



COLORADO FUTURES CENTER

**Housing challenges in Colorado from pre-COVID to the present:
Can innovation offer a partial solution?**

PRESENTATION TO NORTHERN COLORADO HOUSING NOW CONFERENCE

Housing Affordability is a Multi-Faceted Issue



Doubling Up as an Affordability Strategy

FINDINGS FROM UPDATED ANALYSIS

Doubled Up in Colorado: 2019

COLORADO'S DOUBLED-UP HOUSEHOLDS IN 2019



How Has Doubling Up Changed Since Before the Great Recession?

1 in 5

**Doubled-Up
in 2006**

1 in 4

**Doubled-Up
in 2017**

3 in 10

**Doubled-Up
in 2019**

The Majority of Doubled-up Households are with Homeowners Rather than Renters

Households by Tenure

Owners vs. Renters: 60% of doubled-up households are in owner-occupied units.



~410K

Owners



~270K

Renters

Over a Quarter of Colorado's Children Live in Doubled-up Households

Multigenerational Overview

Young vs. Old: Doubled-up households contain between 20% and 25% of very young children and the aging in Colorado.



1 in 5

Children Under 6



1 in 4

Children Under 19



1 in 5

Seniors Over 64

Half of the Doubled-up Children Live with a Single Parent

Who the Youngest are Living With

Family Structure: Half of children under the age of 6 living in doubled-up households live with a single parent. Forty percent of them live with a grandparent.



50%

Single Parents



50%

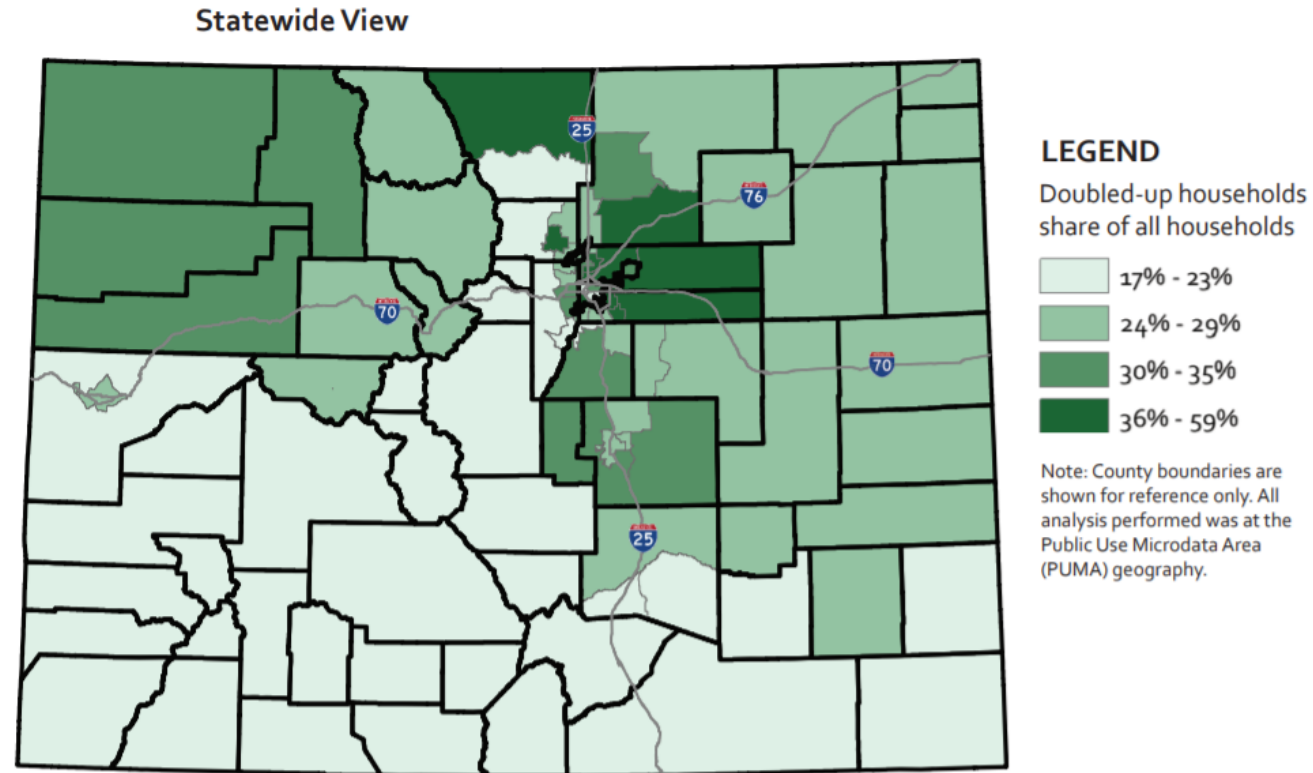
Married or
Unmarried Partnership



4 in 10

Grandparents
Present

Where are Colorado's Doubled-up?



Most of the Growth in Doubled-up Households Since the Great Recession is in Non-family Households

Doubled-Up Household Family vs. Non-Family Growth Since 2006



+50%

Family

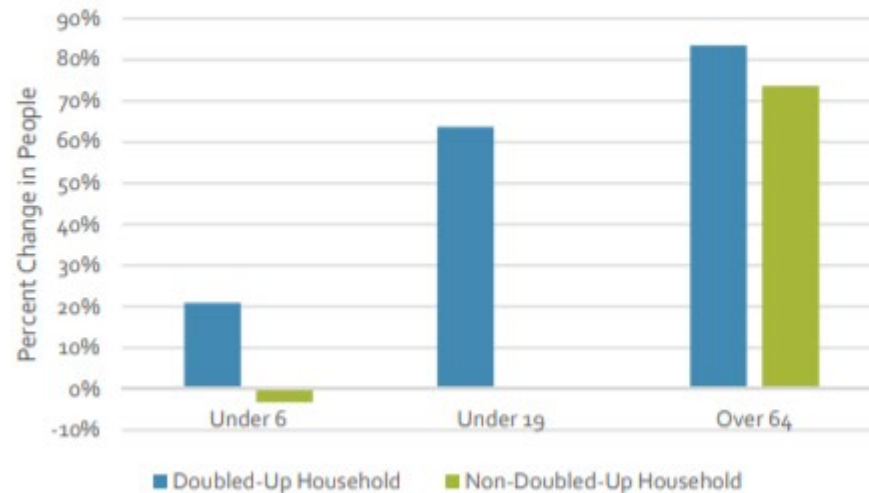


+91%

Non-Family

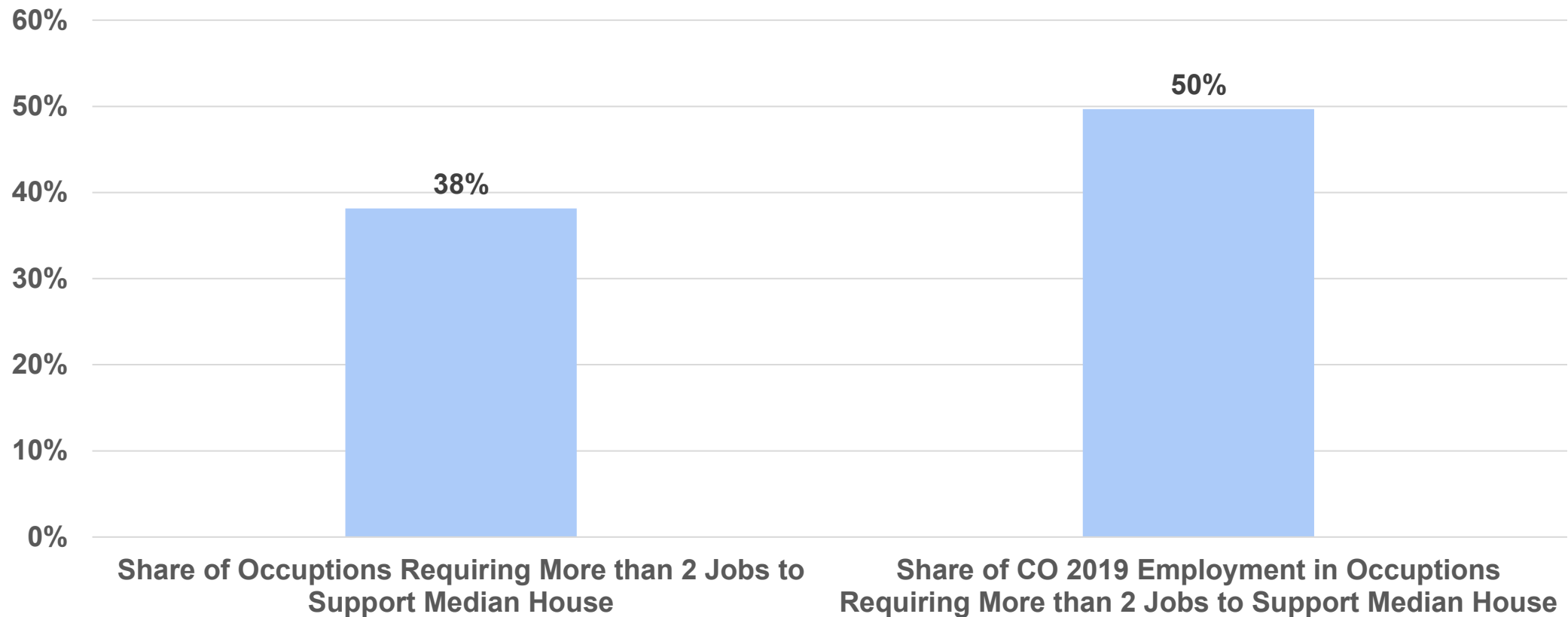
There are Fewer Young Children Living in Non Doubled-up Households in 2019 than in 2006

Change in Age Cohorts (2006-2019)



The majority of the growth in children occurred in doubled-up households. Since 2006, for children under 6 all of the growth occurred in doubled-up households. There are fewer children under 6 in non-doubled up households than in 2006. Growth in seniors continued to be in both doubled-up and non-doubled-up households.

One of Two Jobs in Colorado has a Median Wage Resulting in the Need for More than Two Jobs to Support Median Priced Housing



Can Modular Building Help Increase Housing Supply?

THE CASE OF INDIEDWELL

The Players Who Came Together to Result in indieDwell's Success



CFC's Hypotheses for Success

Identification of the problem through research granted validity to both the need and the potential solutions.

Philanthropy replacing more traditional forms of start-up capital was both unique and important.

Aligning the multiple players and interests required a local champion (the policy entrepreneur) to establish the relationships and opportunities for indieDwell to be successful.

Particularly with respect to the perception surrounding modular housing, indieDwell and its partners needed to work explicitly on a campaign to garner acceptance for the product. Regulatory changes could help support that effort.

The process of bringing indieDwell to Colorado required action from government (in its regulatory role), a research institute, economic development and philanthropy. Failure of any of these integral roles would have precluded success.

Findings

We found that **research mattered.**

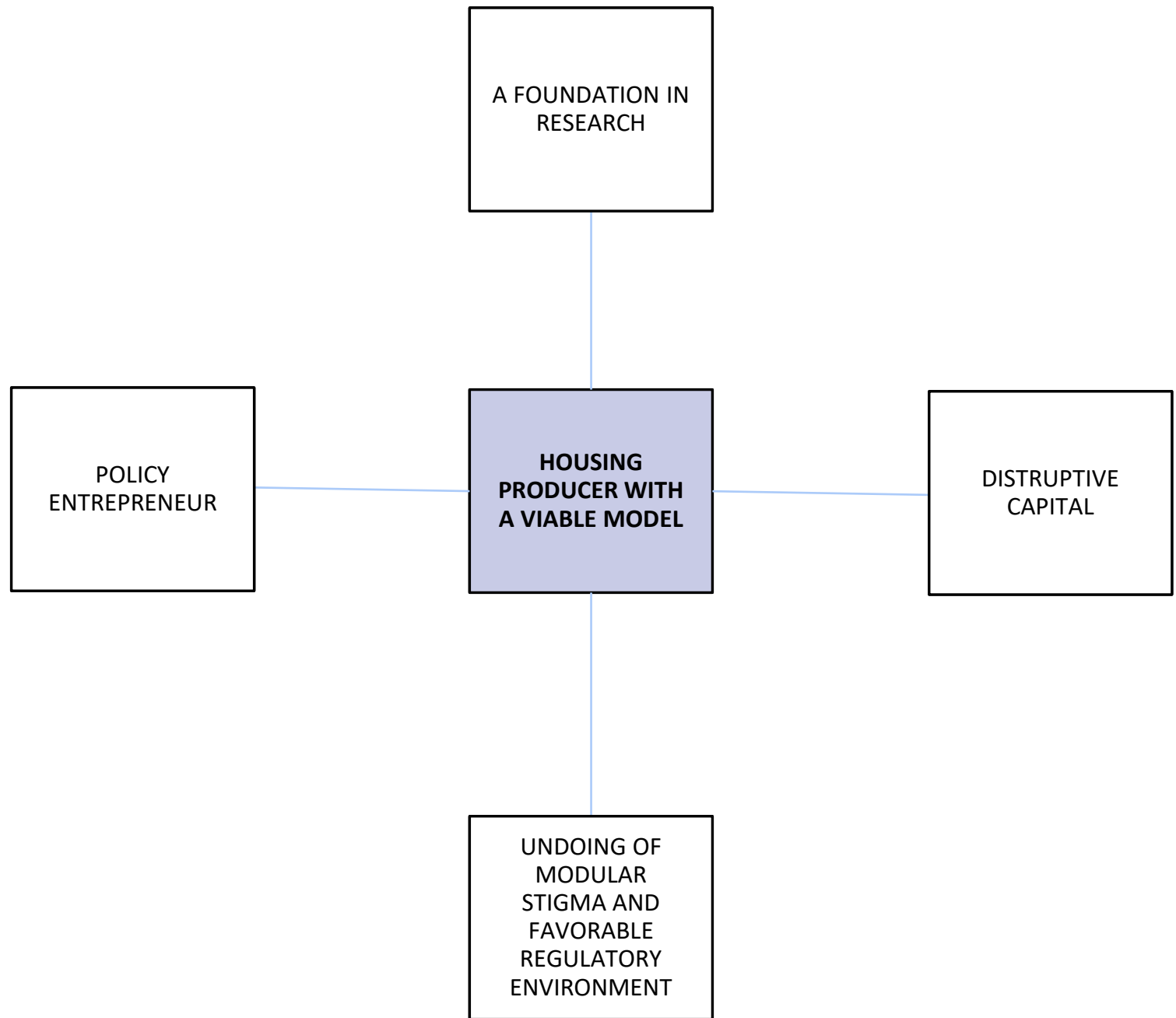
We found that **philanthropy as a source of disruptive capital for affordable housing projects is rare.** This project demonstrates that it **was integral** for both the innovative, system-based approach to affordable housing and for the community connections that philanthropy brings.

We found that the **policy entrepreneur was integral to the success of the project;** the fact that this role came from philanthropy likely conferred additional advantages.

We found that the modular stigma persists but that **explicit demonstrations of quality, support from the government and a reasonable regulatory environment aid in undoing the stigma.**

We found that philanthropy, economic development, government and research combined with a private entity to suggest a **viable and replicable model for addressing systemic affordable housing challenges.**

A Replicable Model?



Key Lessons

Strengthening the Model

Financing was an Oversight

- Original research identified financing as potential issue but did not study it explicitly
- In Pueblo, traditional banking not universally receptive to either the product or to extending mortgage credit to lower income households
 - Colorado Health Foundation exploring statewide housing fund to provide 1% mortgages to homebuyers in parallel with construction financing
 - Further effort to keep households within the 30% standard

Philanthropy more important than originally recognized

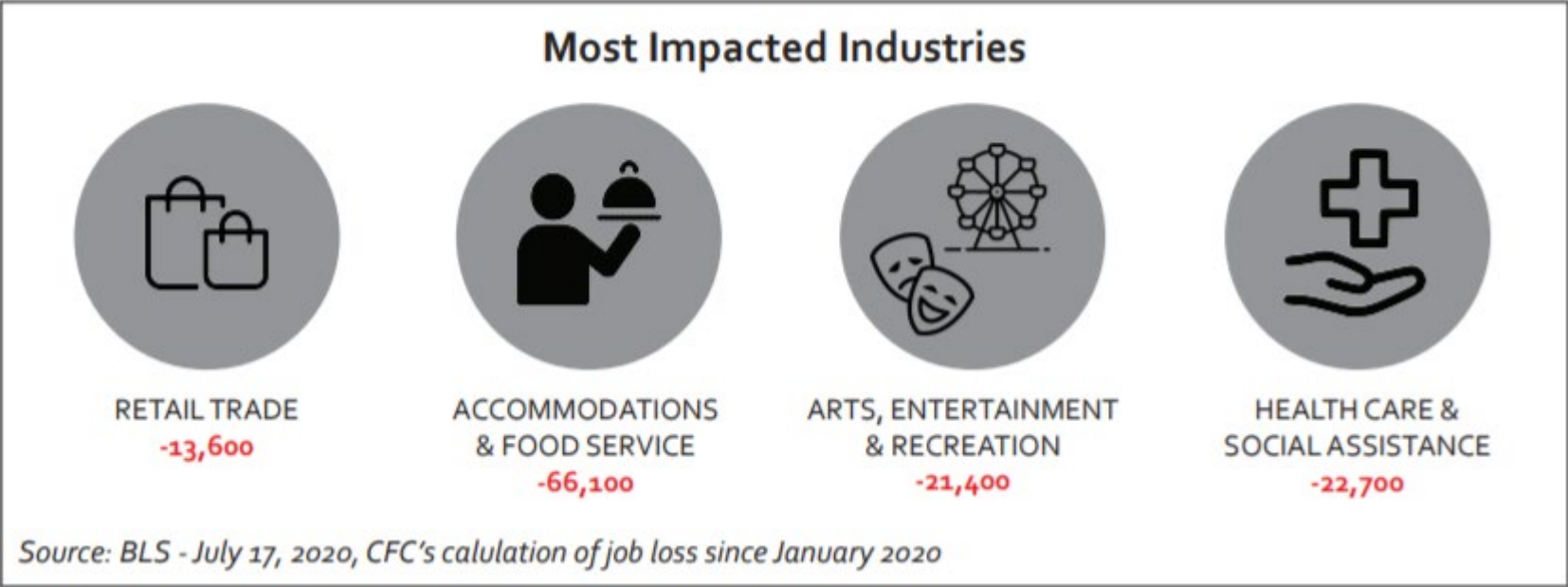
- Not all capital is the same
- This model benefitted from the disruptive nature of philanthropic capital
- Philanthropy able to step in and address the financing issue
- Philanthropy also served as the “policy entrepreneur”

Does this case represent a “new world” in overcoming barriers to affordable housing: **More Private than Public as an approach to a social problem?**

COVID and Housing Stability

WHO IS LIKELY TO BE MOST IMPACTED?

Most Impacted Industries



Housing Cost Burdened Before COVID

654,000 Households Containing 808,600 Workers in Impacted Industries Who Are:



30% or Above
Cost Burdened



Under \$75,000
Household
Income



Both Renters
and Owners

Pre COVID, and Additional 104,000 Households Containing 155,000 Workers in Impacted Industries Were “At the Edge” of Housing Cost Stress



25% to 29%
Cost Burdened



Under \$75,000
Household
Income

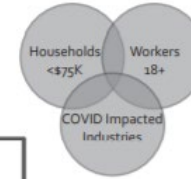


Both Renters
and Owners

Who are the Vulnerable Workers?

Profile of Coloradans Working in the Most Affected Industries

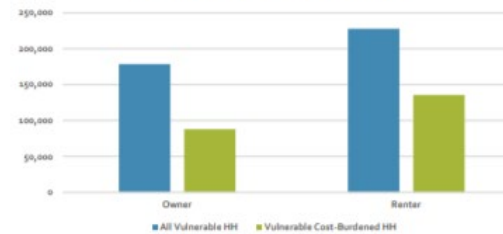
Who Are the **406,500** Households?
(containing **517,000** workers)



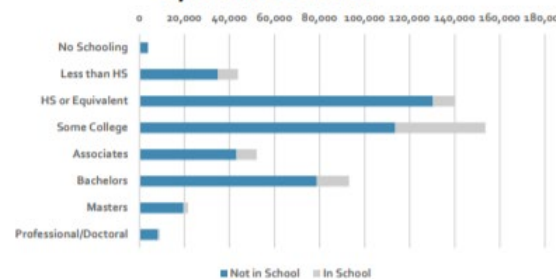
The majority have female workers, living in rental housing and lacking a college degree. Over four in ten workers are over age 44.



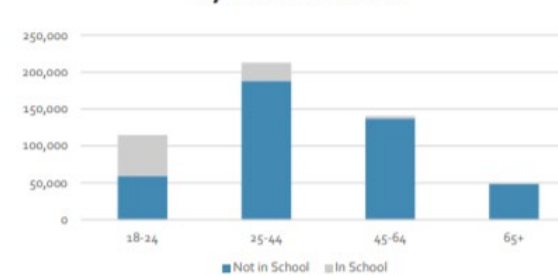
Households by Tenure



Educational Attainment by School Status

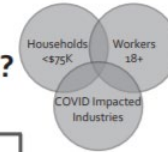


Worker Age by School Status

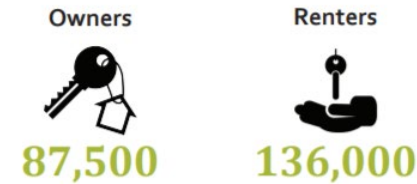


Already Cost-Burdened Pre-COVID: Profile of Workers in Most Affected Industries

Who Are the **223,500** Already Cost-Burdened Households?
(containing **278,600** workers)

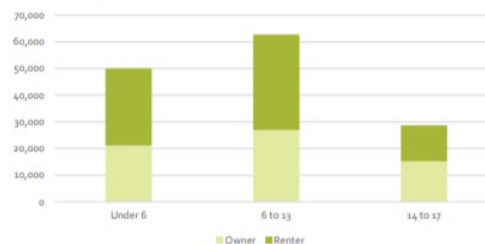


They house **141,500** children, almost 80 percent with a single parent. Two-thirds of these workers lack a college degree.



183,000 Workers Lack a college degree

141,500 Children by Age and Tenure



Single Parent Households
3 in 10 Housing **110,000** Children

Links to the CFC Reports Presented Today



Doubling Up: https://www.coloradofuturescsu.org/wp-content/uploads/2021/08/DoublingUp2020_brief_final.pdf



indieDwell: <https://www.lincolnst.edu/publications/working-papers/research-public-sector-policy-change-advocacy-philanthropy-private>



COVID Impacts: https://www.coloradofuturescsu.org/wp-content/uploads/2020/09/COVID_HousingJobsVulnerabilityBrief_FINAL.pdf

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The Colorado Futures Center is a 501c3 organization dedicated to informing about economic, fiscal and public policy issues impacting community economic health and quality of life.



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Jennifer Newcomer

Research Director, Colorado Futures Center

jennifer@coloradofuturescsu.org

www.coloradofuturescsu.org/

Phyllis Resnick, PhD

Executive Director, Colorado Futures Center

phyllis@coloradofuturescsu.org

www.coloradofuturescsu.org/