

“Naturally Occurring” Affordable Housing Is Going Extinct in Colorado — And Fast

New legislative report shows hundreds of thousands of affordable units vanishing in just a decade

By Alex Burness, The Denver Post, January 31, 2022

[A new statehouse report](#) underscores what is already obvious to millions of Coloradans, former Coloradans and would-be Coloradans: it's really expensive to live here, and it's getting worse.

In the last decade alone, the state has lost 300,000 “naturally occurring” housing units that people making \$45,000 or less can afford without spending more than 30% of their income on housing. That is well over 10% of the entire state's housing stock, which Census data show is somewhere north of 2.5 million overall units.

So says the report published Friday by the Affordable Housing Transformational Task Force, a group of state lawmakers and subject-matter experts convened over the summer and fall to decide how to spend a historic infusion of stimulus cash. This year's state budget, [projected at \\$40 billion](#), will feature at least \$400 million more for housing than in previous years, due to federal legislation passed during the COVID-19 pandemic.

In many parts of the state, the concept of affordable housing produced organically by the market, as opposed to through government intervention, is essentially dead, said state Rep. Dylan Roberts, an Avon Democrat who chaired the task force on housing. The Massachusetts Institute of Technology's research on self-sufficiency standards by state and county indicates there is [almost nowhere in Colorado](#) where an adult with one child can live on \$40,000 without spending in the red or cutting back on essentials such as food and health care.

It's especially pronounced in the hotter housing markets of the state, including Eagle and Routt counties, in Roberts' district.

“I hear that (constituents) are constantly having to make the decision as to whether they can stay in that area and afford to live there. They want to raise their family there, but they can't find a place to own or even rent,” Roberts said.

Gretchen Hovey, who runs a popular bakery and restaurant in Edwards, said she offers \$24 an hour — nearly \$50,000 a year, for a full-time worker — at the low end of her staff's pay scale, and between \$30 and \$35 an hour for other staff. That's often still not enough to keep up with the cost of living in her mountain community outside Vail. “The prices of rent are so, so high. It's \$2,000 for a bedroom in a multi-bedroom house you're sharing with roommates,” she said.

Hovey added, “I don’t think we’re going to have a workforce. It’s not just restaurants, but everything it takes to have a resort community — the housekeepers and the landscapers and the property managers. ... We’re going to lose the people who make this community work.”

Acknowledging that market-based solutions are failing to meet the housing needs of people not only in pricier spots like Edwards but all around the state, lawmakers vow to make this legislative session about producing as many affordable units as possible, in as many places as possible.

[The task force recommends](#), and bills will soon state, that Colorado should use this cash infusion to create grants and incentives for developers and local governments around the state to prioritize affordable housing — which in many cases will mean dense, multi-family housing. At least about \$150 million of the total spending would go to a revolving loan fund that is constantly replenished. The entire project of manufacturing a supply of affordable housing that the market evidently won’t produce on its own relies heavily on cooperation from towns and cities, which have received their own, smaller infusions of federal cash.

But at the same time that lawmakers unveil legislation and promise to work to reverse the extinction course, they are clear-eyed about how \$400 million is a relatively small amount, in this context.

When the task force got started this summer, said Vice Chair and state Sen. Julie Gonzales, “We were really excited. ‘Oh my gosh, finally, we have money to do something here at the Capitol to address this crisis.’”

Added Gonzales, a Denver Democrat who lives in an affordable housing unit, “Then we actually started listening to Coloradans to understand the full scale and depth of the problem. ... When you’re talking about someone working two jobs to make ends meet, they weren’t able to do that in downtown Denver, or in Eagle, or in Alamosa or in Walsenburg or anywhere else across the state. So we realized, \$400 million is both a lot of money and also it is only part of the solution.”

For many who have had to move out of state, or who couldn’t afford to move here in the first place, it’s too late. That’s especially true for older Coloradans, who are being displaced at [near nation-leading rates](#), and for the poorest working Coloradans, for whom the state estimates there are about [100,000 fewer affordable housing units](#) than are demanded. It’s increasingly true for middle-class folks, too. The task force report stated bluntly: “Middle-income families can no longer afford to buy or rent a home.”

Democrats control the legislature and thus control this task force, but there was generally high bipartisan recognition of the problem, of several useful policy responses, and of the limits of an inflated state budget to solve the problem.

State Sen. Rob Woodward, a Loveland Republican, said, "I think, overall, we can have an economic impact that does reduce the trajectory of the cost of housing. Could it be better? Yes."