

Public Subsidy to Private Equity

The [Economic] Impacts

RMLUI Conference 5 March 2020



Outline

1.

A Housing Instability Issue

2.

Who Bears the Cost?

3.

Impact Dimensions

4.

Futurist View

Everyone Should Care About Housing Instability

Health Impacts

Fiscal/Economic
Impacts

Housing Impacts

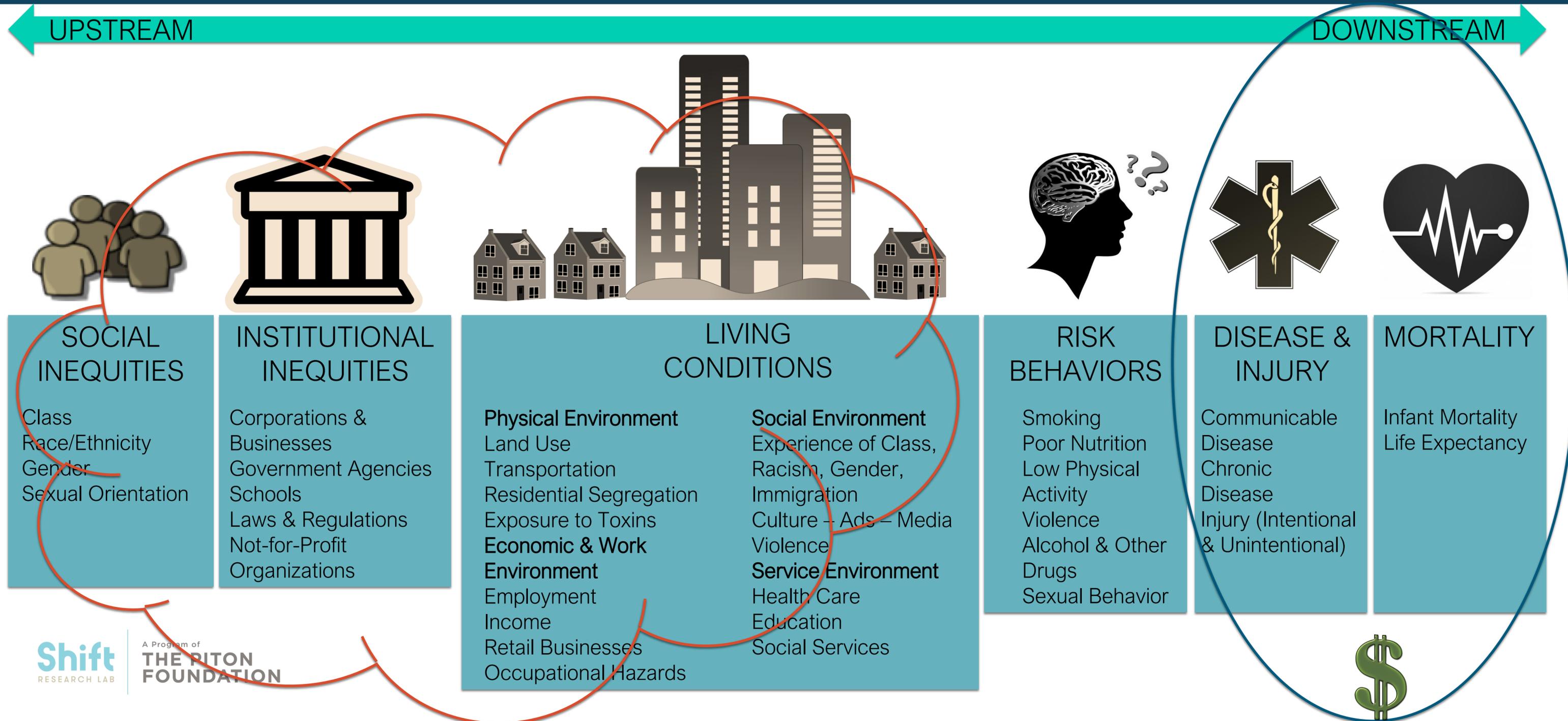
Education
Impacts

Social Impacts

Environmental
Impacts

Health Equity Framework

UPCOMING WORK



UPSTREAM

DOWNSTREAM

SOCIAL INEQUITIES

- Class
- Race/Ethnicity
- Gender
- Sexual Orientation

INSTITUTIONAL INEQUITIES

- Corporations & Businesses
- Government Agencies
- Schools
- Laws & Regulations
- Not-for-Profit Organizations

LIVING CONDITIONS

- Physical Environment**
 - Land Use
 - Transportation
 - Residential Segregation
 - Exposure to Toxins
- Economic & Work Environment**
 - Employment
 - Income
 - Retail Businesses
 - Occupational Hazards
- Social Environment**
 - Experience of Class, Racism, Gender, Immigration
 - Culture – Ads – Media
 - Violence
- Service Environment**
 - Health Care
 - Education
 - Social Services

RISK BEHAVIORS

- Smoking
- Poor Nutrition
- Low Physical Activity
- Violence
- Alcohol & Other Drugs
- Sexual Behavior

DISEASE & INJURY

- Communicable Disease
- Chronic Disease
- Injury (Intentional & Unintentional)

MORTALITY

- Infant Mortality
- Life Expectancy



Why Everyone Should Care

FOREGONE SPENDING TO THE COLORADO ECONOMY

Additional dollars spent (annually) on housing that could otherwise go to...

\$2 Billion

Metro Denver Region...

\$1.2 Billion

Why Everyone Should Care

FOREGONE SPENDING TO THE INTERMOUNTAIN WEST ECONOMY

Additional dollars spent on housing that could otherwise go to...

Idaho:	\$670 Million
New Mexico:	\$850 Million
Montana:	\$415 Million
Wyoming:	\$200 Million

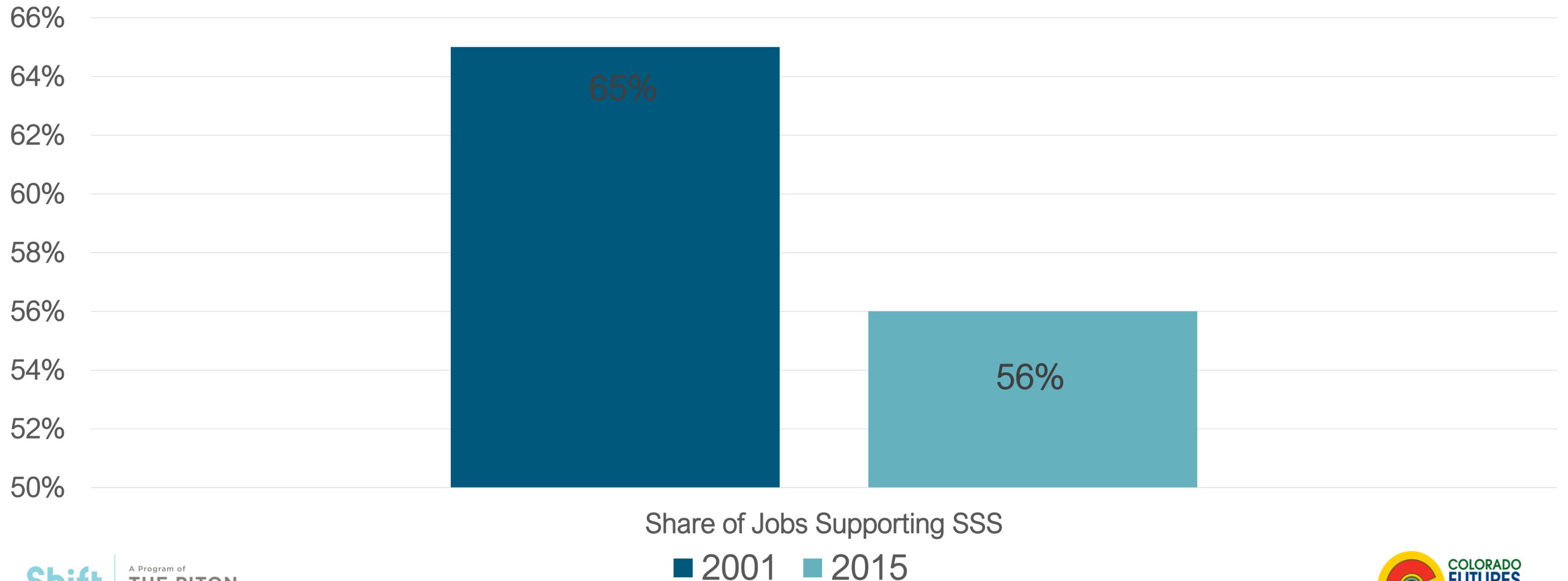
Many Workers Will Continue to Be Challenged

TURNOVER IN COMMUNITY

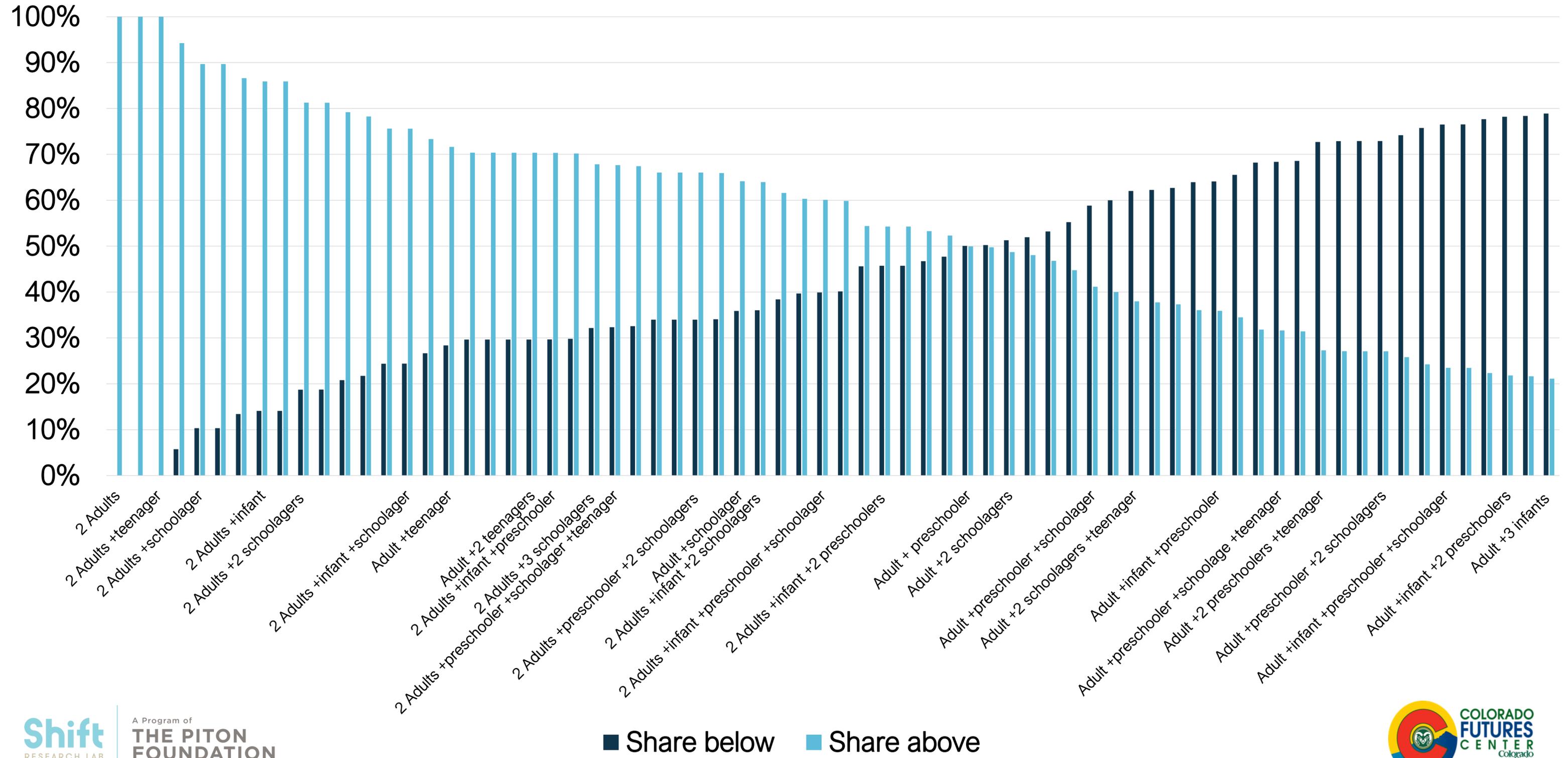
Job Growth in Occupations to 2023:

- *70% with entry level pay below \$35k*
- *40% with mean pay below \$35k*

Decline in the Capacity for Wages to Support Families

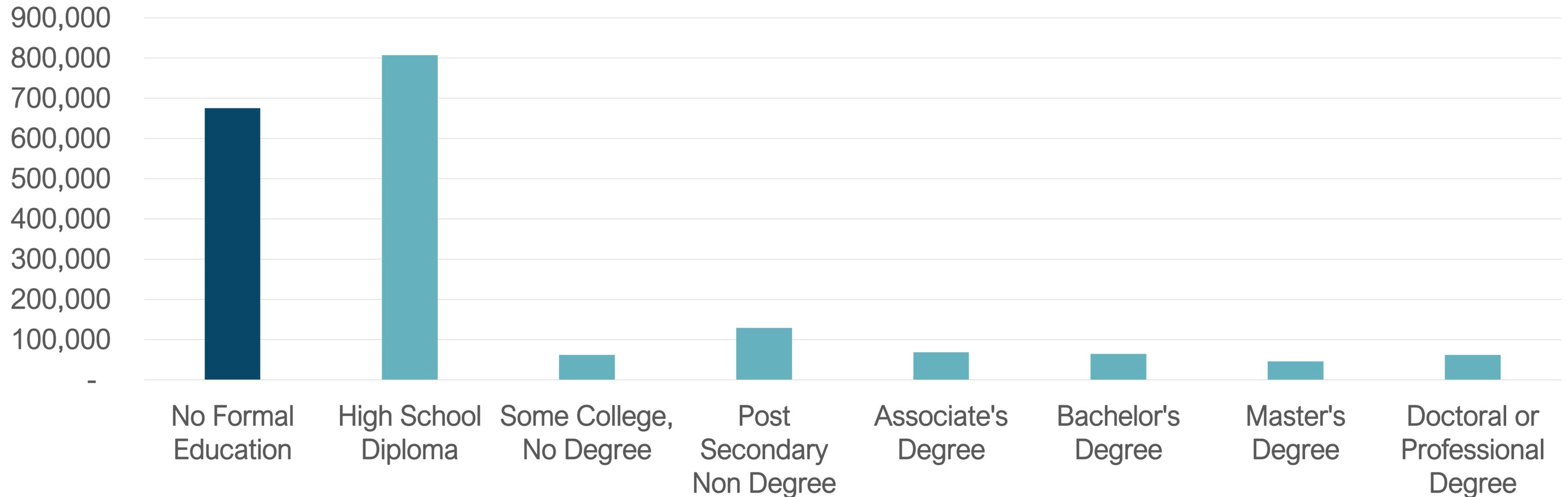


Share of Jobs with Median Wages Above and Below Median Self-Sufficiency Standard Wage by Family Type, 2015



Second Highest Concentration of Colorado's Jobs Require No Formal Education

Jobs by Ed Attainment, 2015

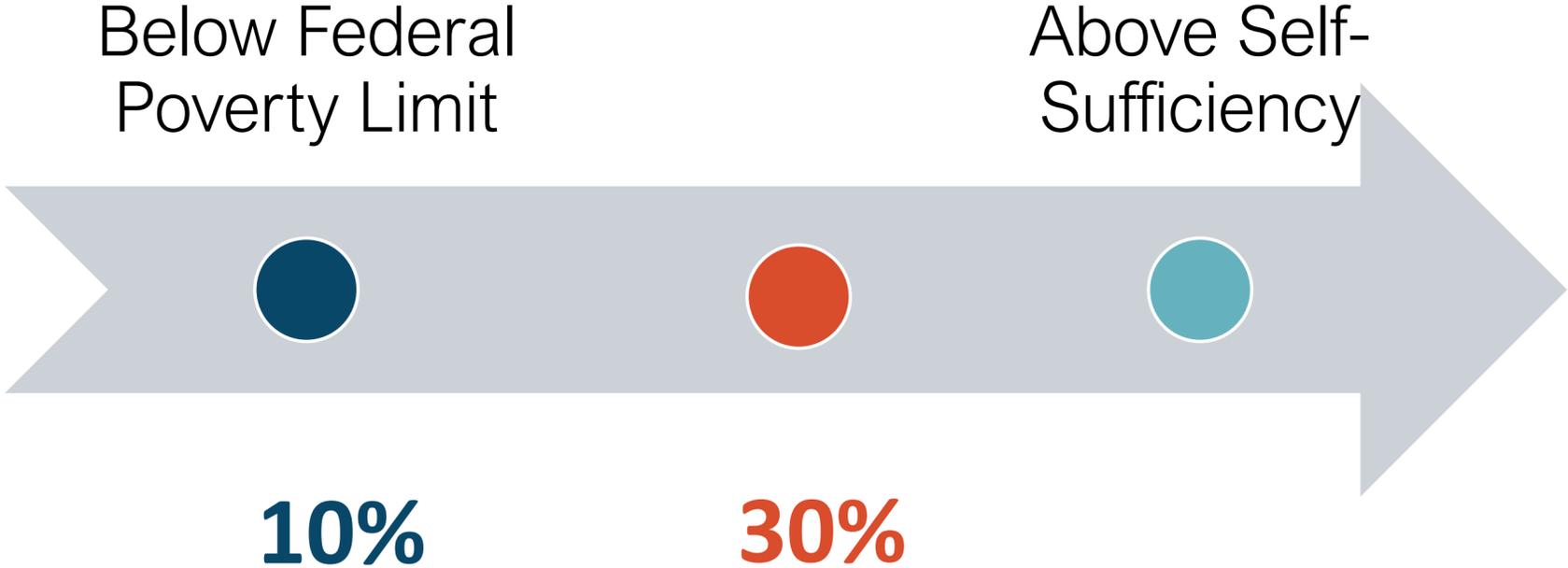


Self-Sufficiency in Metro Denver 2018

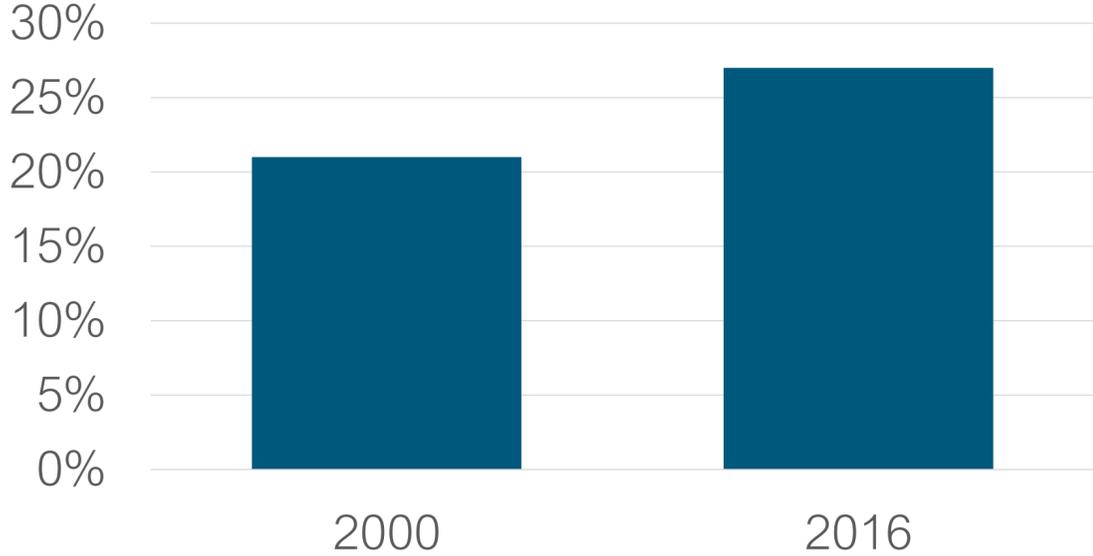
County	SSS as Percentage of FPL		
	One Adult	One Adult One Preschooler	Two Adults One Preschooler One School-Age
Adams	228%	326%	287%
Arapahoe	239%	337%	300%
Boulder	252%	365%	342%
Broomfield	246%	353%	311%
Denver	218%	323%	288%
Douglas	275%	382%	333%
Jefferson	235%	339%	303%

Self-Sufficiency in Metro Denver 2018

How many people are we talking about?



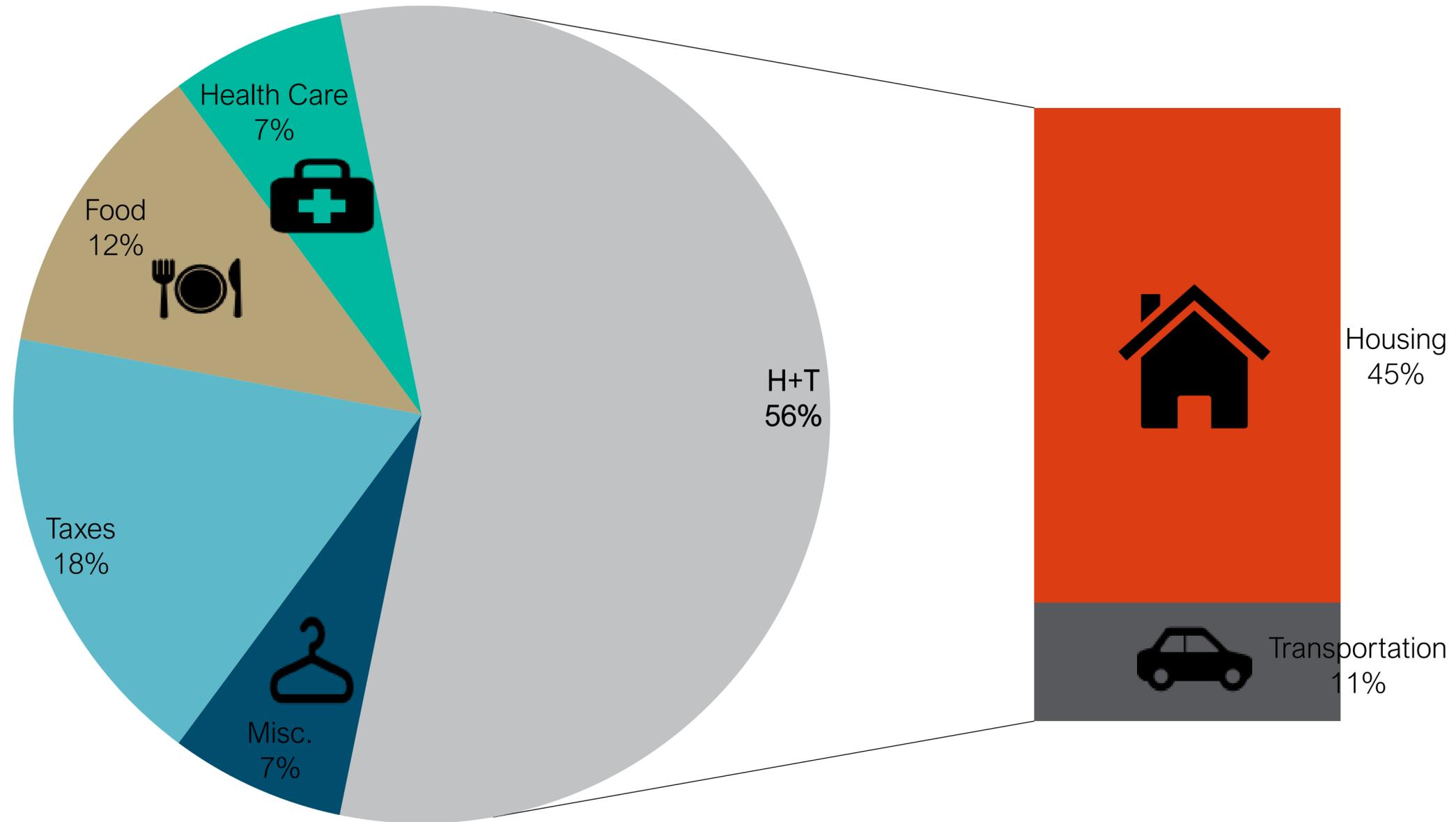
Colorado Households Below Standard



Source: Analyst calculation of The Self-Sufficiency Standard for Colorado 2018 and the American Community Survey 2016

Household Income and Expenses

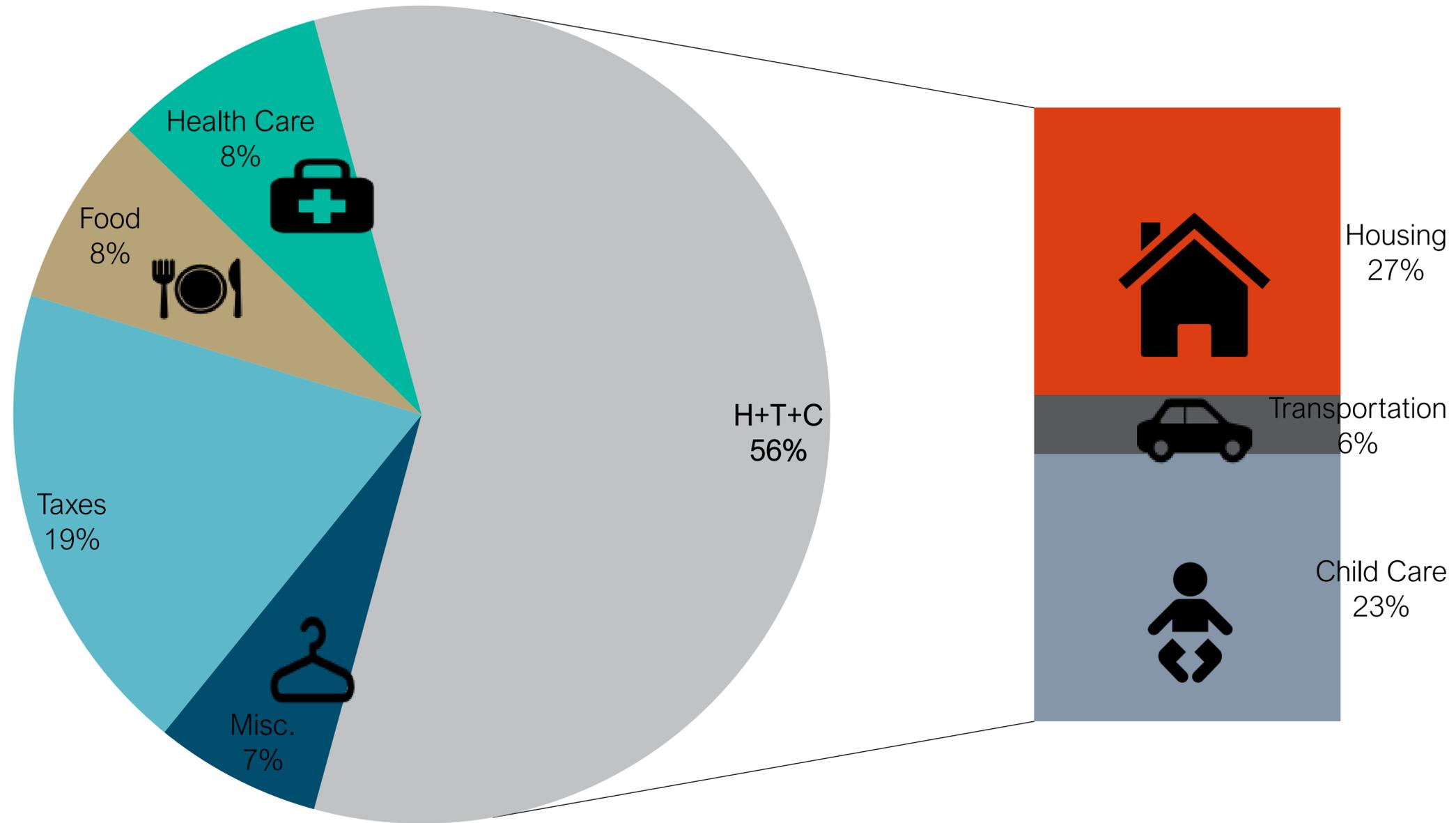
ONE ADULT HOUSEHOLD (ADAMS COUNTY)



**\$2,307/
month**

Household Income and Expenses

ONE ADULT ONE INFANT HOUSEHOLD



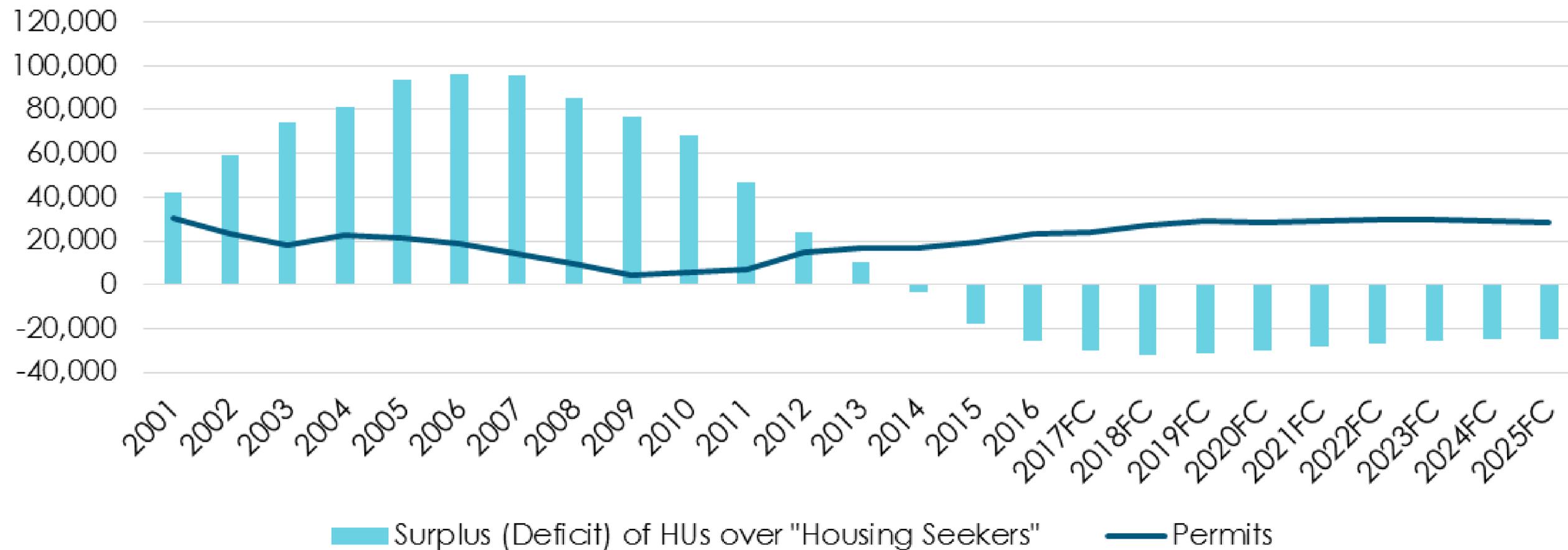
**\$4,665/
month**



Data Strongly Suggest Excess Demand for Housing

7 COUNTY METRO DENVER

Residential Permits and Housing Surplus/Deficit
(Assumes 100% Realization Rate of All Permits)



Land: We Have a Lot, But Not Really

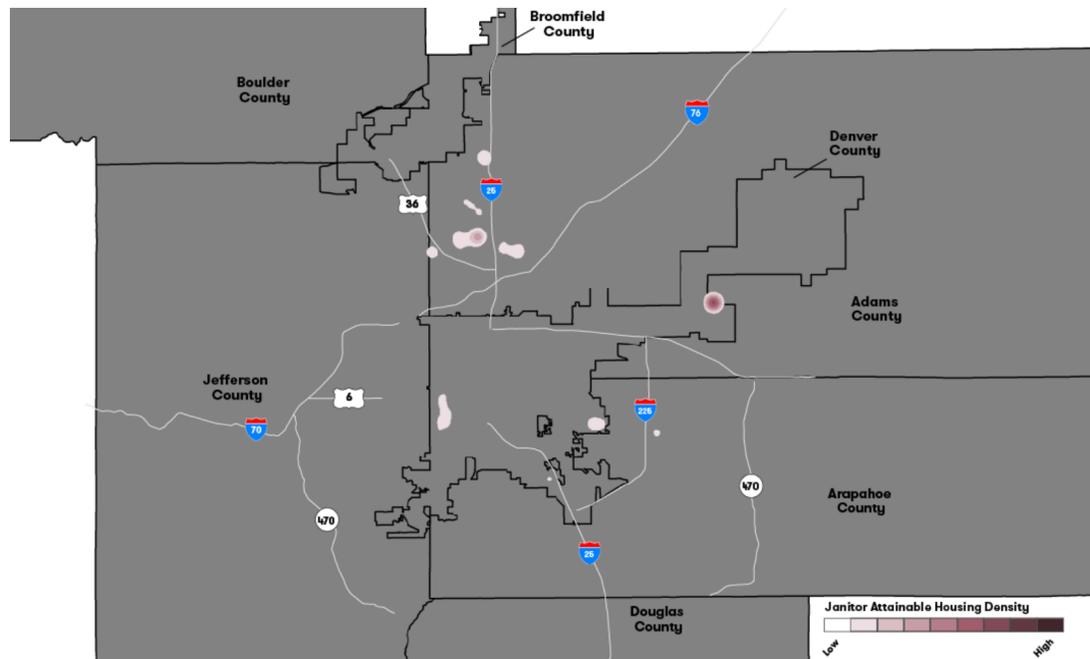


Use by Right Residential - Denver Metro Region

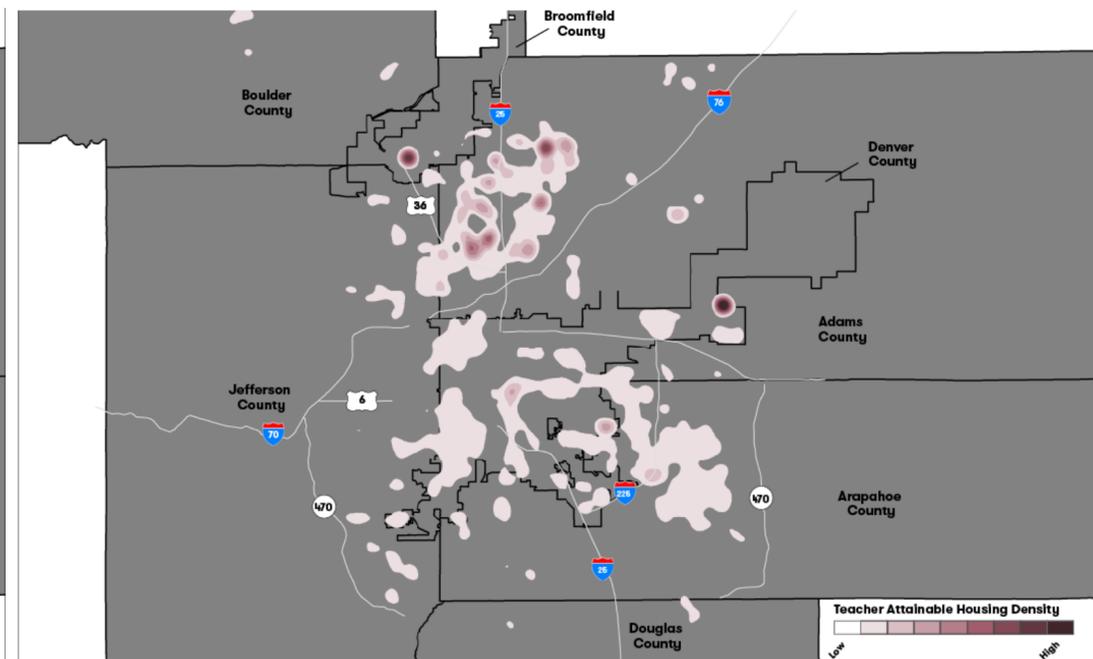
Housing for Working Occupations

JOBS | HOUSING: PRELIMINARY FINDINGS

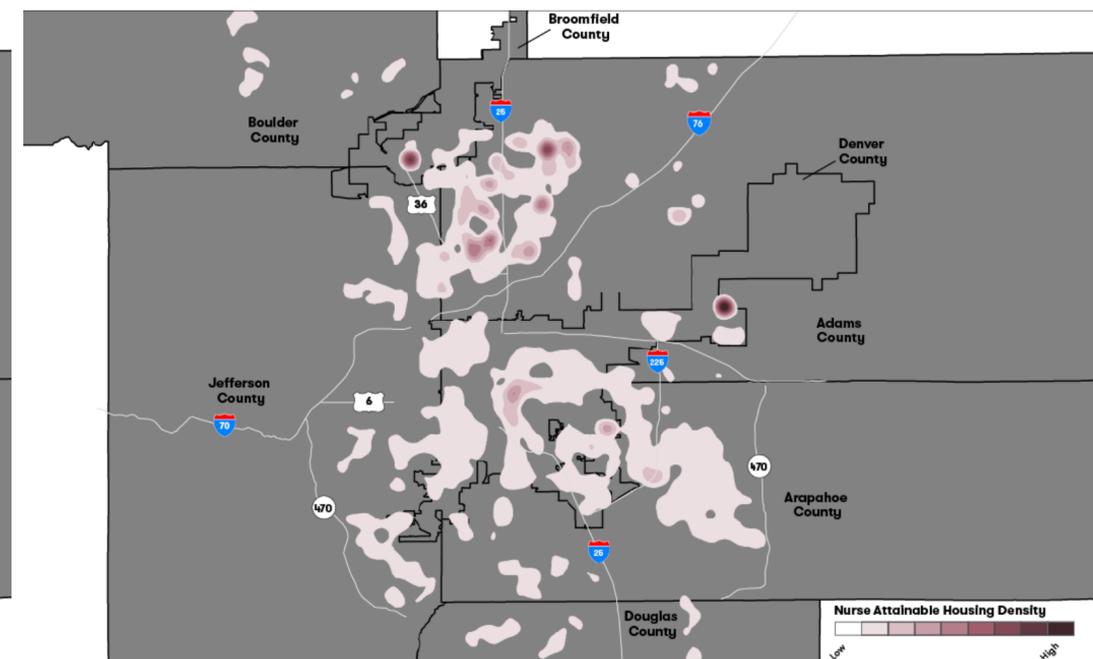
Janitors



Teachers



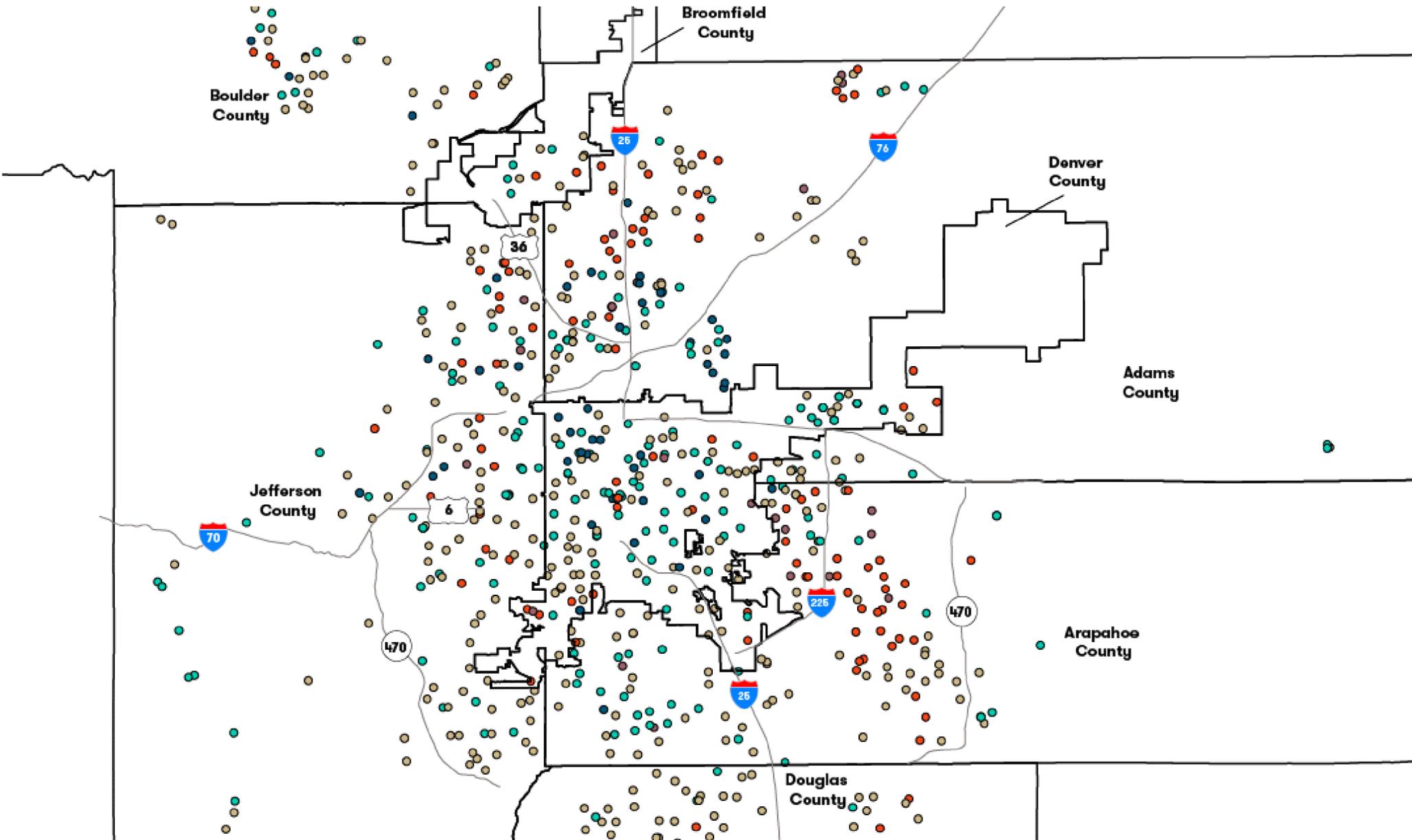
Nurses



...we lack the inventory at the levels affordable to households working in a large share of the region's occupations.

Change in Free & Reduced Lunch Participation 2009 - 2017

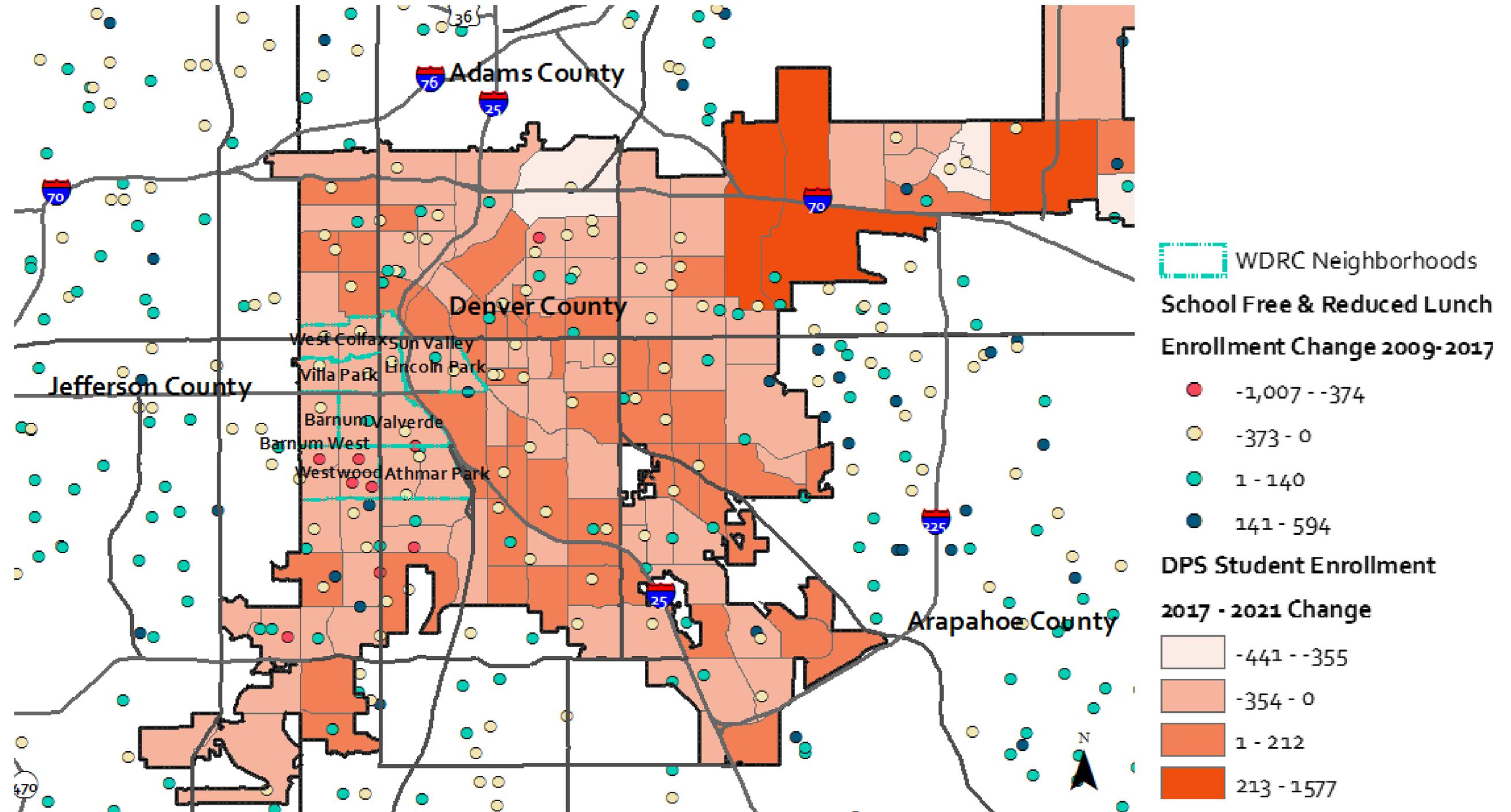
SECONDARY & TERTIARY WAVES OF THE SUBURBANIZATION OF POVERTY



● -26% - -8% ● -5% - 0% ● 1% - 8% ● 9% - 16% ● 17% - 36%

Source: Colorado Department of Education 2009 - 2017

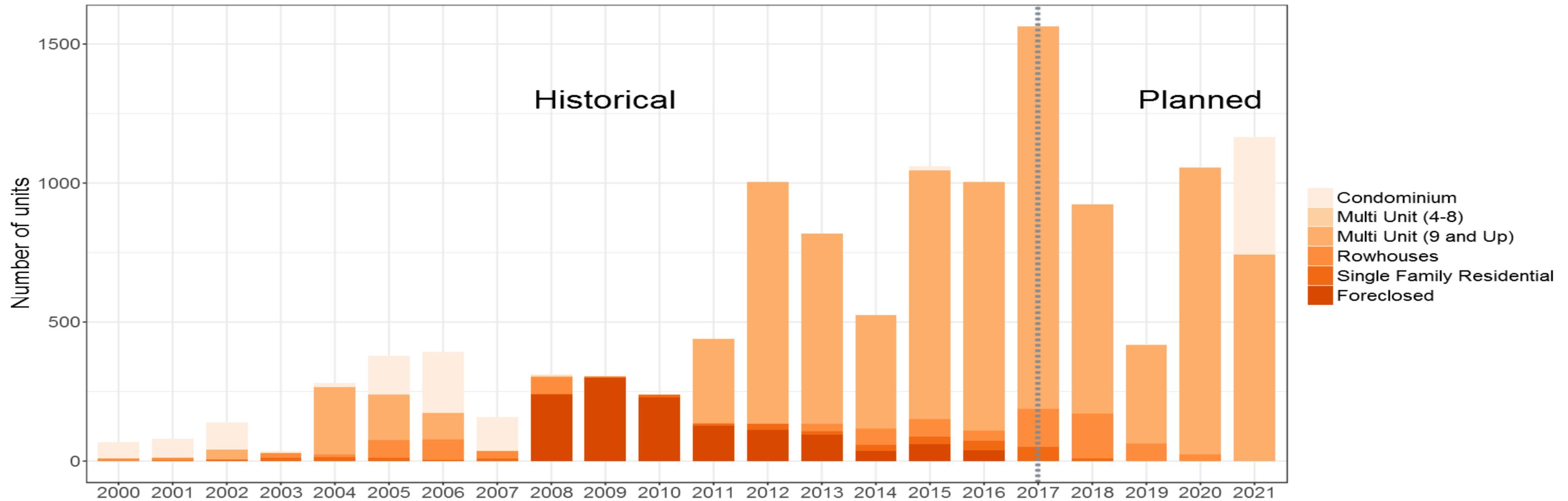
Education Effects: West Denver to Lose 1,700 Students



Source: Analyst calculation from enrollment forecast model, including Denver Public School enrollment, Vital Statistics (CDPHE), Colorado Department of Education

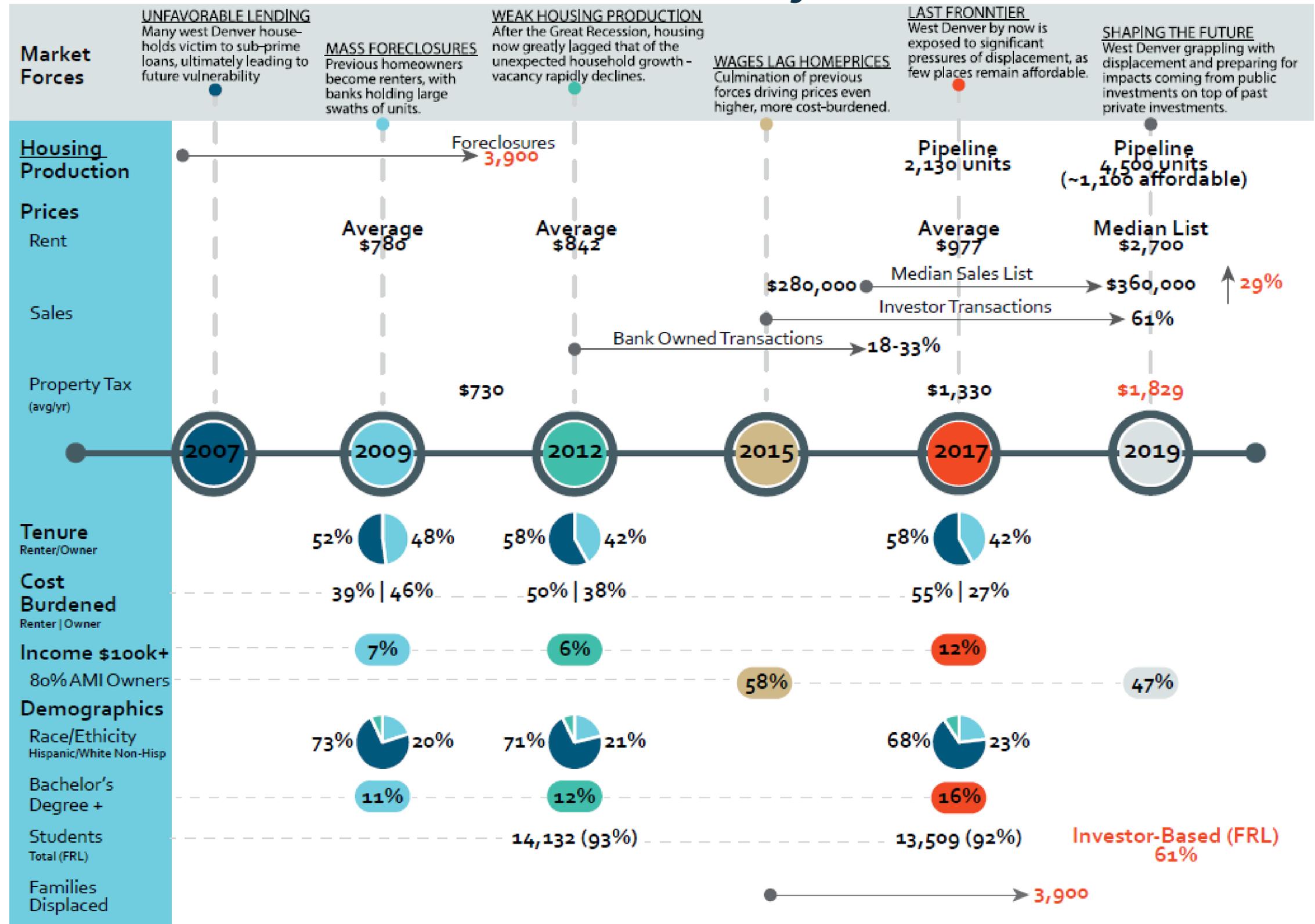
Gilpin Area Neighborhoods: Residential Development

UNIT COUNTS BY YEAR AND BY HOUSING TYPE



2016-2017 enrollment from units built between 2012-2016:
23 students

How Things Came to Be: Community View



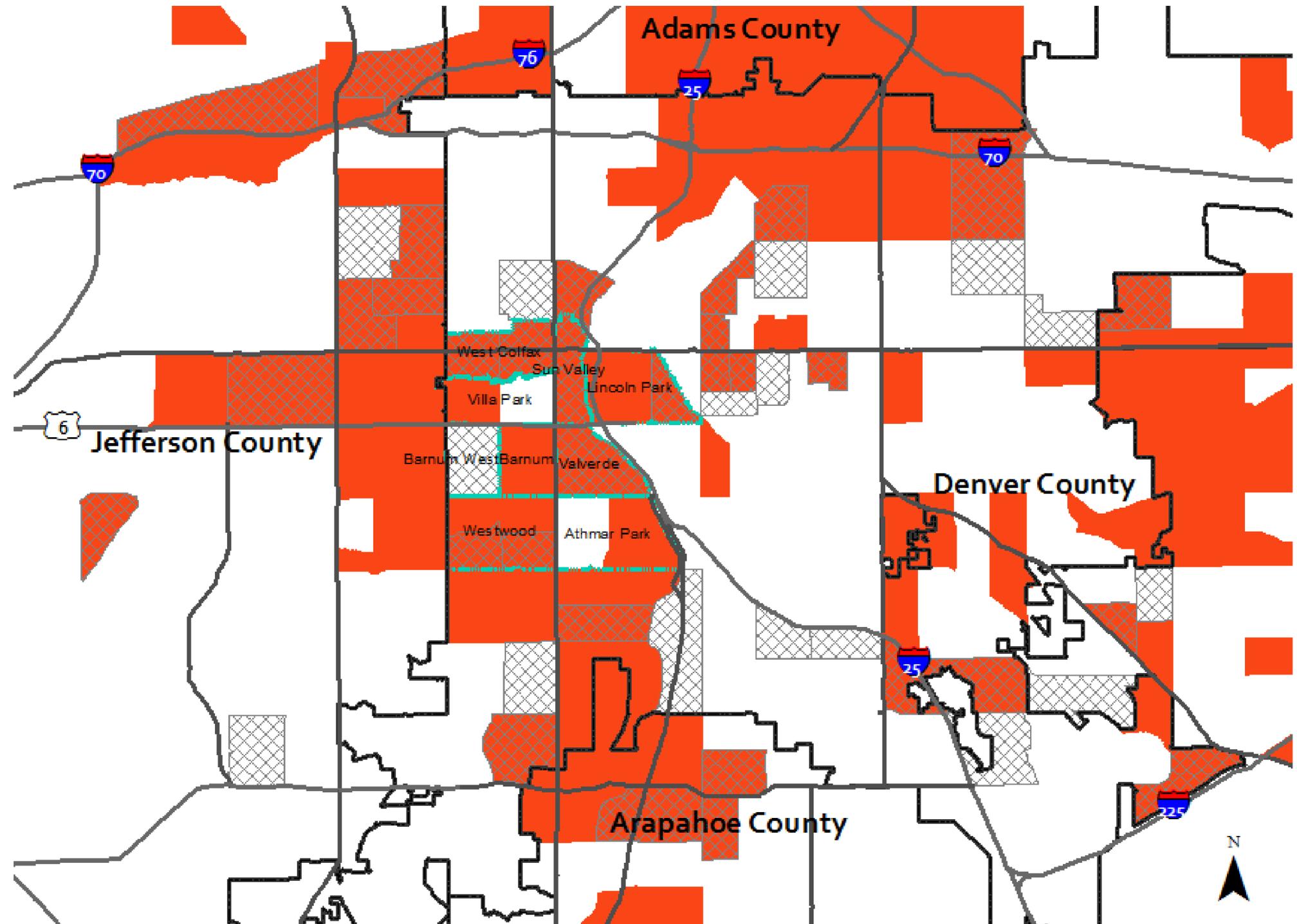
Displacement Pressures

OVERALL FINDINGS

West Denver Households

Vulnerable* &
Experiencing Gentrification**
20K Households (83%)

- *Tracts with the majority of households earning <60% AMI
- **Tracts that were vulnerable in the base year and experienced both:
 - Above average increase in educational attainment
 - Above average increase in either median rent, or median value



Source: Analyst calculation from 2007-2011 and 2012-2016 American Community Survey 5-year Estimates

Changes in Doubled-Up Households: 2006 - 2017

TOTAL NUMBERS

The number of doubled-up households increased by 34%, as compared to 16% for all household growth.

1 in 5

DOUBLED UP IN 2006

1 in 4

DOUBLED UP IN 2017



~415K

2006 DOUBLED-UP
HOUSEHOLDS

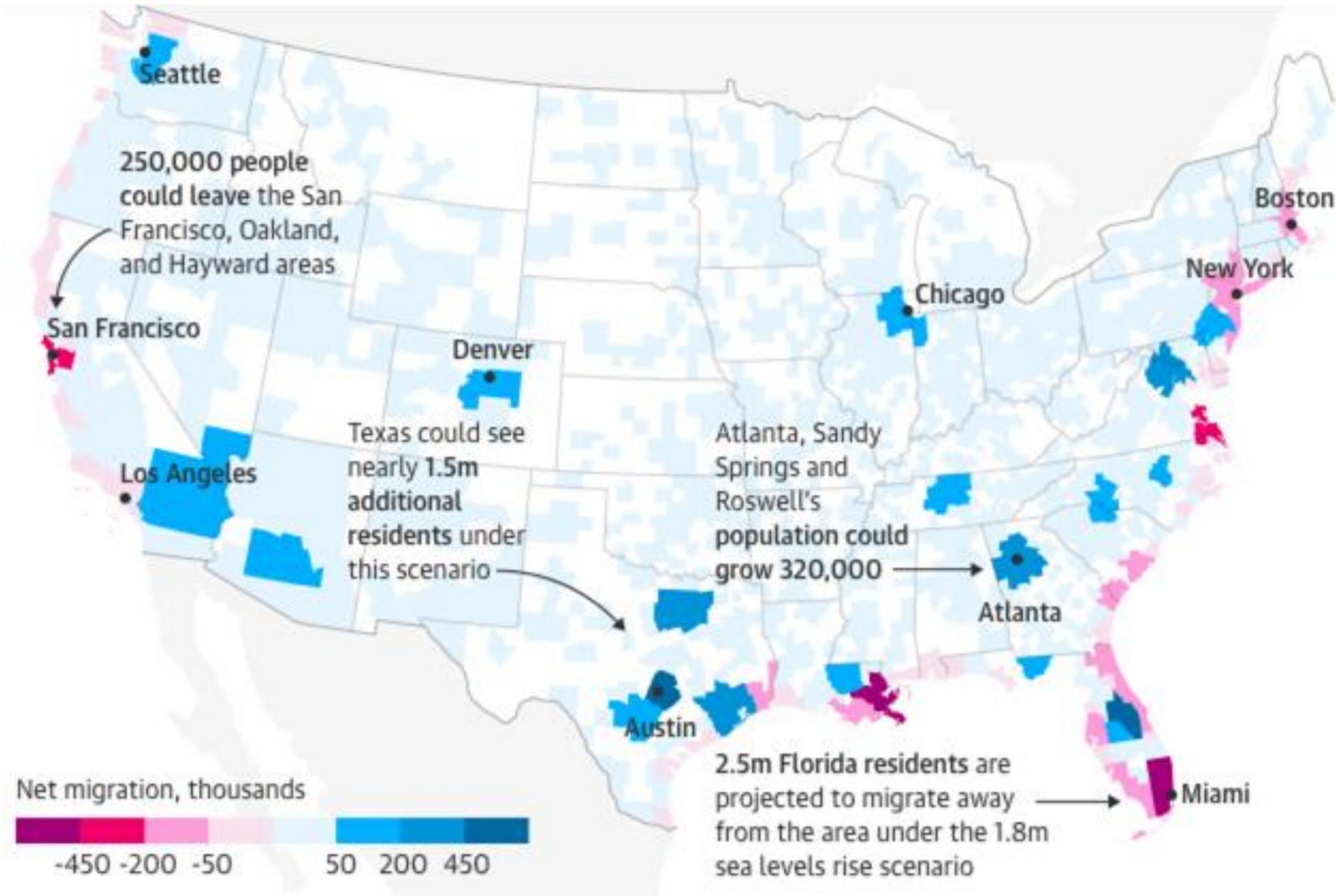


~560K

2017 DOUBLED-UP
HOUSEHOLDS

Net Migration Effect from Sea-Level Rise

BY THE END OF THE CENTURY 86% OF AREAS WITH AN URBAN CENTER OF MORE THAN 10,000



1.
Community Identity/Resiliency Joined with
Economic Stability/Vitality
2.
How Research Plays a Role – Levels of
Transparency

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Thank You