

MOUNTAIN PLAINS NAHRO

National Association of Housing & Redevelopment Officials



THE AFFORDABLE HOUSING CRISIS IN COLORADO

Colorado is facing an affordable housing crisis. The chart below is intended to provide data to support this statement as well as provide key indicators about the impact of the housing crisis – homelessness, foreclosures, escalating utility bills and housing wages that are well beyond the attainable workforce wage in almost every community in Colorado.

Continued budget cuts on the federal level combined with a growing percentage of households earning 50% or less than the Area Median Income have put housing providers in a position where the demand for affordable housing far exceeds their ability to provide it.

In Colorado, the Fair Market Rent (FMR) for a two-bedroom apartment is \$850. In order to afford this level of rent and utilities- without paying more than 30% of income on housing- a household must earn \$2,848 monthly or \$34,176 annually. Assuming a 40 hour work week, 52 weeks per year, this level of income translates in a Housing Wage of \$16.43. Unfortunately, the estimated average wage for a renter in Colorado is \$13.00 and there are many workers earning a minimum wage of only \$5.85 per hour.

The high rate of foreclosures due to the subprime mortgage crisis and an economy on the brink of recession are two other factors contributing to the affordable housing crisis in Colorado.

We took a snapshot of some of the higher population centers in Colorado to illustrate how we are falling short of providing affordable housing in our communities.

FALLING SHORT OF AFFORDABLE HOUSING IN OUR COMMUNITIES

COLORADO AGENCY	Housing Wage (1)	Two Bedroom FMR (2)	AMI (3)	30% AMI	2 Bedroom Rent Affordable at 30% AMI	Waiting List (4)	2007 Foreclosures (5)	Utility Costs (6)	Median Home Sales Prices	Homeless (7)
Adams County	\$17.48	\$909	\$71,300	\$21,390	\$535	963	6,210	n/a	n/a	1,172
Aurora	\$17.48	\$909	\$71,300	\$21,390	\$535	1,070	5,291	n/a	n/a	n/a
Arvada	\$17.48	\$909	\$71,800	\$21,540	\$539	698	n/a	\$86	n/a	n/a
Boulder	\$20.02	\$1,041	\$78,300	\$24,480	\$587	950 ⁽⁸⁾	1,257	\$76	\$549,000	1,201
Colorado Springs	\$15.10	\$785	\$63,100	\$18,930	\$473	2,327	1,775	n/a	\$269,075	n/a
Denver	\$17.48	\$909	\$71,300	\$21,390	\$535	8,070 ⁽⁹⁾	7,405	\$58	\$278,024	44,916 ⁽¹⁰⁾
Fort Collins	\$15.42	\$802	\$68,600	\$20,580	\$515	2,025	641	\$70	\$215,900	556
Grand Junction	\$11.58	\$602	\$50,100	\$15,030	\$376	1,302	394	\$165	\$215,000	n/a
Lakewood	\$17.45	\$909	\$71,800	\$21,550	\$539	2,045	527	\$100	\$357,277	684
Littleton	\$17.67	\$919	\$71,700	\$21,510	\$538	1,021	n/a	n/a	n/a	82
Pueblo	\$12.00	\$652	\$48,700	\$14,610	\$365	3,161	1,507	\$93	\$122,919	800
SNAPSHOT TOTAL	\$16.29	\$850	\$67,091	\$20,218	\$503	21,632	25,007	n/a	n/a	49,411
STATE TOTAL⁽¹¹⁾	\$16.29	\$850	\$66,507	\$19,952	\$503	n/a	71,149⁽¹²⁾	n/a	n/a	n/a

Notes

Unless otherwise footnoted, all information is provided by housing agencies in Colorado

- (1) Hourly wage necessary to afford the 2 bedroom Fair Market Rent (FMR)
- (2) Fair Market Rent
- (3) Area Median Income for a family with three people
- (4) Wait list numbers are no longer a strong indicator of need because most housing authorities have closed their waiting lists; or open them infrequently; or conduct a lottery in lieu of a wait list
- (5) Total foreclosure filings in 2007
- (6) Monthly cost of a 2 bedroom multi-family unit using natural gas

(7) 2007 point-in-time homelessness number

(8) Open one month each year

(9) Denver Housing Authority offers a lottery for Section 8 and Public Housing in lieu of a traditional waiting list

(10) 2006 City and County of Denver

(11) Unless otherwise footnoted, all state totals are from National Low Income Housing Coalition Report - Out of Reach 2006

(12) RealtyTrac.com 2007 Foreclosure Report