

# Addressing Housing Affordability for People with Low Incomes in Colorado

Legislative Oversight Committee  
Concerning Tax Policy

**Mari Castaldi, Director of State Housing Policy**  
**Will Fischer, Senior Director of Housing Policy &  
Research**

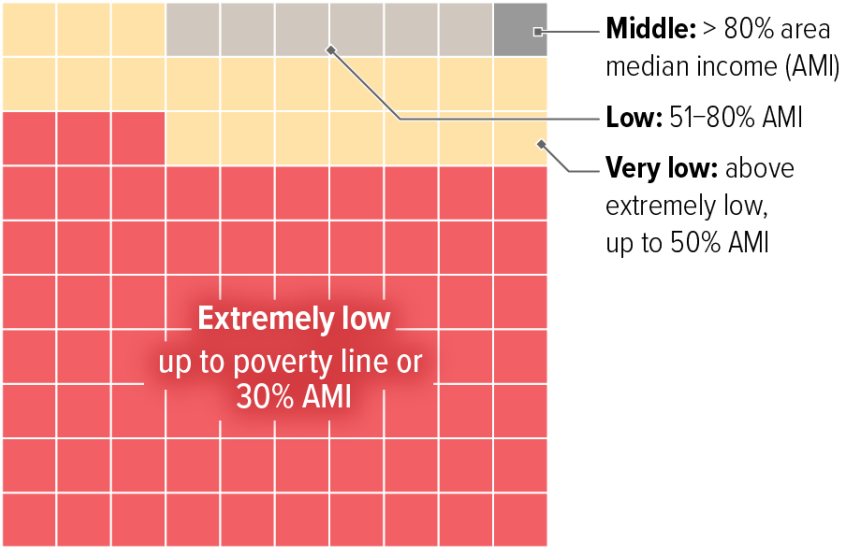
September 7, 2023



# 360,200 Coloradans pay over half their income in rent.

## Most Severely Cost-Burdened Renters Have Extremely Low Incomes

Share of renter households paying more than half their income for housing, by HUD income category; 1 box = 1%



Note: AMI is determined by the Department of Housing and Urban Development (HUD) for families of various sizes in each metropolitan area and rural county.

Source: CBPP analysis of the 2015-2019 American Community Survey and 2019 HUD income limits

# Rental Costs Have Risen Dramatically in the US, and More in CO

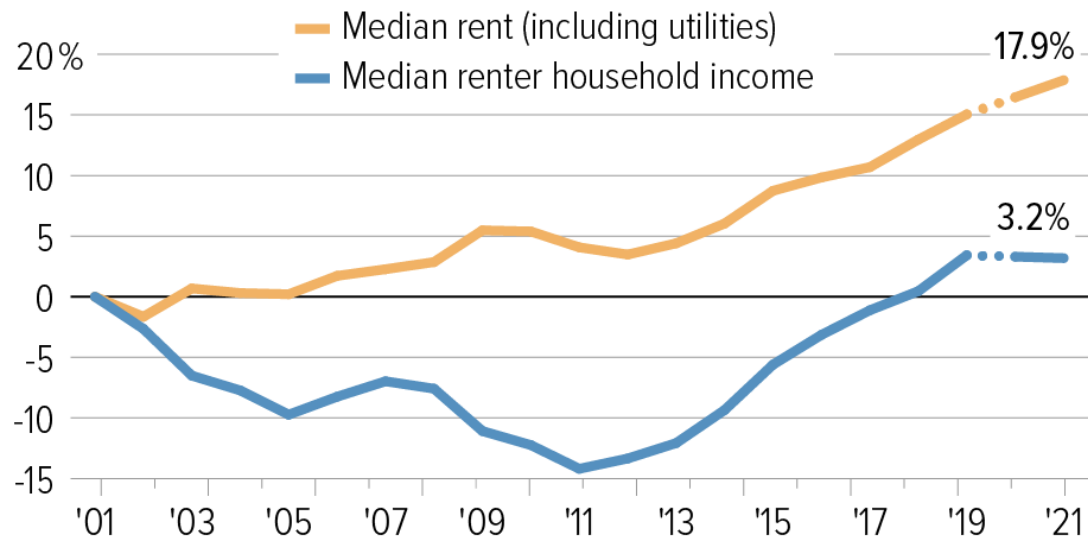
- In Colorado:

- Median rent increased 33%

- Median renter income increased 15%

## Housing Costs Climbed During Pandemic While Renters' Incomes Stagnated

Percent change since 2001, adjusted for inflation



Note: Dashed line indicates missing 2020 1-year ACS data due to pandemic-related data collection issues.

Source: CBPP tabulations of the Census Bureau's American Community Survey

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Federal Housing Assistance in CO

127,200

people in 65,000 Colorado households use federal rental assistance to afford modest housing.

72% are seniors, children, or people with disabilities.

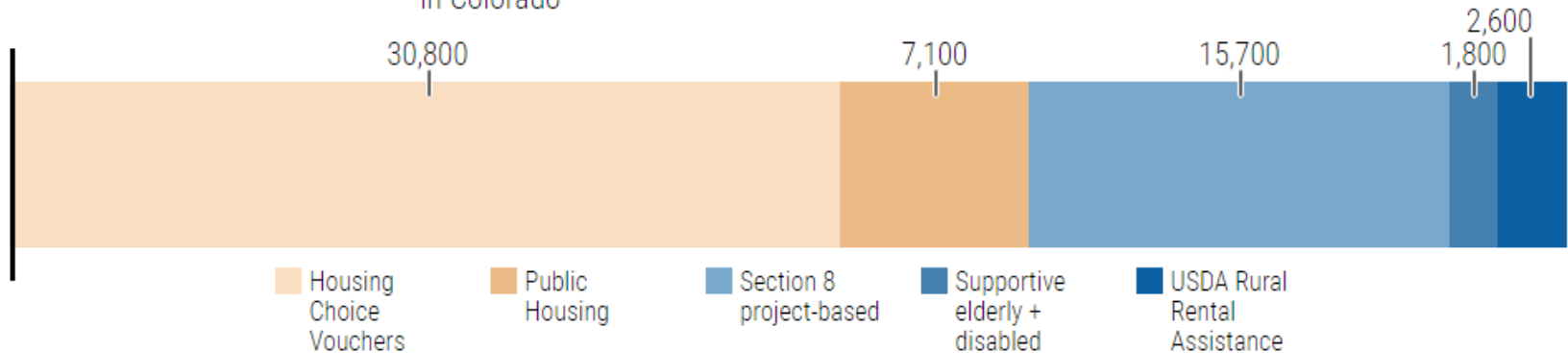


...but 4 in 10 low-income\* people in Colorado are homeless or pay over half their income for rent. Most don't receive federal rental assistance due to limited funding.

## Rental Assistance Supports All Types of Colorado Communities

Rental assistance helps 112,000 people in cities and suburbs, as well as 15,300 people in rural areas and small towns.

Number of Households Receiving Major Types of Federal Rental Assistance in Colorado

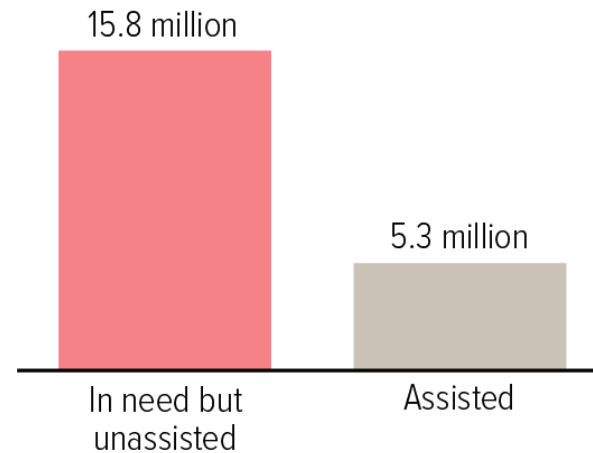


Federal rental assistance programs provided Colorado with **\$628 million** in 2020.

# 3 in 4 Colorado households who need federal rental assistance do not receive it.

- Families with vouchers in CO waited on average 16 months.
- Many voucher waitlists are closed.

## 16 Million Households Needing Federal Rental Assistance Do Not Receive It Due to Funding Limits



Note: In need = households earning 80 percent or less of the local median household income and paying more than 30 percent of monthly income for housing and/or living in overcrowded or substandard housing.

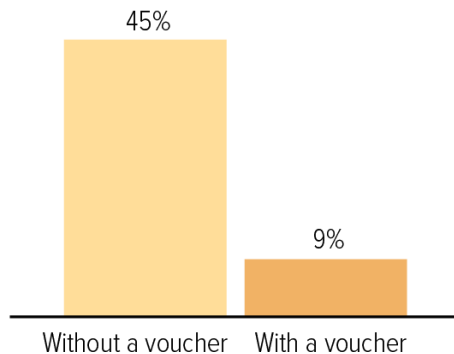
Source: Department of Housing and Urban Development (HUD) custom tabulations of 2017 American Housing Survey and CBPP tabulations of HUD and Agriculture Department data.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Vouchers are associated with increased housing stability and related positive outcomes.

## Housing Choice Vouchers Sharply Reduce Families' Housing Instability

Share of families with children living in shelters, on the street, or doubled up with friends or relatives in the prior year



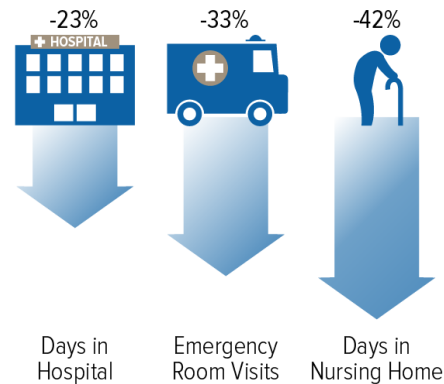
Note: Chart compares low-income families in six cities who were randomly selected to receive a voucher and used it for at least part of the year to families in a control group who did not use vouchers.

Source: Wood, Turnham, and Mills, "Housing Affordability and Family Well-Being," 2008.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

## Supportive Housing Can Produce Health Care Savings

Combining affordable housing with intensive services for a high-needs group saved an average of over \$6,000 a year per person in health care



Note: Intensive services include help finding housing, working with a landlord, physical and behavioral health care, assistance finding employment, and others.

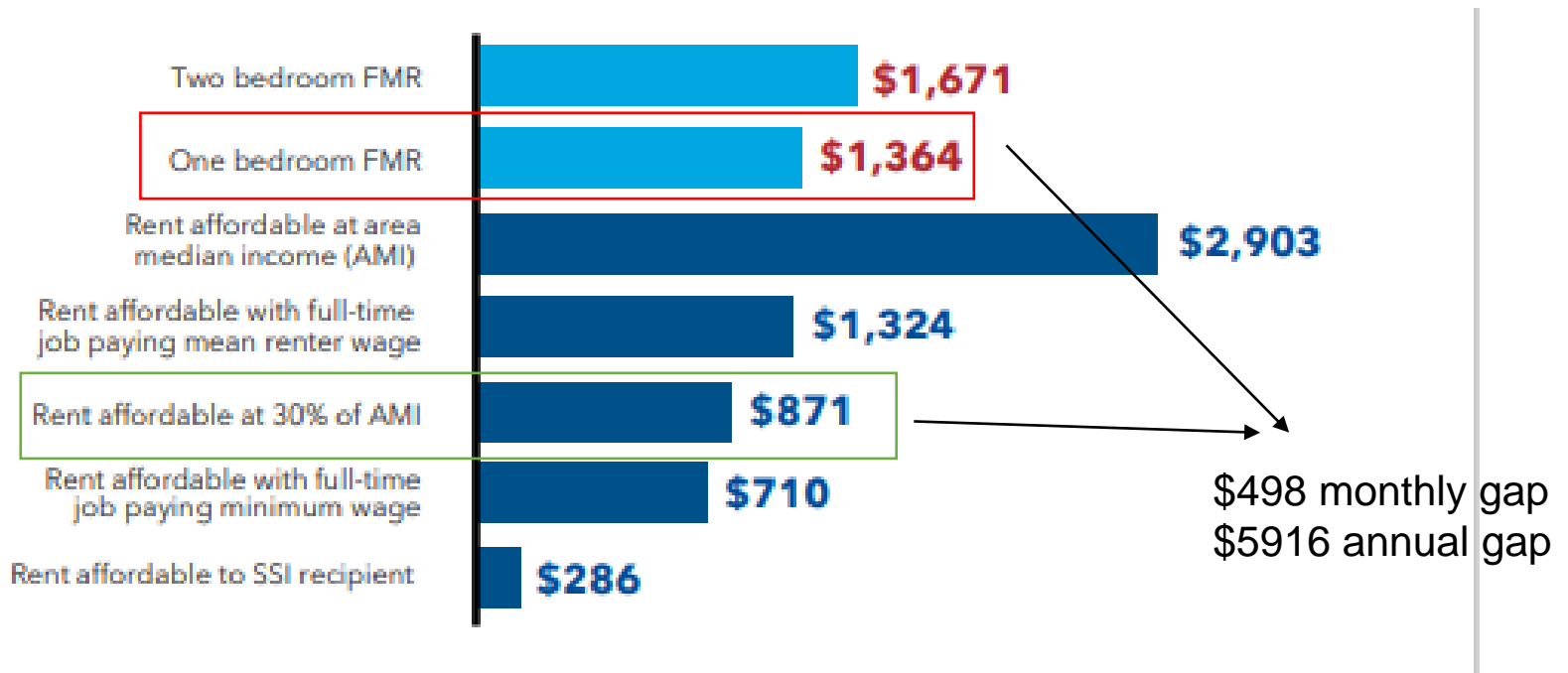
Source: Anirban Basu, *et al.*, "Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care," *Health Services Research*, February 2012, Vol. 47, No. 1, Part II, pp. 523-543.

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

# Policies to Increase Access to Affordable Housing For People with Lowest Incomes

- Focus on lowest-income renters who face highest housing cost burdens.
- Potential policy levers:
  - State-funded Rental Assistance
    - Connected to wraparound services for people facing barriers
  - Subsidizing Development of Affordable Housing
  - Renter Tax Credits





Source: National Low Income Housing Coalition, [Out of Reach 2023 Colorado Fact Sheet](#)

**Mari Castaldi**

[mcastaldi@cbpp.org](mailto:mcastaldi@cbpp.org)

**Will Fischer**

[wfischer@cbpp.org](mailto:wfischer@cbpp.org)

[www.cbpp.org](http://www.cbpp.org)

202-325-8354

