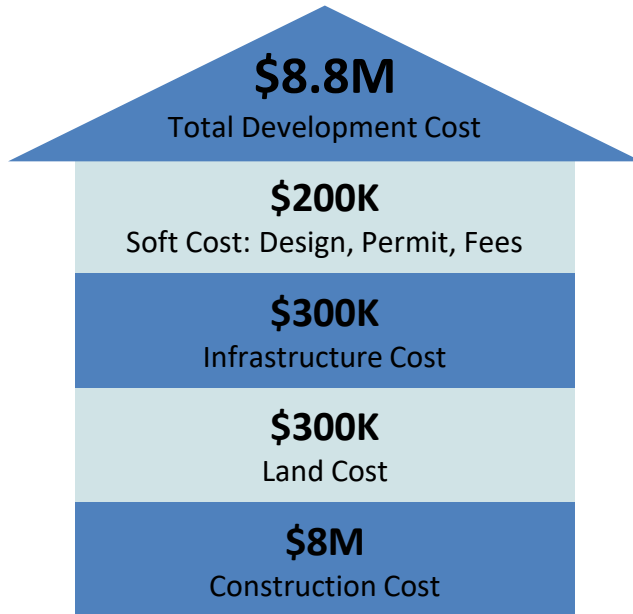
Multifamily; 45 units ; 2 bedrooms ; 1000 sqft

What it cost to build

Who its trying to serve

30% AMI

60% AMI



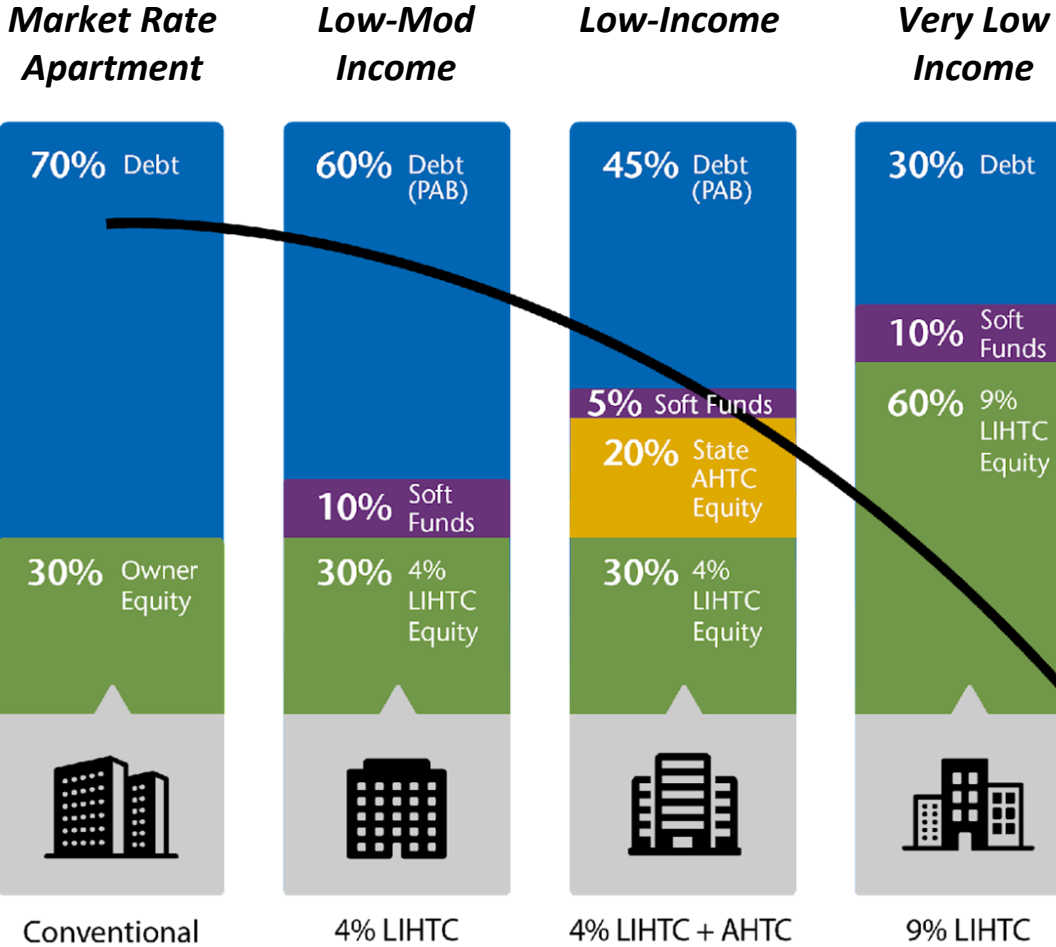
Monthly Rent	\$375	\$852
Total Annual Rent (Income)	\$202,000	\$460,000
Less Operating Costs	(\$150,000)	(\$150,000)
Net Operating Income (NOI)	\$52,000	\$310,000
Mortgage Size	\$250,000	\$1.2M
<b>Capital Gap (Equity Needs)</b>	<b>-\$8.5M</b>	<b>-\$7.6M</b>

# Multifamily Market Rate & Below Market Development Cost Side-By-Side

These charts show the percent of the total project cost a bank is willing to lend based on its affordability

The higher rents are, the more \$\$ traditional lenders are willing to lend

...and the more likely they have cash to cover any gaps



The less in traditional financing received ...

The greater the need for subsidy/alternative financing

rents

- The lower rent... the less money traditional lenders are willing to lend...
- ...But the greater the public/philanthropic subsidy potential



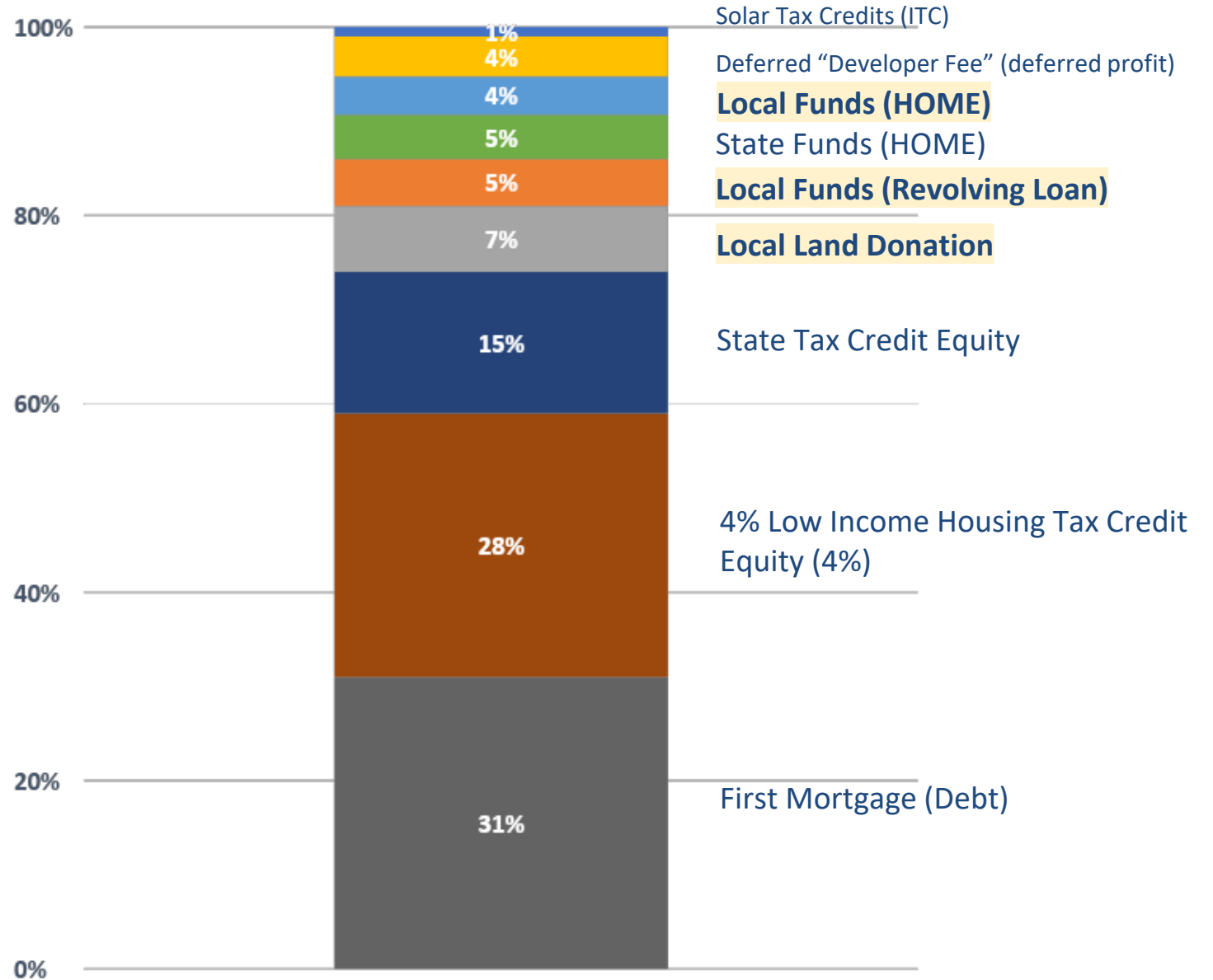
# Development Examples – How Housing Gets Built

## Sample 80 unit Multi Family Development

- 37% at 51%-60% AMI
- 15% at 41%-50% AMI
- 47% at 40% AMI and below



Total Development Cost: \$19,260,000



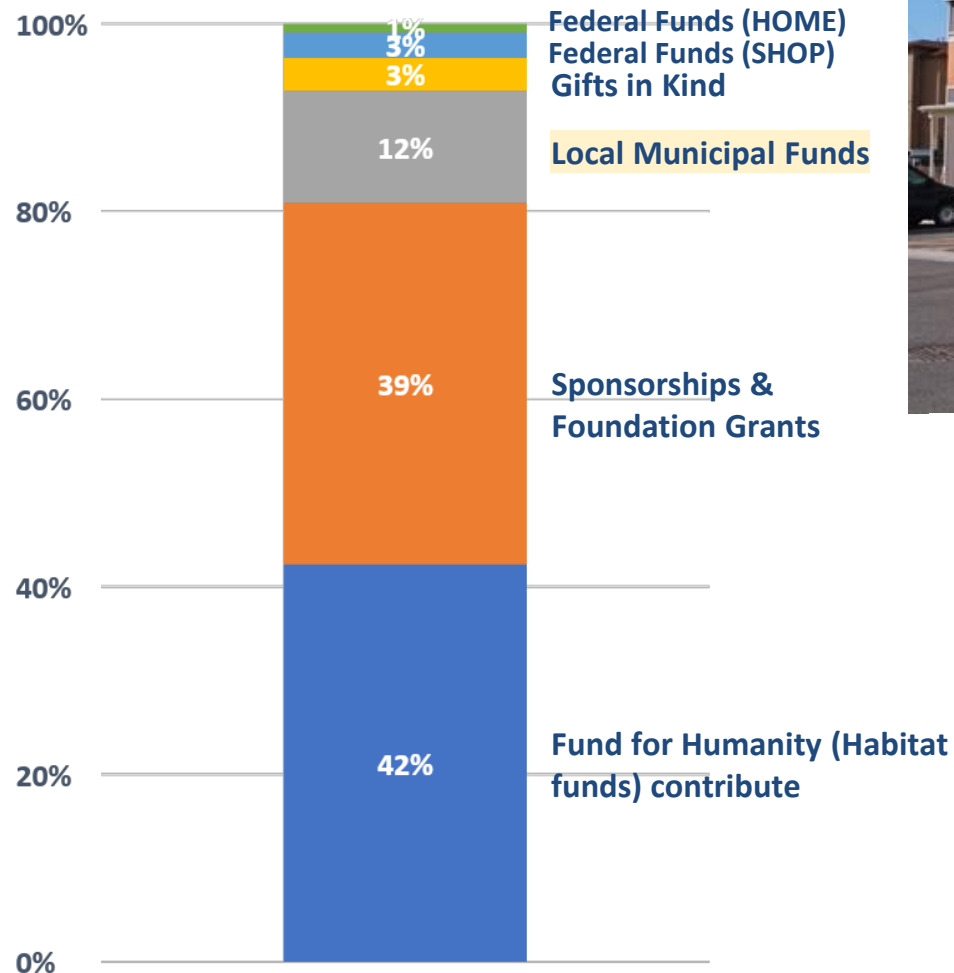
# Development Examples – How Housing Gets Built

## Habitat for Humanity of Metro Denver’s Sable Ridge Townhome Community

### Community

- Total Cost: **\$11.6M** (81% from private sources)
- Local Municipal Investment: **\$1.4M**
- Leverage: **1:8**

### Sable Ridge Funding Sources:



### Property Details:

- 51 Energy-Efficient Homes
- Affordable to 60% AMI and Below
- Access to employment centers & transit



- Heather has a full-time job in the City of Littleton’s finance department but could not find safe, affordable housing for her young family.
- Single mother, relies on her income and child-support payments (inconsistent)
- Previous apartment complex had mold and mildew, faulty appliances, pests, poor insulation, and rampant crime
- As a Habitat Homeowner, Heather’s mortgage payment is based on 30% of her income, which gives her the power to be self-reliant.

# State Housing Initiatives - *Legislative*

Bill Name & Sponsor	Description
<p><b><u><a href="#">HB22-1051 – Moderate Affordable Housing Tax Credit</a></u></b></p> <ul style="list-style-type: none"> <li>• <u><a href="#">House: Bird (D), Mckeen (R)</a></u></li> <li>• <u><a href="#">Senate: Zenzinger (D), Hisey (R)</a></u></li> </ul>	<ul style="list-style-type: none"> <li>• Increases # of state credits from \$10M to \$15M</li> <li>• Extends the credit from 2024 to 2034</li> </ul>
<p><b><u><a href="#">SB22-063 - Property Ownership Fairness Act</a></u></b></p> <ul style="list-style-type: none"> <li>• <u><a href="#">House: A. Pico (R)</a></u></li> <li>• <u><a href="#">Senate: L. Liston (R)</a></u></li> </ul>	<ul style="list-style-type: none"> <li>• Prohibits growth caps</li> <li>• Entitles a property owner to seek just compensation from a governmental entity that enacts a land use law reducing the right of a property owner to use, divide, sell, or possess their property and reducing the market value of property.</li> </ul>
<p><b><u><a href="#">HB22-1082 – Establish Fair Housing Unit Department of Law</a></u></b></p> <ul style="list-style-type: none"> <li>• <u><a href="#">House: Hooton (D)</a></u></li> </ul>	<ul style="list-style-type: none"> <li>• Allow the Attorney General to enforce Fair Housing laws (Anti-Trust Act of 1992; Consumer Protection Act; Unfair Practices Act; Immigrant Protection Act; Mobile Home Act; etc.</li> <li>• Creates a new “Fair Housing Unit” office at the State.</li> <li>• Enforce lease “notice to quit” requirements, Late Fees, etc</li> </ul>
<p><b><u><a href="#">HB22-1083 - Colorado Homeless Contribution Income Tax Credit</a></u></b></p> <ul style="list-style-type: none"> <li>• <u><a href="#">House: Tipper (D), Rich (R)</a></u></li> <li>• <u><a href="#">Senate: Gardner (R)</a></u></li> </ul>	<ul style="list-style-type: none"> <li>• Creates a CO Homeless Contribution Income Tax Credit for contributions to enterprise zone administrators to promote temp, transitional, emergency, or PSH.</li> <li>• Direct contributions to nonprofit organizations working in the sphere may also qualify - Administered by DOH</li> </ul>
<p><b><u><a href="#">HB22-1102 - Veterans and Military Status in Fair Housing</a></u></b></p> <ul style="list-style-type: none"> <li>• <u><a href="#">House: Sullivan (D), Ortiz (D)</a></u></li> <li>• <u><a href="#">Senate: Gardner (R)</a></u></li> </ul>	<ul style="list-style-type: none"> <li>• Creates “protected class” status for veterans to prevent housing discrimination</li> </ul>

# State Housing Initiatives - *ARPA Full-Picture*

**Total Colorado ARPA Funds - \$5.7B**

## ***State Discretionary ARPA Funds (SLFR)***

- Total: \$3.8B
- Housing Earmarked: \$400M

## ***Local Municipalities & Counties ARPA Funds***

- \$1.1 billion for counties
- \$551 million for metropolitan cities
- \$265 million for small towns/cities
- Housing Earmarked: Unknown

# State Housing Initiatives - *State ARPA (SLFR)*

	% of Funds	Funding	Est. # of Units Developed @\$25k/unit [likely double counting]
Revolving Loan Fund: New and Existing Capacity	38%	\$150,000,000	6,000
Nonprofit and Local Government Grants	38%	\$150,000,000	6,000
Innovative Housing Incentive Program	10%	\$40,000,000	?
Resident Owned Communities, Mobile Home Parks, and Land-Banking	9%	\$35,000,000	?
CHFA Middle Income Access Program	6%	\$25,000,000	1,000
<i>Property Conversion for Transitional or Long-Term Housing</i>	0%	\$0	0
<i>Permanent Supportive Housing and Supportive Services Fund</i>	0%	\$0	0
<b>TOTAL</b>	<b>100%</b>	<b>\$400,000,000</b>	<b>N/A</b>
<b>TOTAL DEVELOPMENT</b>	<b>73%</b>	<b>\$300,000,000</b>	<b>13,000</b>

# State Housing Initiatives - *ARPA Funds for Local Jurisdictions*

## Total Local ARPA Allocation

- **\$816M** in funding to local municipalities + **\$1.1B** for counties
- Funds are for a variety of uses - and there was an ***initial lack of clarity*** surrounding its potential use for affordable housing

## ARPA “Final Rule” on Using Funds for Affordable Housing

- “...*meet local needs, including providing emergency rental assistance, addressing the housing and health needs of people experiencing homelessness, and building and preserving **affordable housing** in impacted communities.*”
- “... *recipients can use funds for capital expenditures ... recipients may build certain **affordable housing**, childcare facilities, schools, hospitals, and other projects consistent with final rule requirements.*”
- “... *the final rule presumes that some populations and groups [low-mod income] were impacted or disproportionately impacted and are eligible ...*”

# Summary Takeaways

## Current State of Housing

- CO needs **30k** units per year to close its **300k** gap in 10y
- Existing development is **2.5k** units per year—some **8.5%** of the 30k need per year.
- Remaining gap: **27.5k** units

## Current Opportunities

- SLFR State funds may help increase output by **3,250** per year (further analysis needed) – a total of **13k** over 4y
- Local use of ARPA funds may increase above number
- If passed, State AHTC will increase production by **250** units/y
- If passed, Homelessness Tax Credit will also increase production

## Opportunity-Mitigating Factors

- Lots of double counting
- Certain communities will receive funding but will not be able to deploy effectively because of land use/regulatory impediments
- For communities with a sufficiently pro-housing landscape, state funding will need local support (funding matches, land) to fully close the gap and produce housing.
- Homeownership is underfunded

## Summary

- Current efforts *may* increase housing by **3,500** (SLFR + AHTC) if local land use policy is aligned for a total of **6-7k/y**—reducing statewide gap to **22-23k** units
- To maximize benefits from these opportunities, communities will need the following to succeed:
  - Local regulatory alignment w/housing goals*
  - Local commitment of ARPA and other funds*
  - Technical assistance to act on opportunities*
  - Additional funding for services and gap-closing*





**Cesiah Guadarrama**

Associate State Director, 9to5 Colorado

# Communities Most Impacted by Housing Market Shifts



# Those Most Impacted

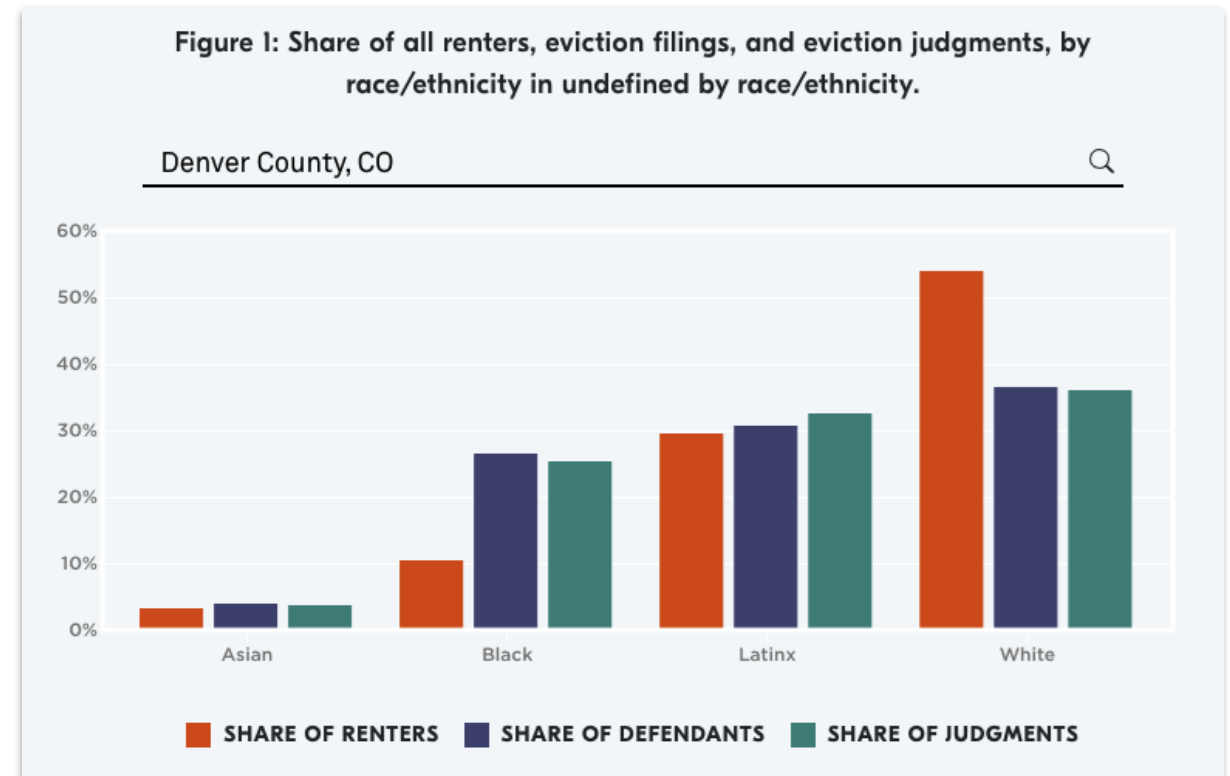
Colorado Homeownership Rates, by Race or Ethnicity

	1990	2000	2010	2020	2030	2040
Total	62.3%	67.3%	65.5%	66.5%	66.3%	65.9%
White	65.1%	71.2%	70.4%	71.8%	71.8%	71.3%
Black	37.2%	46.3%	41.2%	37.2%	36.0%	35.7%
Hispanic	51.1%	52.8%	49.6%	52.9%	55.0%	57.5%
Other	47.6%	52.9%	54.9%	57.8%	56.8%	55.2%

- White Coloradans are far more likely to **own a home** than nonwhite Coloradans, according to data from the Urban Institute.
- **The wealth of the average Black American is just 10 cents on the dollar compared to the wealth of the average white American**—in part because public and private-sector policies have historically promoted white homeownership while excluding people of color and extracting wealth from their communities
- Colorado nonprofit Gary Community Ventures reports that ninety-three percent of Black families that have the credit score and income to qualify for a home loan do not move on to purchase a home because they lack the cash needed for their down payment
- Across all data sources, there is an **overrepresentation of BIPOC (Black, Indigenous, People of Color) among those experiencing homelessness** as compared to the overall census data (*Metro Denver Homeless Initiative*)

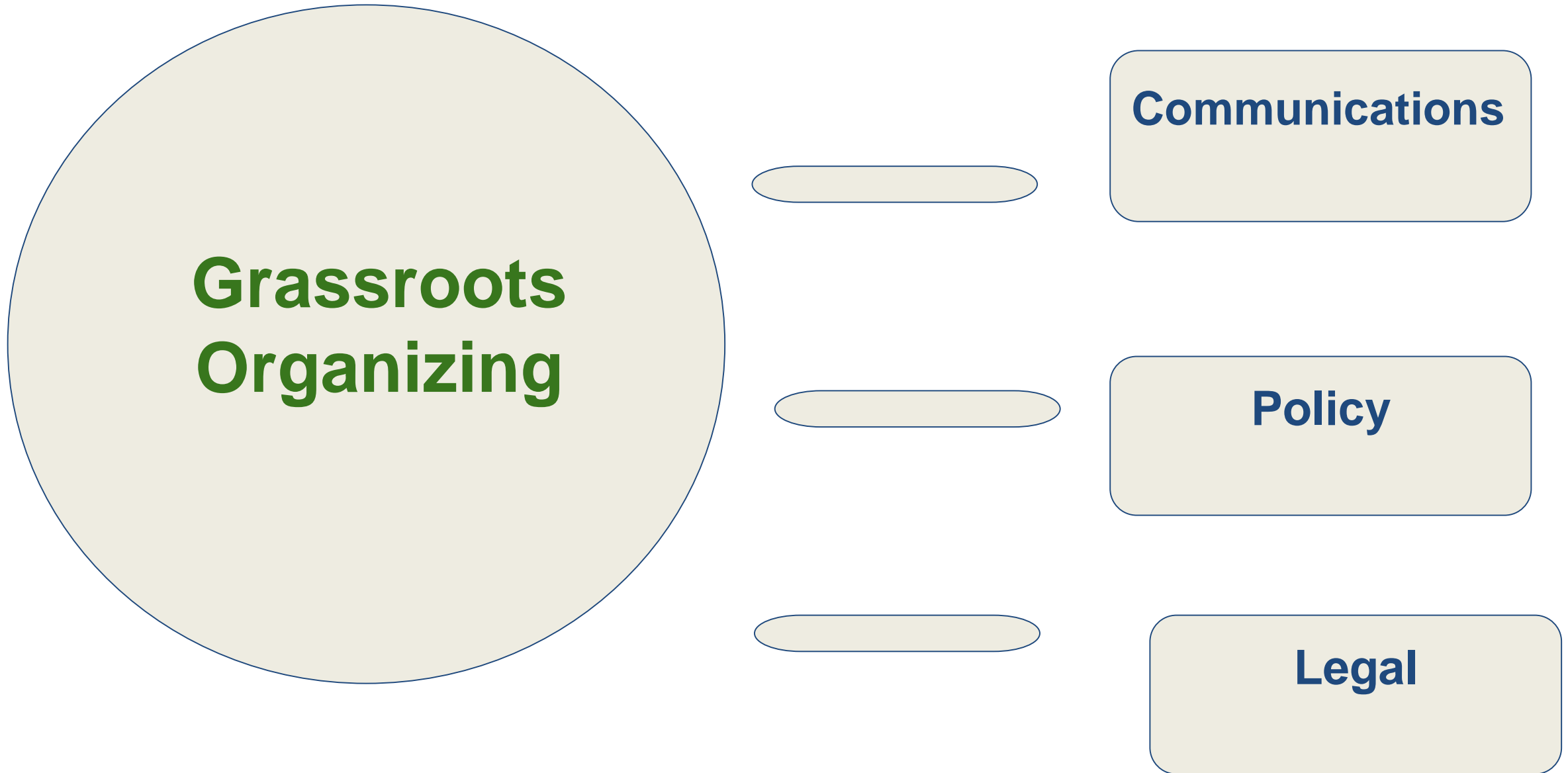
# Those Most Impacted

- Nonwhite individuals, and **in particular women of color**, are far more likely to be evicted from their homes
- BIPOC (Black, Indigenous, People of Color) families and individuals in Colorado hold less wealth, are more likely to rent their home, are more likely to be evicted, and are more likely to be homeless. **They are therefore disproportionately impacted by the rising rents, inventory shortages, and displacement we are seeing throughout our state**



Source: Eviction Lab, December 2020

# *Multi-Prong Community Focused Strategy*



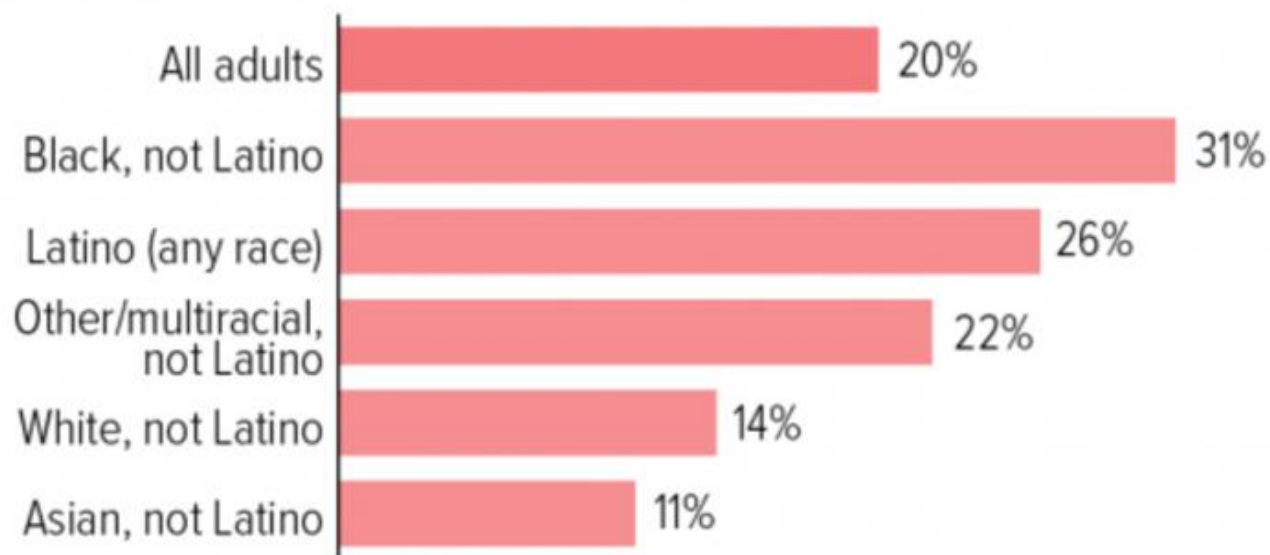
## *Why is housing a 9to5 Co priority?*

- Women in the workforce
- Women as renters
- Women facing eviction
- Women in domestic or abusive violence relationships



## 1 in 5 Renters Behind on Rent During Pandemic, With Black and Latino Renters Facing Greatest Hardship

Share of adult renters saying they are behind on last month's rent, as of July 14, 2020



Note: Other/Multiracial, not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Behind on rent = did not pay or deferred rent. Chart excludes renters who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey



# *Strengthening Renters Rights in Colorado*

- Application Fees
- Warranty of Habitability
- Court Reform for Eviction Records
  - Limits on Late Fees
- Overturning the ban on Rent Stabilization



# *Preserving Affordable Housing Through Mobile Home Communities*

- Mobile Home Park Act Reforms and Strengthening Homeowner Protections through state policy in 2019, 2020, and 2022.
- Between July 2020 through September 2021 the following data on mobile home park sales is publicly available:
  - ❖ **80 mobile home parks** been offered for sale
    - DOLA has noted that 4 mobile home park owners failed to provide residents notice of the opportunity to purchase.
  - ❖ At least 48 mobile home parks have been sold based on publicly available data
    - The selling price of only 31 of the 48 parks is publicly available.
    - **Only 2 mobile home parks have been purchased by residents**

**A Decent Home Film Virtual Screening this Sunday 3/6 at 4pm**

