

# 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 <sup>(8)</sup>	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 <sup>(9)</sup>	7,405	\$58	\$278,024	44,916 <sup>(10)</sup>
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
<b>SNAPSHOT TOTAL</b>	<b>\$16.29</b>	<b>\$850</b>	<b>\$67,091</b>	<b>\$20,218</b>	<b>\$503</b>	<b>21,632</b>	<b>25,007</b>	<b>n/a</b>	<b>n/a</b>	<b>49,411</b>
<b>STATE TOTAL<sup>(11)</sup></b>	<b>\$16.29</b>	<b>\$850</b>	<b>\$66,507</b>	<b>\$19,952</b>	<b>\$503</b>	<b>n/a</b>	<b>71,149<sup>(12)</sup></b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>

### 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

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## IMPACT OF OPERATING FUND CUTS TO THE STATE OF MONTANA

Operating Fund cuts have impacted the State of Montana in many negative ways. There is a statewide decline in agency capacity evidenced by agency assessment scores per the Public Housing Assessment System (PHAS) conducted by HUD. Montana has been proud of the fact that all its housing agencies have been consistently rated as high performers in both Public Housing and Section 8. Due to funding cuts and unrealistic regulations, the state has gone from 95% high performers to 38% in the public housing program. This is a direct result of a decrease in operating subsidy for the public housing program of \$1,114,127.00. Public Housing agencies in the state are being forced to do more with less and the result is catastrophic. Operating on a slim budget with 100% of operating subsidy is difficult at best yet Montana agencies are currently functioning with 83% of operating subsidy. This is forcing agencies to use more and more of their reserve funds which results in a lower PHAS score. Agencies are also disposing of their public housing units to reduce ongoing costs. The end result is that Montana agencies will not be able to maintain the nation's only permanently affordable housing stock for low- income families.

## IMPACT OF CAPITAL FUND CUTS TO THE STATE OF MONTANA

Continued decreases in the Capital Fund Program are resulting in the declining asset worth of our current public housing inventory. Public housing is our nation's only permanently affordable housing stock. There are many increased costs associated with the maintenance and rehabilitation of housing units given normal inflation factors and the spiraling cost of building materials. Declining funds to maintain those assets will result in dilapidated units, allowing fewer families to be served.

## FALLING SHORT OF AFFORDABLE HOUSING IN OUR COMMUNITIES

MONTANA AGENCY	# on wait list as of 02/01/08		# at or below 30% AMI		# at or below 50% AMI		# at or below 80% AMI		# of Elderly		# of Disabled		Current # Served in Program		2 Year Reduction in Funding Public Housing		High Performer		
	PHA	Sec 8	PHA	Sec 8	PHA	Sec 8	PHA	Sec 8	PHA	Sec 8	PHA	Sec 8	PHA	Sec 8	Capital	Operating	PHAS	SEMAP	
Billings	777	1,228	599	999	1,449	190	28	37	67	71	67	91	274	579	\$33,463	\$232,367	Yes	Yes	
Butte	541	44	197	40	43	3	1	1	34	1	9	0	344	17	\$5,993	\$145,808	Yes	Yes	
Dawson Co.	17	n/a	10	n/a	7	n/a	0	n/a	2	n/a	5	n/a	45	n/a	\$6,077	\$18,251	No	n/a	
Great Falls	74	184	46	121	25	52	2	10	7	15	13	19	1,055	360	\$108,153	\$197,351	No	Yes	
Helena	344	432	264	332	63	88	6	5	35	31	117	122	366	345	\$42,182	\$297,606	Yes	Yes	
MDOC	n/a	4,441	n/a	3,335	n/a	827	n/a	149	n/a	348	n/a	1,326	n/a	3,360	n/a	n/a	n/a	n/a	Yes
Missoula	1,063	1,168	870	908	206	218	0	41	60	82	319	342	167	751	\$20,882	\$141,148	No	Yes	
Richland Co.	44	11	26	9	5	2	13	0	0	0	4	2	225	133	\$5,763	\$56,711	No	No	
Whitefish	22	24	7	12	5	12	10	0	20	8	2	2	54	16	\$5,396	\$24,885	No	Yes	
<b>Totals</b>	<b>2,882</b>	<b>7,532</b>	<b>2,019</b>	<b>5,756</b>	<b>1,803</b>	<b>1,392</b>	<b>60</b>	<b>243</b>	<b>225</b>	<b>556</b>	<b>536</b>	<b>1,904</b>	<b>2,530</b>	<b>5,561</b>	<b>\$227,909</b>	<b>\$1,114,127</b>	<b>38%</b>	<b>88%</b>	

Notes

Source: provided by housing agencies in Montana Public Housing and Tenant Based Voucher Programs

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## FALLING SHORT OF AFFORDABLE HOUSING IN OUR COMMUNITIES

NORTH DAKOTA AGENCY	Total Households Served (1)		Demand(2)	Waiting List (1)		Elderly/Disabled Housed (1)		Children Housed (1)		Working Individuals Housed (1)	
	Voucher	Public		Voucher	Public	Voucher	Public	Voucher	Public	Voucher	Public
Barnes County	157	50	1,991	0	0	60	41	139	21	50	9
Burleigh County	967	294	8,445	699	516	569	234	702	176	358	82
Cass County	379	195	18,085	213	155	130	167	140	73	161	55
Dickey/Sargent	36	n/a	1,539	3	n/a	22	n/a	3	n/a	9	n/a
Emmons County	4	15	906	0	0	2	8	1	9	1	6
Fargo	1,235	579	15,004	971	345	462	458	656	181	520	219
Grand Forks	1,220	n/a	8,651	317	n/a	469	n/a	1,055	n/a	604	n/a
Mercer County	17	40	1,306	0	0	8	27	8	8	3	7
Morton County	319	n/a	3,857	0	n/a	256	n/a	481	n/a	235	n/a
Nelson County	n/a	25	738	n/a	1	n/a	16	n/a	16	n/a	19
Pembina County	178	n/a	1,163	0	n/a	78	n/a	80	n/a	45	n/a
Ramsey County	140	87	1,186	23	24	47	46	173	49	63	43
Richland County	56	n/a	2,359	39	n/a	24	n/a	37	n/a	24	n/a
Stutsman County	494	n/a	3,415	0	n/a	192	n/a	136	n/a	206	n/a
Trail County	34	28	1,031	20	13	12	0	34	21	12	20
Walsh County	90	n/a	1,727	6	n/a	66	n/a	19	n/a	5	n/a
Ward County	794	259	8,241	101	16	187	112	914	45	710	195
<b>TOTAL</b>	<b>6,120</b>	<b>1,572</b>	<b>79,644</b>	<b>2,392</b>	<b>1,070</b>	<b>2,584</b>	<b>1,109</b>	<b>4,578</b>	<b>599</b>	<b>3,006</b>	<b>655</b>

## Notes

(1)Source: provided by housing agencies in North Dakota Public Housing and Tenant Based Voucher Programs

(2)Households earning 50% or less than the Area Median Income. Source: ND Statewide Housing Needs Assessment, 2004

<http://www.ndsu.nodak.edu/sdc/sharp/>



**IMPACT OF FUNDING REDUCTIONS IN SOUTH DAKOTA**

Public Housing Authorities (PHAs), established under South Dakota state law as political subdivisions of the state and local governments, have a business relationship with the United States Department of Housing and Urban Development (HUD) to administer affordable housing programs. HUD allocates monies appropriated by Congress to these PHAs to provide affordable housing to low-income households across the state. In South Dakota PHAs administer approximately 7,100 units of affordable housing with these allocated dollars.

Unfortunately, South Dakota experienced a \$10 million decrease in rental housing assistance from Fiscal Year 2006 to Fiscal Year 2007, according to statistics recently released by HUD. This decrease in housing assistance includes decreases in operating subsidy and capital funds for the public housing program, and funding for housing assistance payments and administrative fees for the Section 8 Housing Choice Voucher program.

According to the latest data available (2005) South Dakota has the unfortunate distinction of having 9 of its 66 counties in the top 100 US counties with the highest poverty rates. These counties include Ziebach County, ranked number one in the US with a child poverty rate of 70.1%, to Buffalo County, ranked 83rd, with a 43.5% child poverty rate; 3.78 and 2.35 times, respectively, of the national child poverty rate of 18.5%.

**FALLING SHORT OF AFFORDABLE HOUSING IN OUR COMMUNITIES**

<b>SOUTH DAKOTA AGENCY</b>	<b>Households Leased (1)</b>	<b>Demand(2)</b>	<b>% Need</b>	<b>Waiting List (1)</b>	<b>Elderly/Disabled Leased (1)</b>	<b>Children Leased (1)</b>
Aberdeen	592	2,386	25%	287	215	284
Brookings HRC	244	1,577	15%	31	174	0
Burke	44	67	66%	0	44	0
Butte County	21	419	5%	24	19	17
Canton HA	81	914	9%	70	57	44
DeSmet	35	85	41%	0	27	0
Hot Springs	166	205	81%	1	196	0
Howard	23	95	24%	7	15	1
Huron HA	223	440	51%	20	199	55
Lawrence County HA	262	994	26%	51	129	271
Lemmon	43	59	73%	0	39	0
Lennox HC	55	100	55%	30	46	19
Madison HC	188	753	25%	13	81	59
Martin	18	78	23%	0	18	0
Meade County HA	289	1,190	24%	55	200	261
Milbank	64	154	42%	5	50	18
Miller HC	43	347	12%	2	38	3
Mitchell HC	192	1,250	15%	30	180	50
Mobridge HRC	168	136	124%	55	60	0
Murdo	30	n/a	n/a	0	24	0
Parker	22	n/a	n/a	5	22	0
Pennington County	1,844	5,144	36%	748	1,116	1,789
Pierre HA	223	745	30%	102	125	265
Redfield HA	65	461	14%	2	56	23
Sioux Falls HRC	1,519	7,146	21%	2,678	819	2,736
Vermillion HRC	166	482	34%	53	95	192
Watertown HA	292	652	45%	43	183	226
Webster HA	32	89	36%	3	41	0
Wessington Spgs	38	n/a	n/a	2	24	19
Yankton	137	1,416	10%	71	96	134
<b>TOTAL</b>	<b>7,119</b>	<b>27,384</b>	<b>26%</b>	<b>4,388</b>	<b>4,388</b>	<b>6,466</b>

**Notes**

(1) Source: provided by housing agencies in South Dakota Public Housing and Tenant Based Voucher Programs  
(2) Households earning 50% or less than the Area Median Income. Source: US Census Bureau



THE STATE OF AFFORDABLE HOUSING IN UTAH  
March 2008

The price of housing in Utah has been rising at a significant rate over the past several years. In particular, owner occupied housing is leading this surge with rental housing following closely behind.

The cost of housing continues to build pressure on the housing programs that provide subsidized housing. Waiting lists continue to grow at the same time federal support continues to an uncertain path of decline. States and local governments are not equipped to pickup the slack of federal funding declines.

The following is information about housing in Utah:

Based on population growth, low to moderate income households (those households at less than 80% of the area median income AMI) needed 4,342 new affordable housing units per year from 1996-2002 while only 2,621 per year were constructed.

Based on average wages and median home prices, teachers, police officers, and fire fighters cannot afford to purchase homes in Cache, Salt Lake, Tooele, Juab, Grand, Washington, Summit, and Utah counties.

A 2005 survey of Utah's low-income housing stock shows an ongoing need for housing rehabilitation. In parts of eastern Utah, 34% of homes are considered deteriorated or dilapidated.

Approximately 13,000 families and individuals participate in the HUD Housing Voucher Subsidy Program and 1,480 participate in the USDA Section 421 rental assistance program. The voucher waiting list for most local agencies is approximately 18-24 months and is anticipated to almost double because of the lack of affordable housing in the private market.

In 2007, five mobile home parks were closed, affecting 308 families. Additionally, 175 refugee households were forced to move out of their affordable rental units because of the facility moving to market rates.

In other developments, approximately 50% of affordable housing resources including HOME and federal housing tax credits have been utilized to create affordable housing for the federal initiative of ending chronic homelessness in ten years. Thus, those needs of the families and individuals falling within 50% to 60% of AMI affordable housing needs are not met. Further investment in programs like HOME and increasing the federal allotment of Section 42 Tax Credit Programs is a must.

The current mortgage crisis is starting to have an impact on the affordable housing industry as families losing their homes are now competing in the affordable rental housing market with a vacancy ranging from 3%-4%. Also, because investors in the tax credit program are also taking huge mortgage losses thus are beginning to rethink if the tax credit program benefits them as before. This means the gap in needed resources to develop affordable housing widens and deeper subsidies will be required.

To stress the need for more affordable or workforce housing, the following comparison of two growing counties in opposite ends of Utah is presented:

	Salt Lake County	Washington County
Percent of renters in county	31%	26%
Housing wage to afford a modest two bedroom unit	\$12.50	\$13.73
Rent Affordable @ 30% AMI	\$352	\$460
Market Rate	\$650	\$714