

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

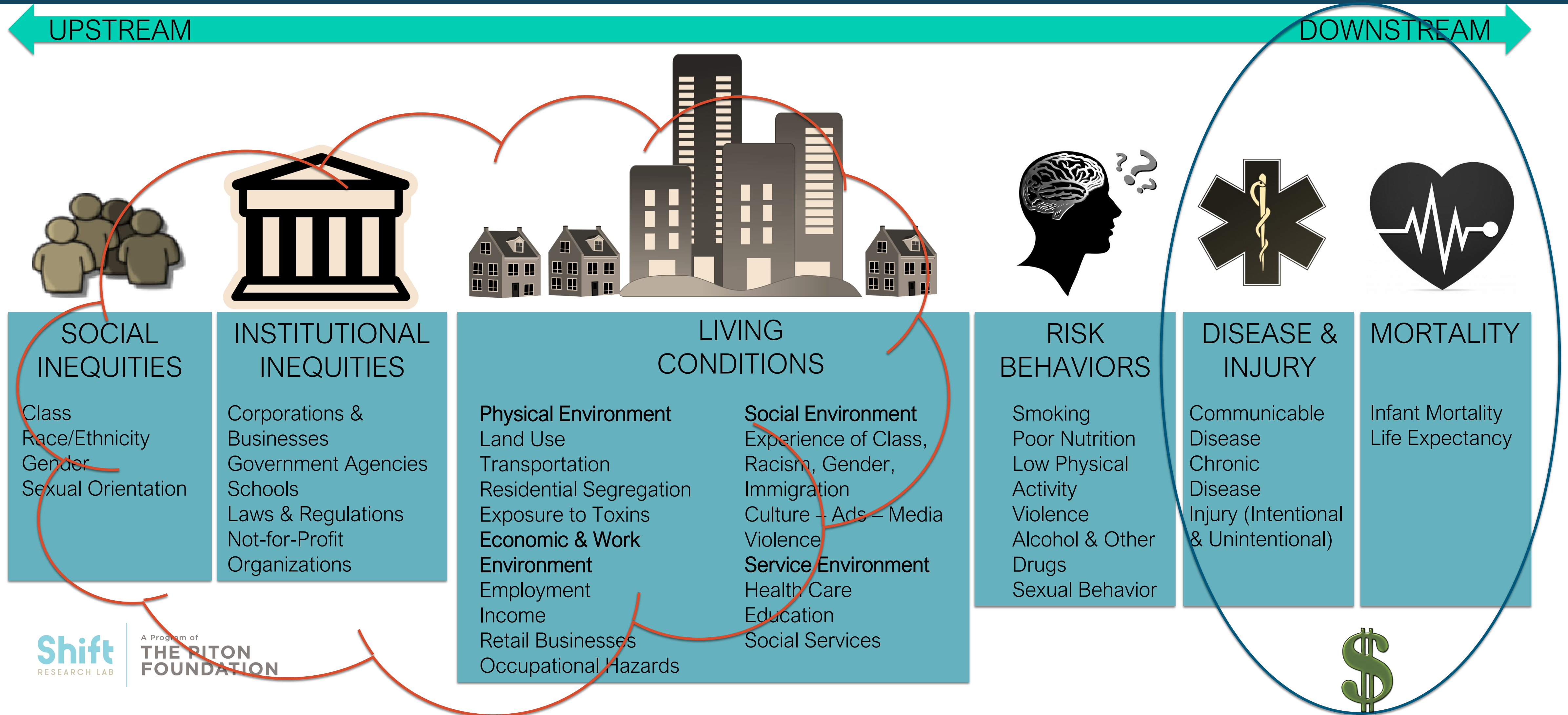
Education
Impacts

Social Impacts

Environmental
Impacts

Health Equity Framework

UPCOMING WORK



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

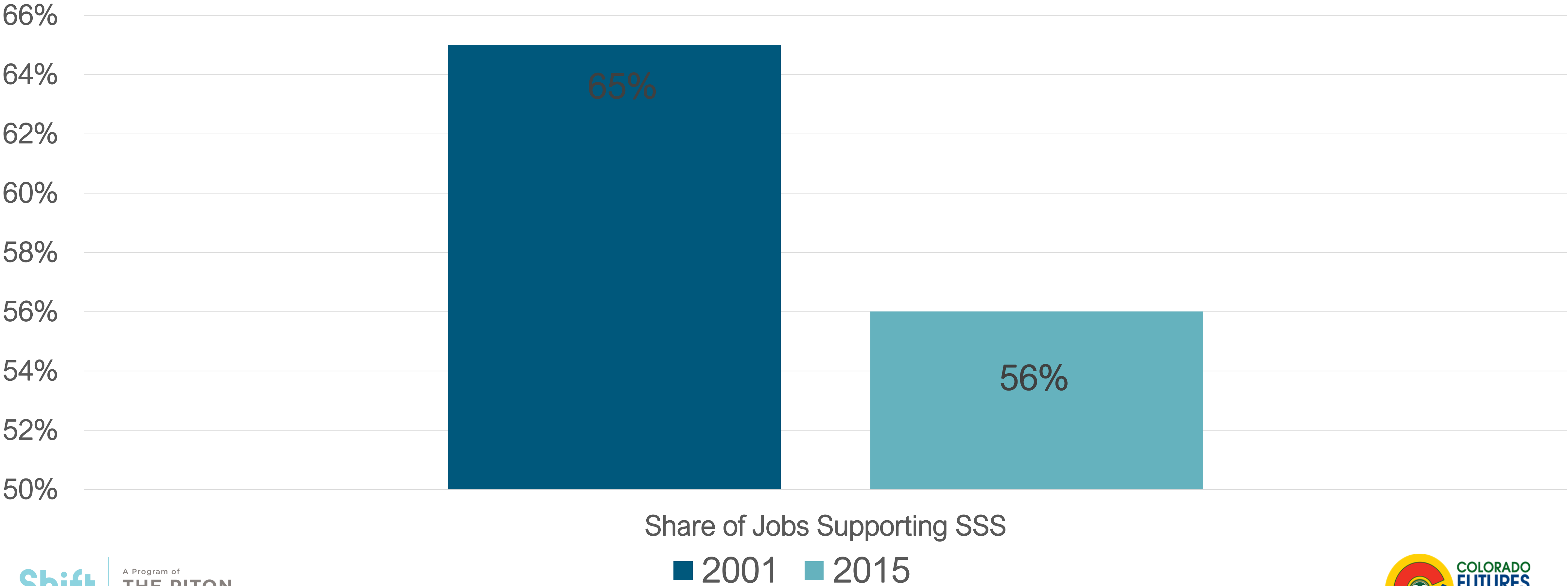
Many Workers Will Continue to Be Challenged

TURNOVER IN COMMUNITY

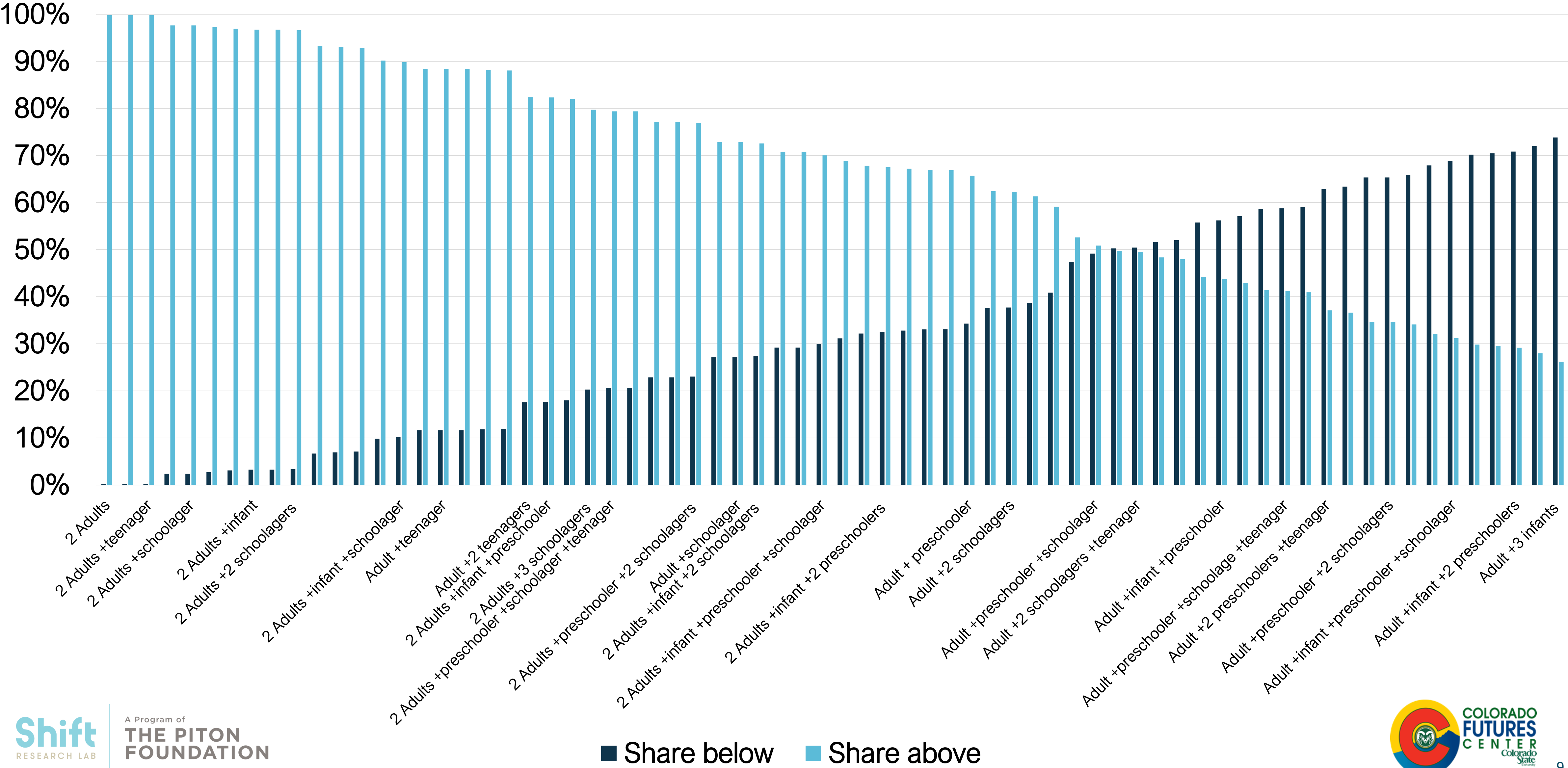
Job Growth in Occupations to 2023:

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

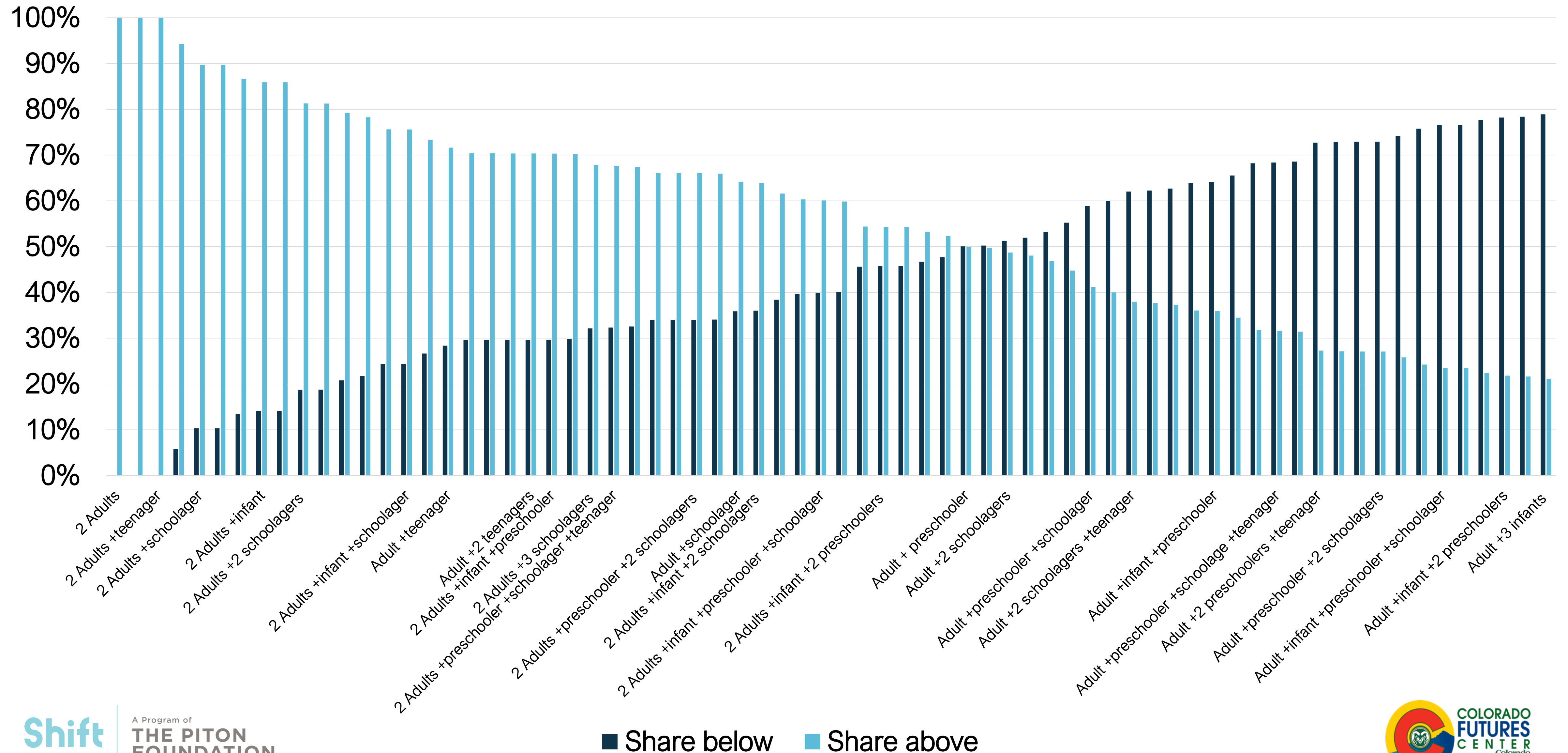
Decline in the Capacity for Wages to Support Families



Share of Jobs with Median Wages Above and Below Median Self-Sufficiency Standard Wage by Family Type, 2001

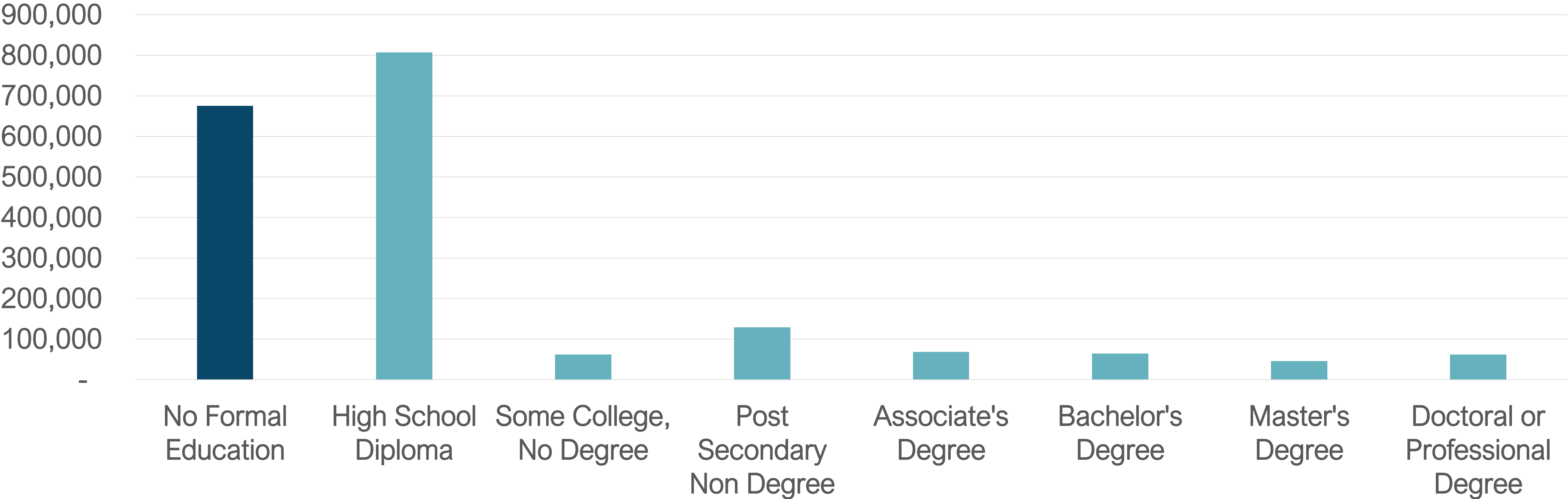


Share of Jobs with Median Wages Above and Below Median Self-Sufficiency Standard Wage by Family Type, 2015



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

Jobs by Ed Attainment, 2015

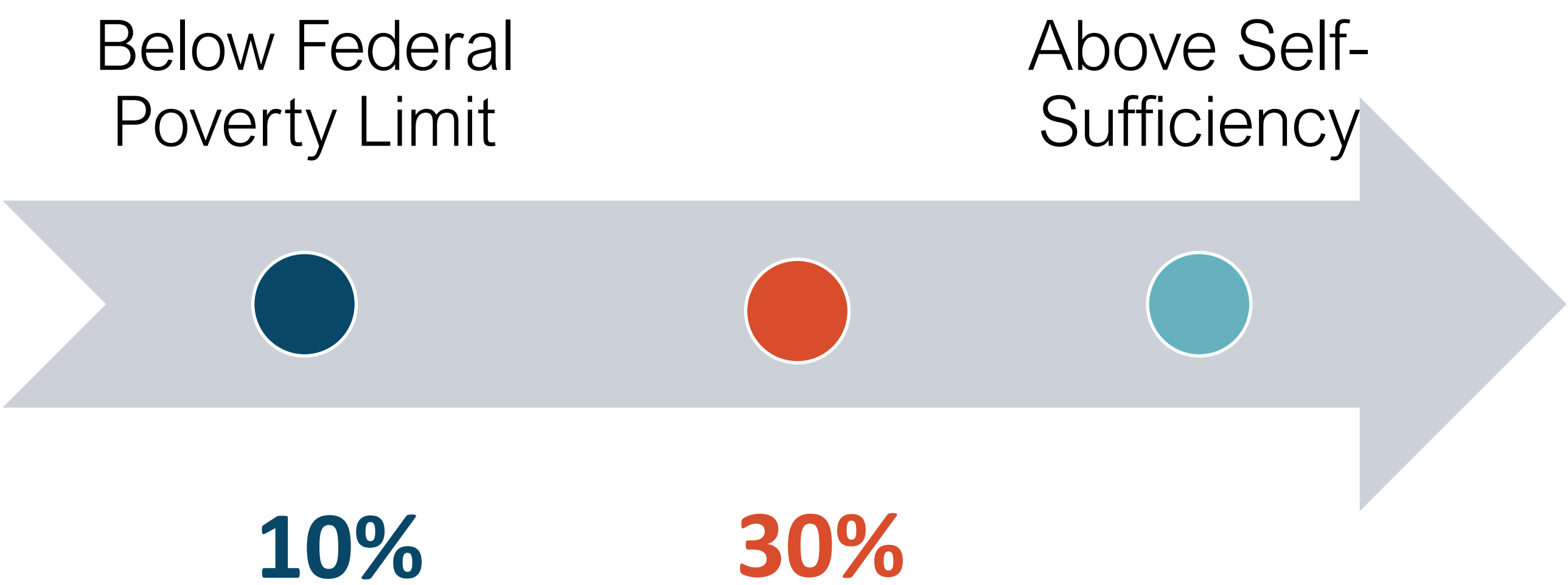


Self-Sufficiency in Metro Denver 2018

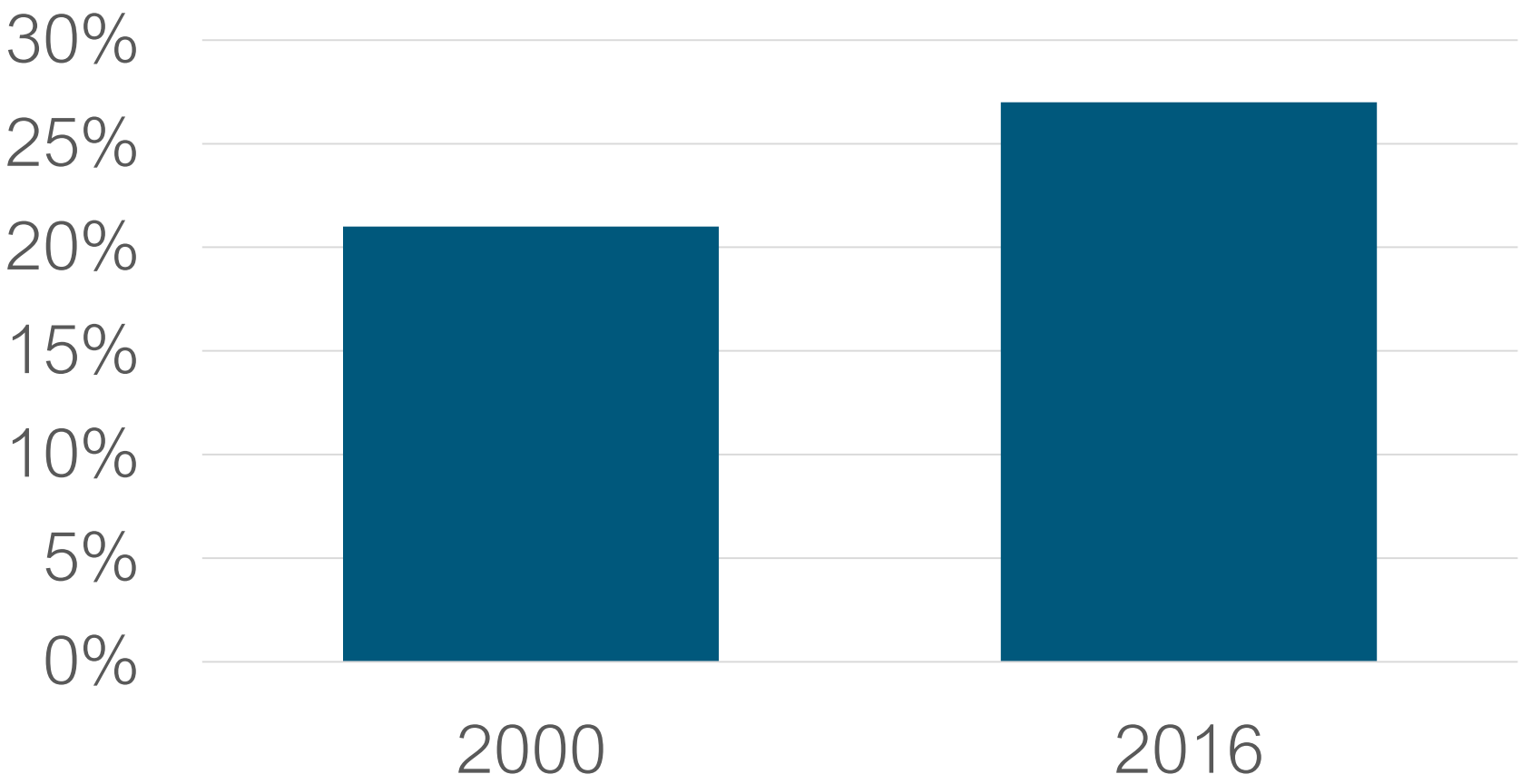
County	SSS as Percentage of FPL		
	One Adult	One Adult One Preschooler	Two Adults One Preschooler One School-Age
Adams	228%	326%	287%
Arapahoe	239%	337%	300%
Boulder	252%	365%	342%
Broomfield	246%	353%	311%
Denver	218%	323%	288%
Douglas	275%	382%	333%
Jefferson	235%	339%	303%

Self-Sufficiency in Metro Denver 2018

How many people are we talking about?

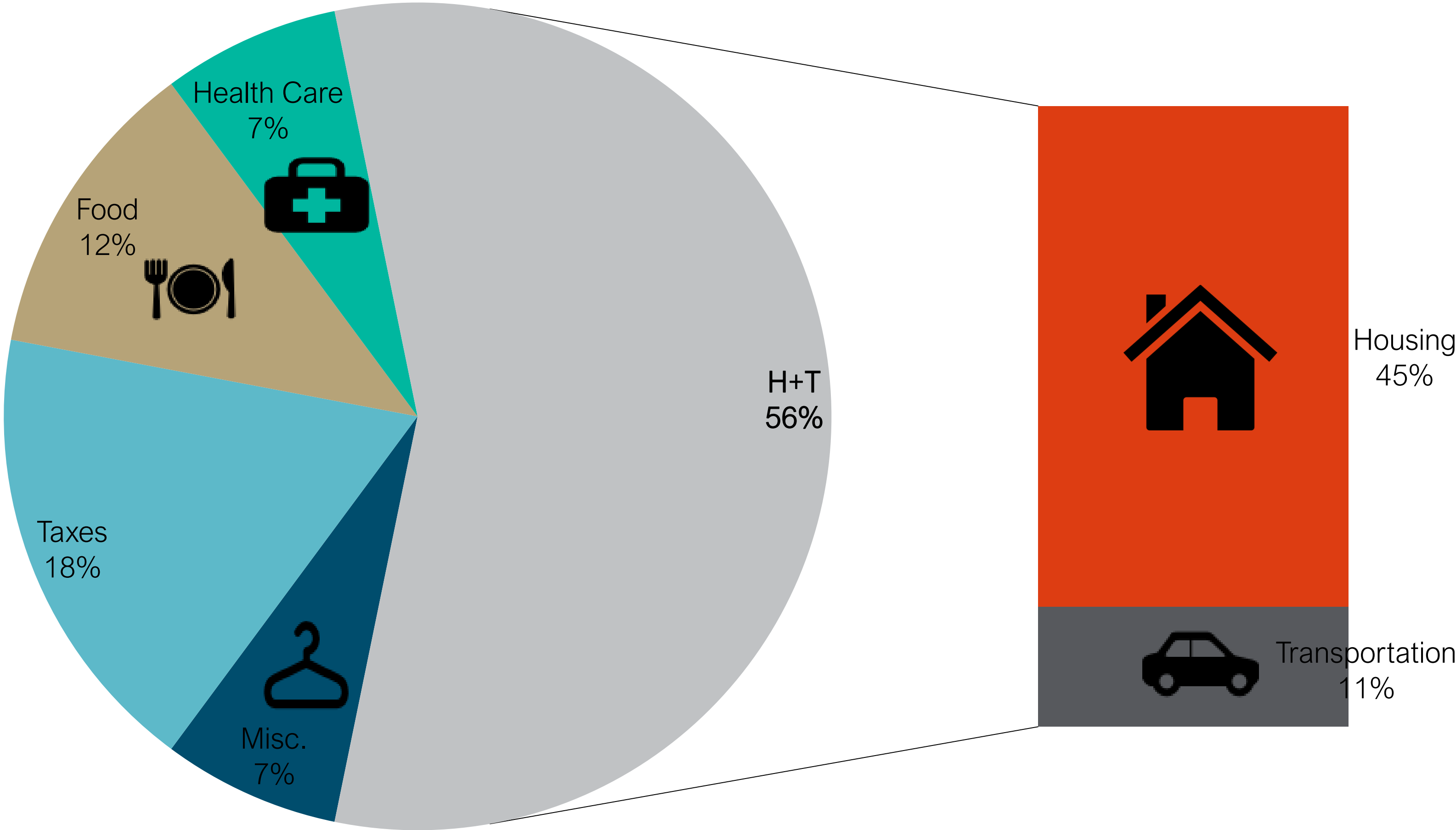


Colorado Households Below Standard



Household Income and Expenses

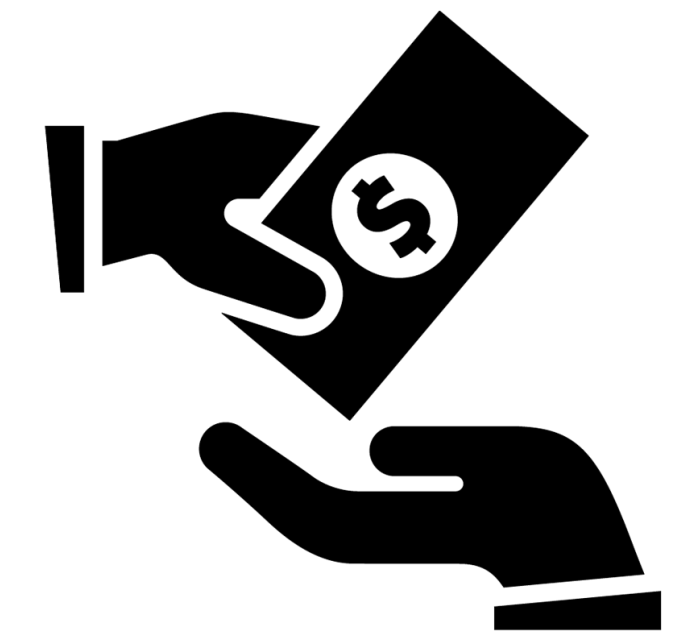
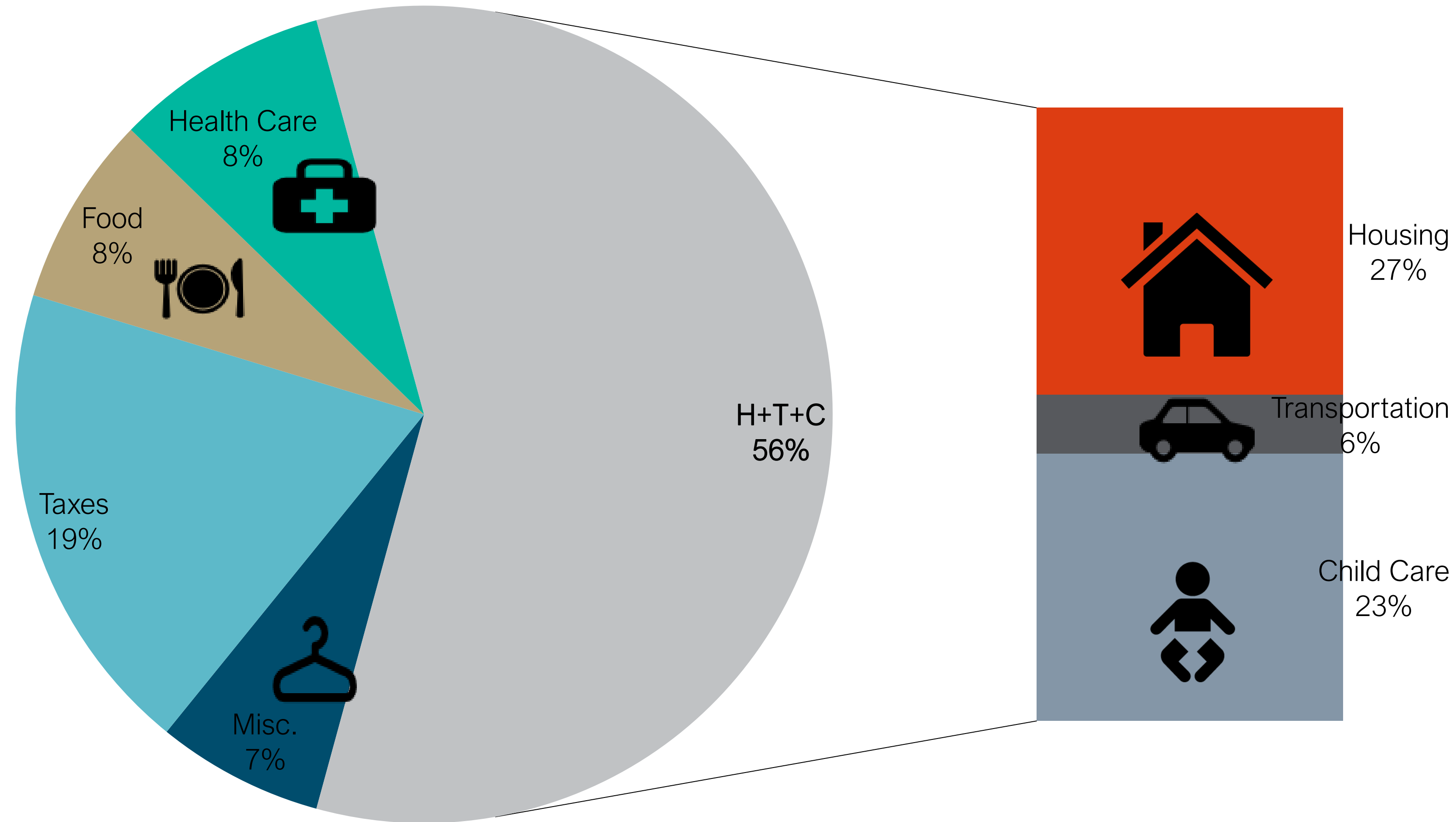
ONE ADULT HOUSEHOLD (ADAMS COUNTY)



**\$2,307/
month**

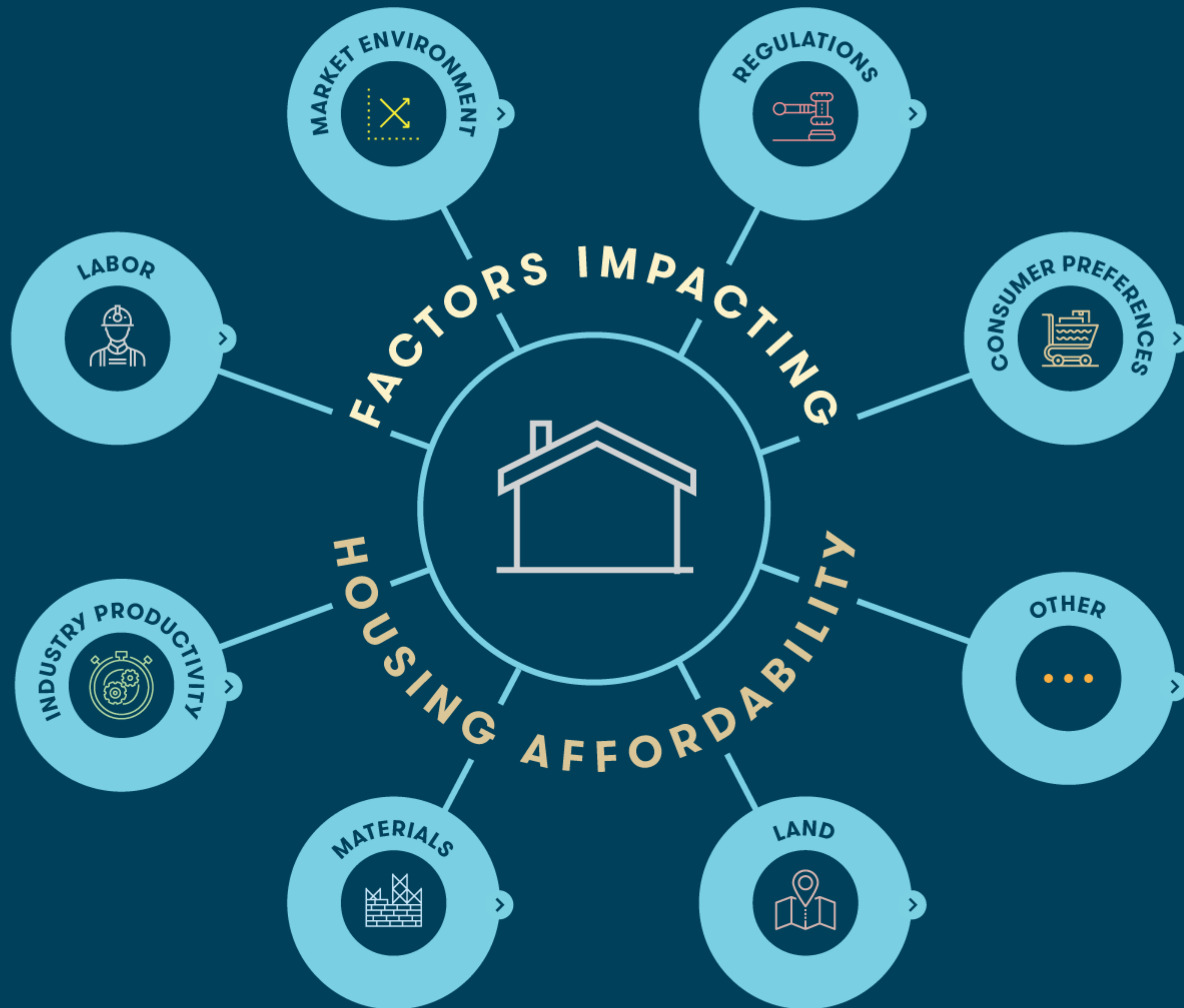
Household Income and Expenses

ONE ADULT ONE INFANT HOUSEHOLD



**\$4,665/
month**

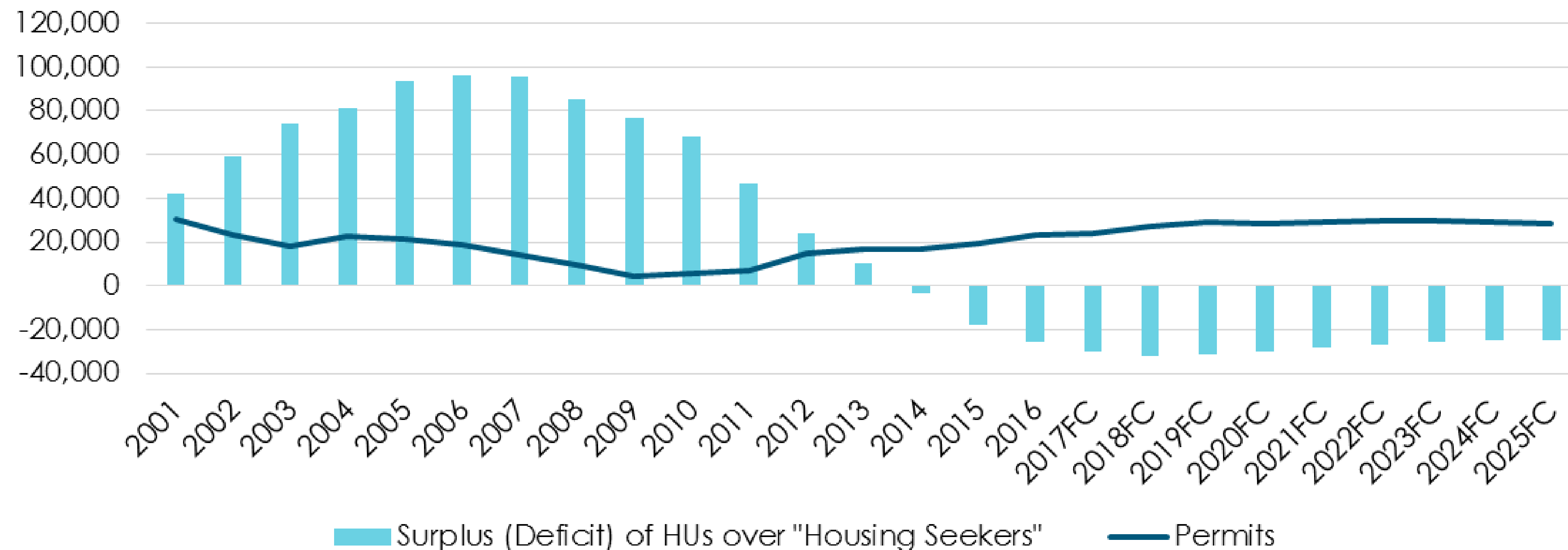
Source: The Self-Sufficiency Standard for Colorado 2018



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

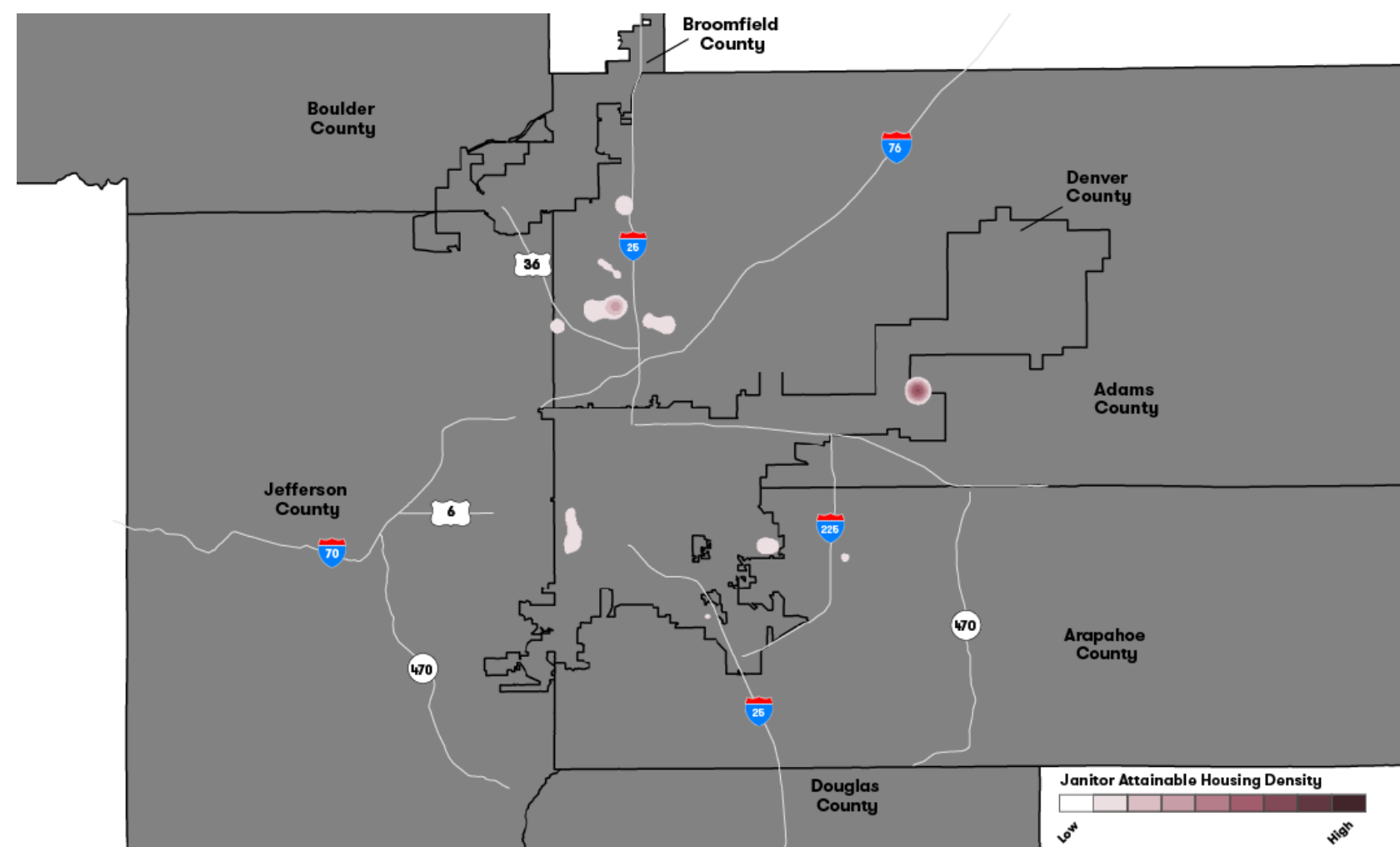


Use by Right Residential - Denver Metro Region

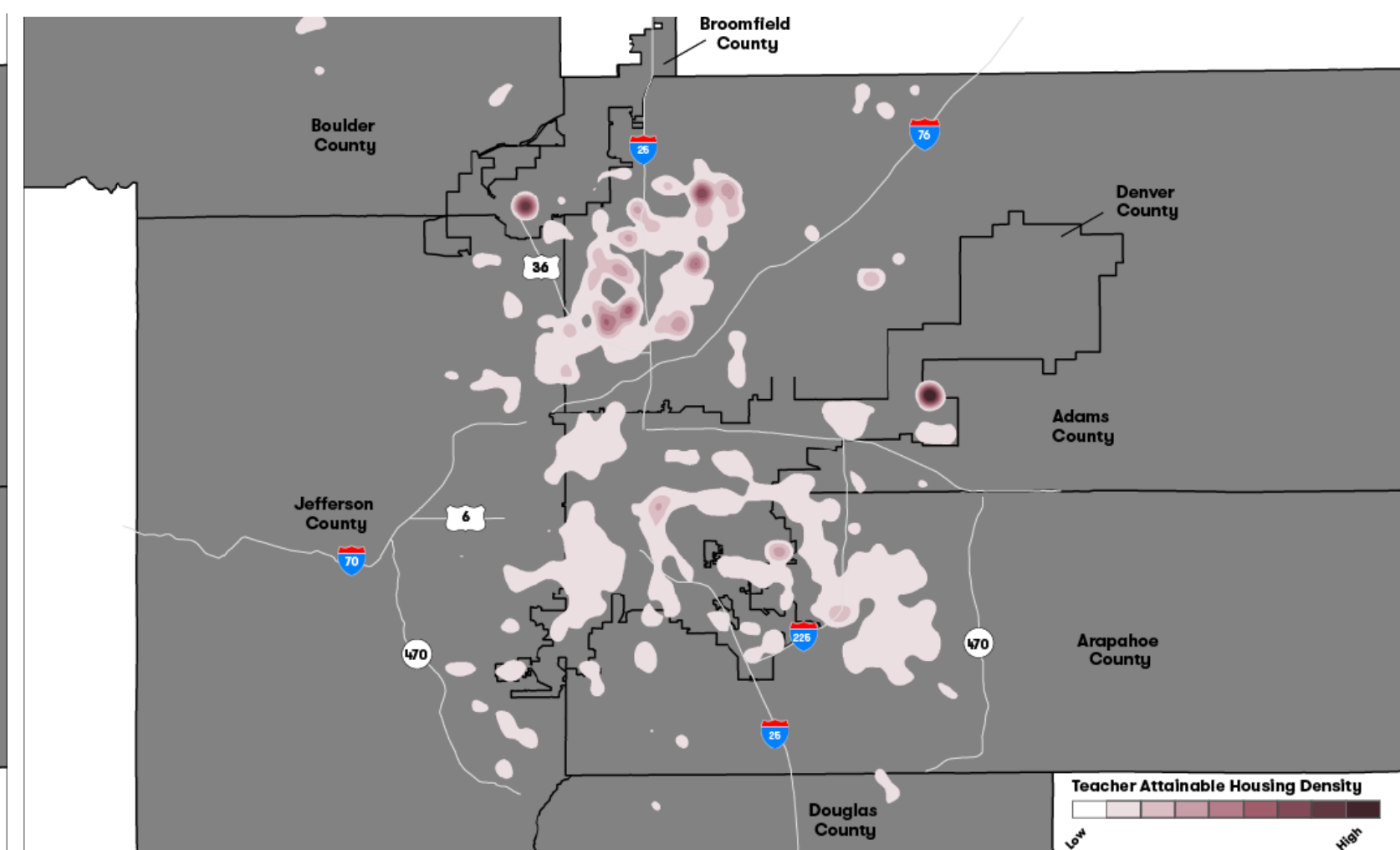
Housing for Working Occupations

JOBS | HOUSING: PRELIMINARY FINDINGS

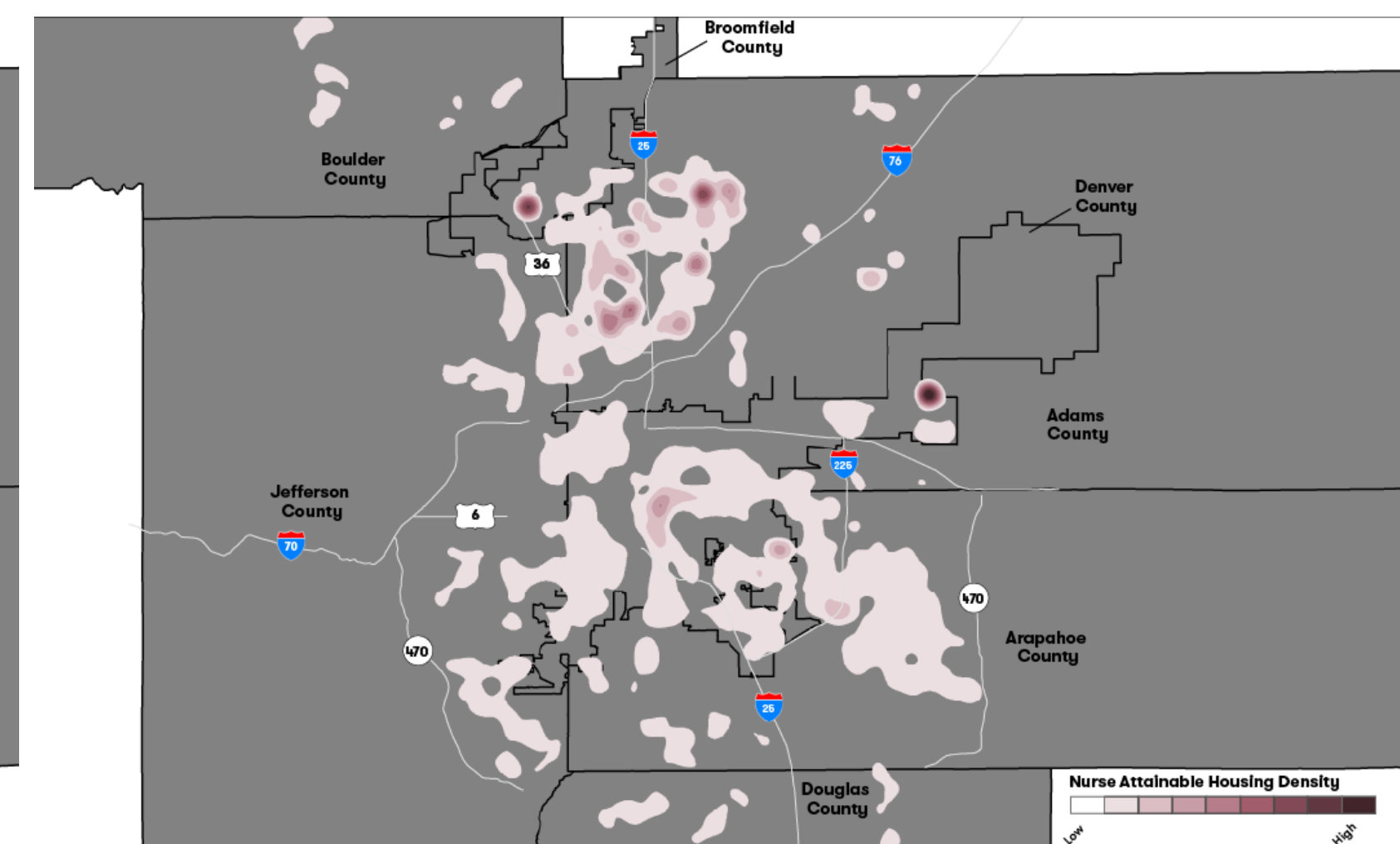
Janitors



Teachers



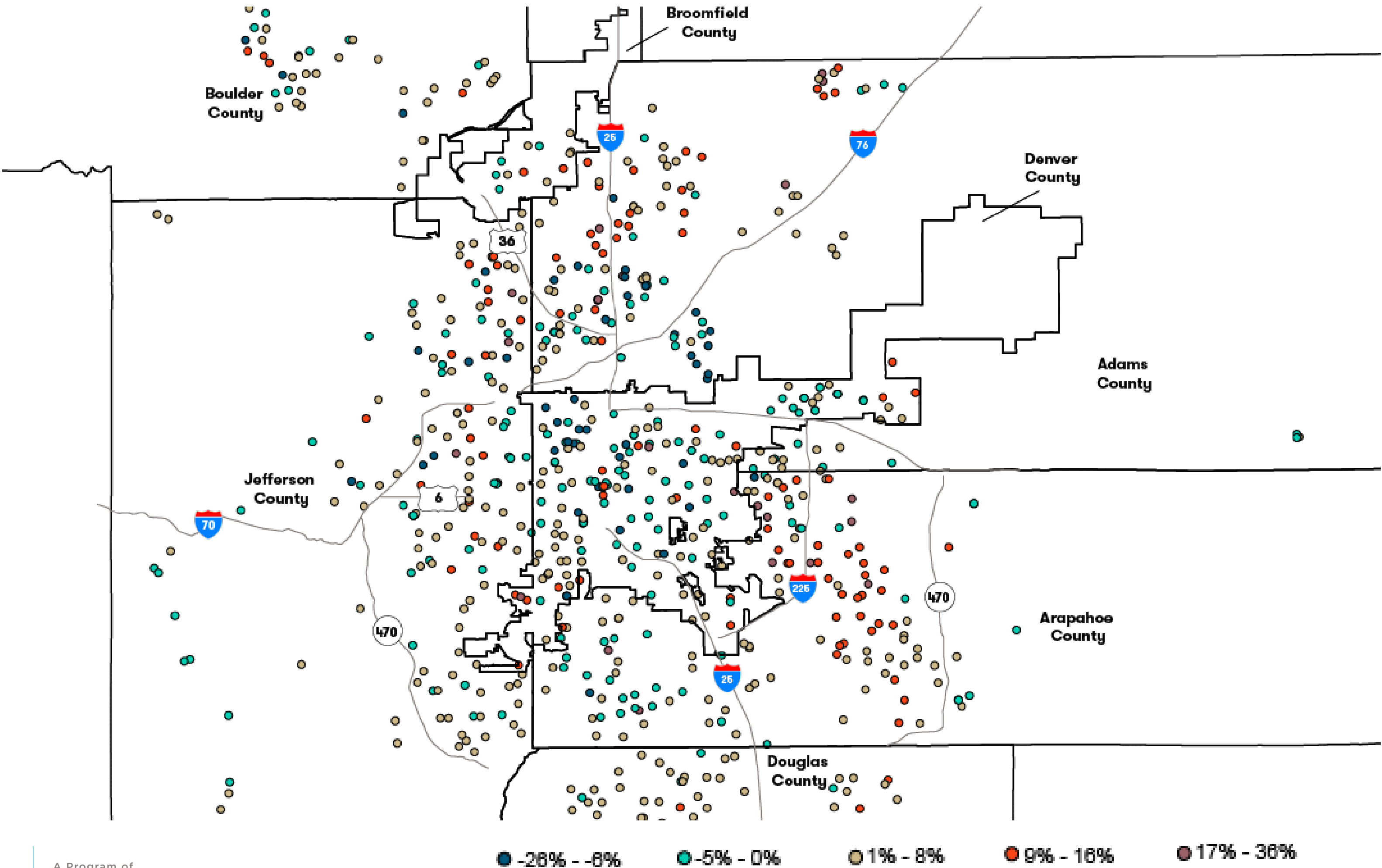
Nurses



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

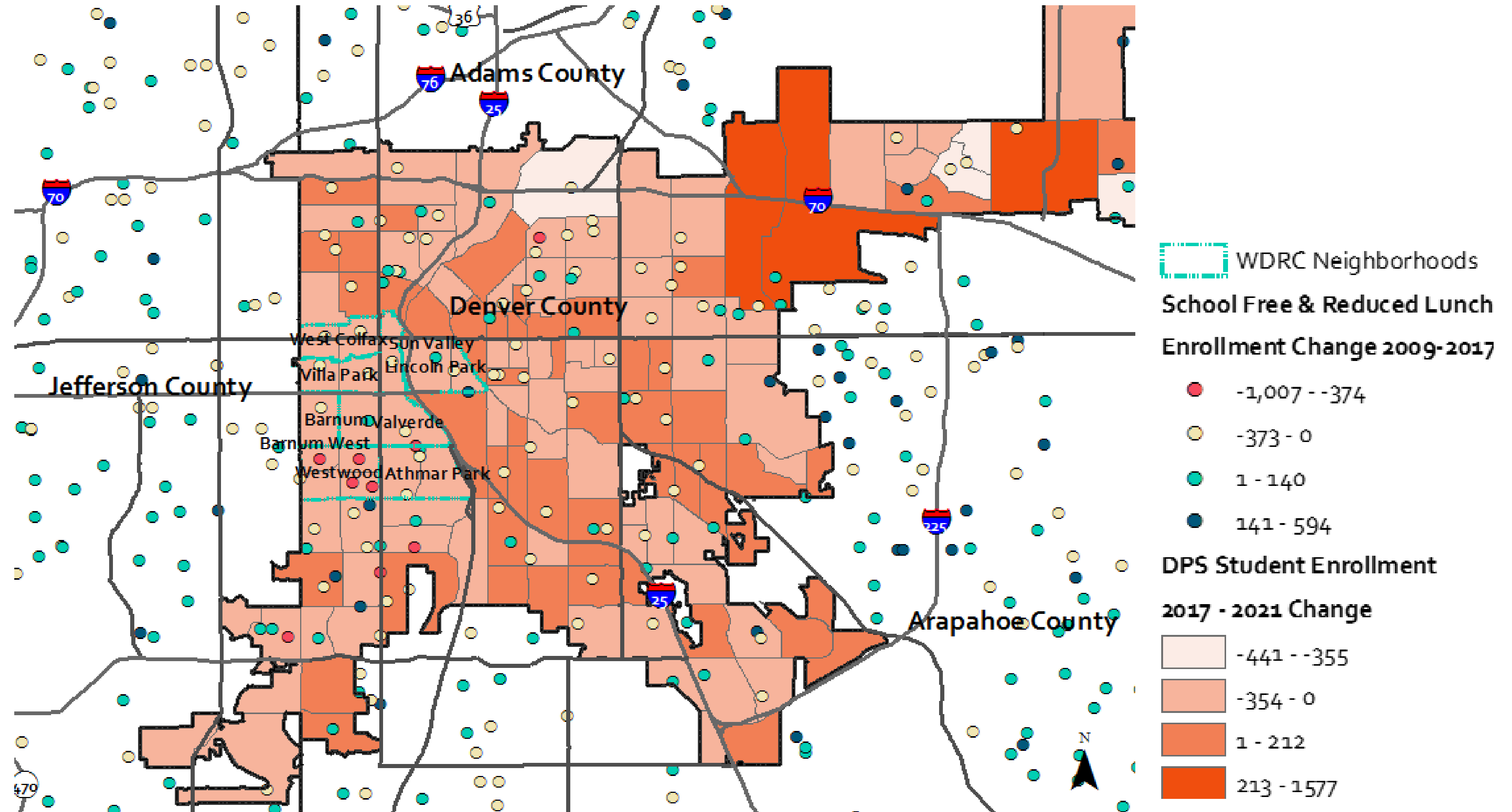
Change in Free & Reduced Lunch Participation 2009 - 2017

SECONDARY & TERTIARY WAVES OF THE SUBURBANIZATION OF POVERTY



Source: Colorado Department of Education 2009 - 2017

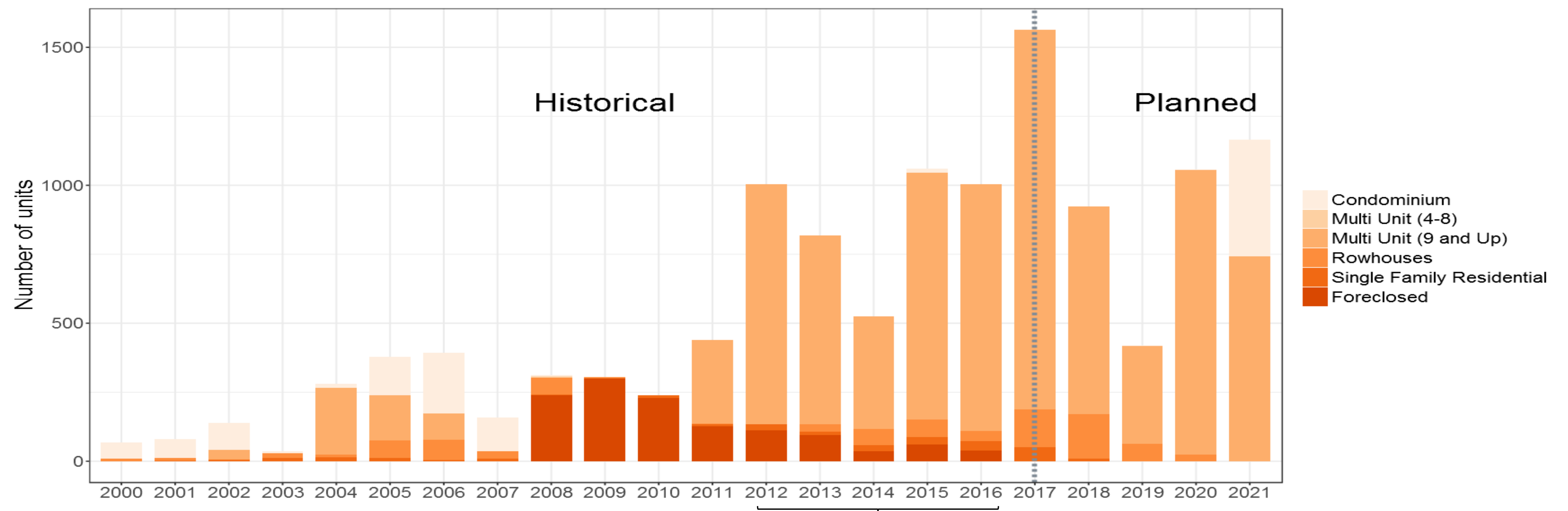
Education Effects: West Denver to Lose 1,700 Students



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

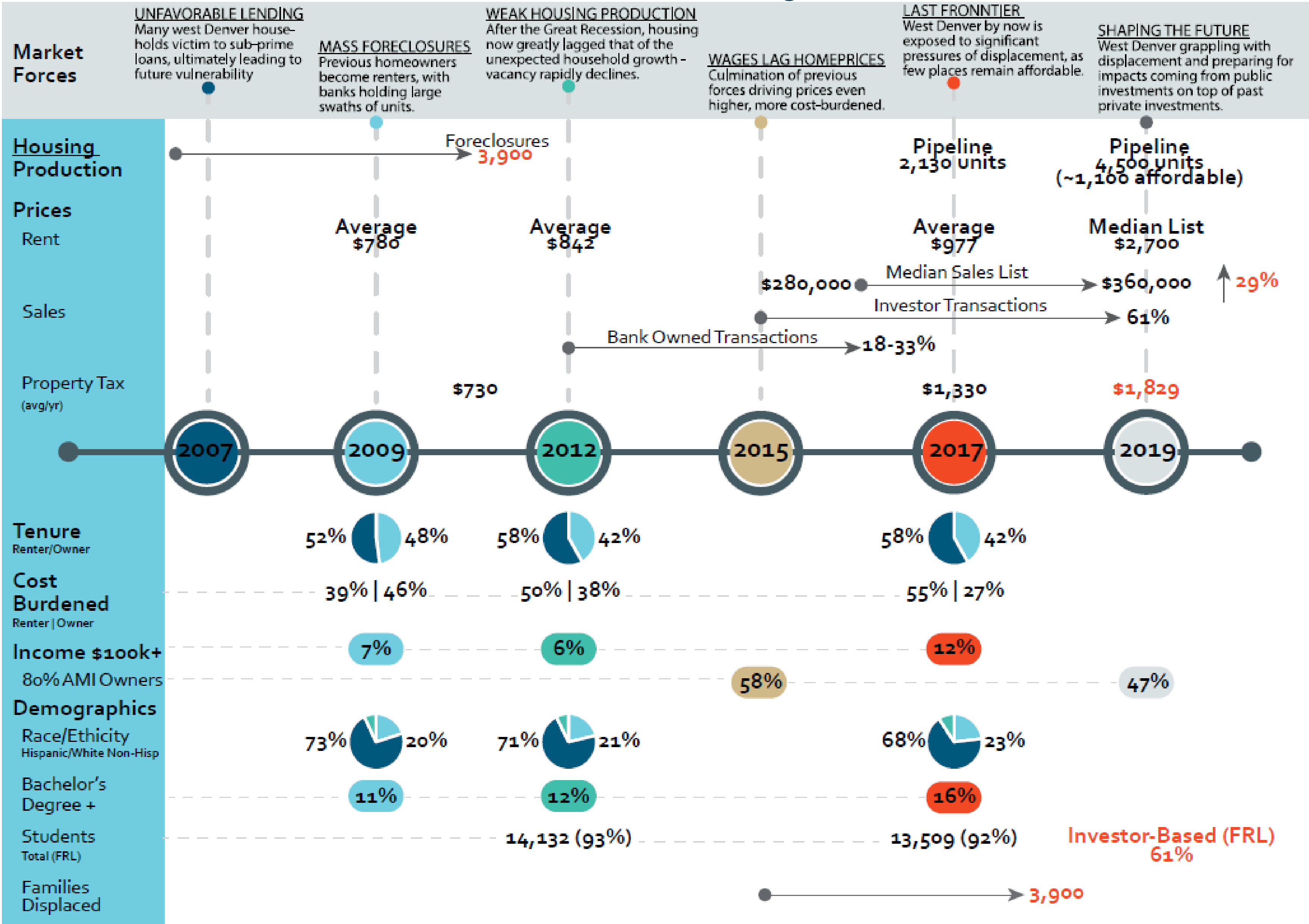
Gilpin Area Neighborhoods: Residential Development

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

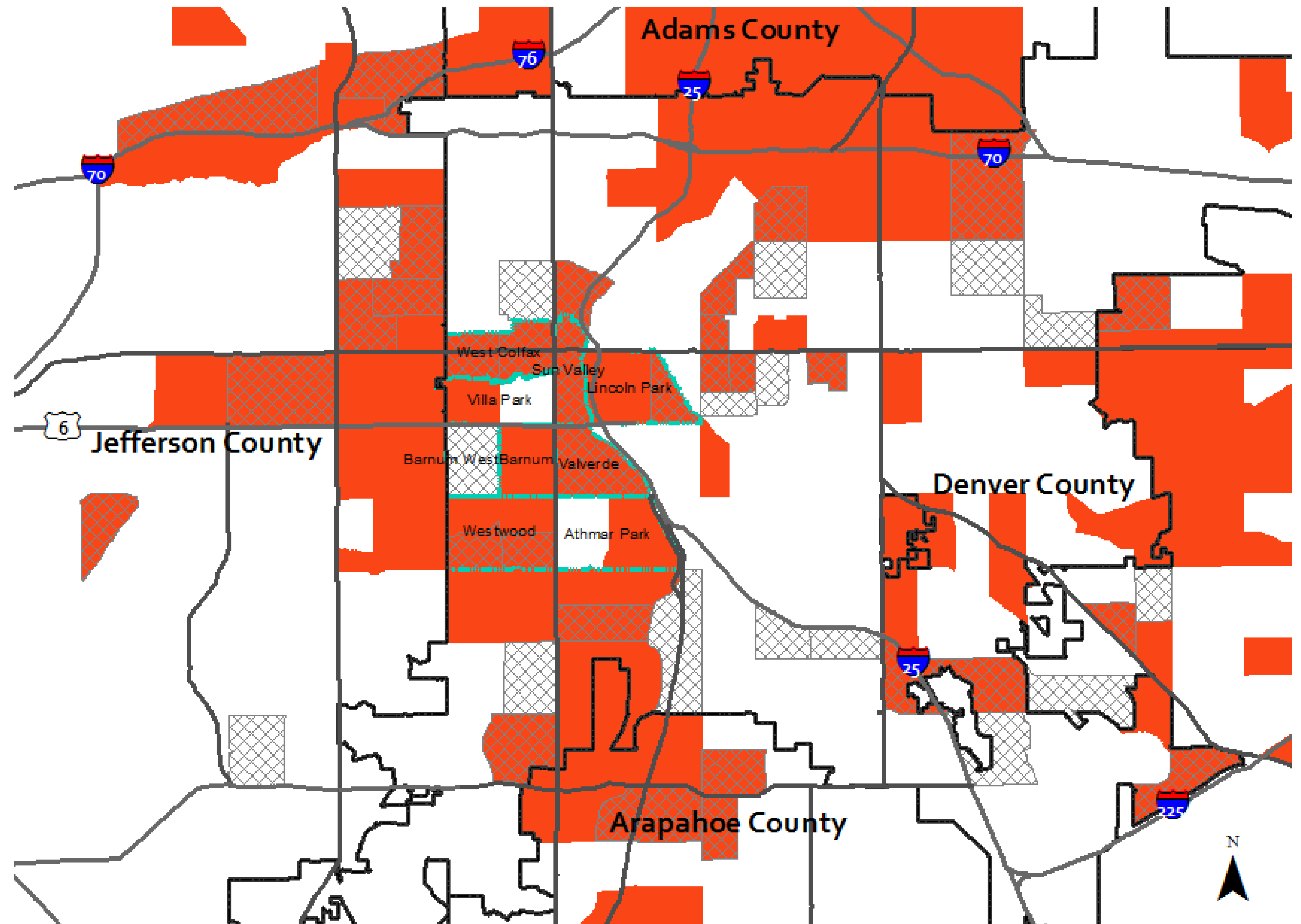
West Denver Households

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

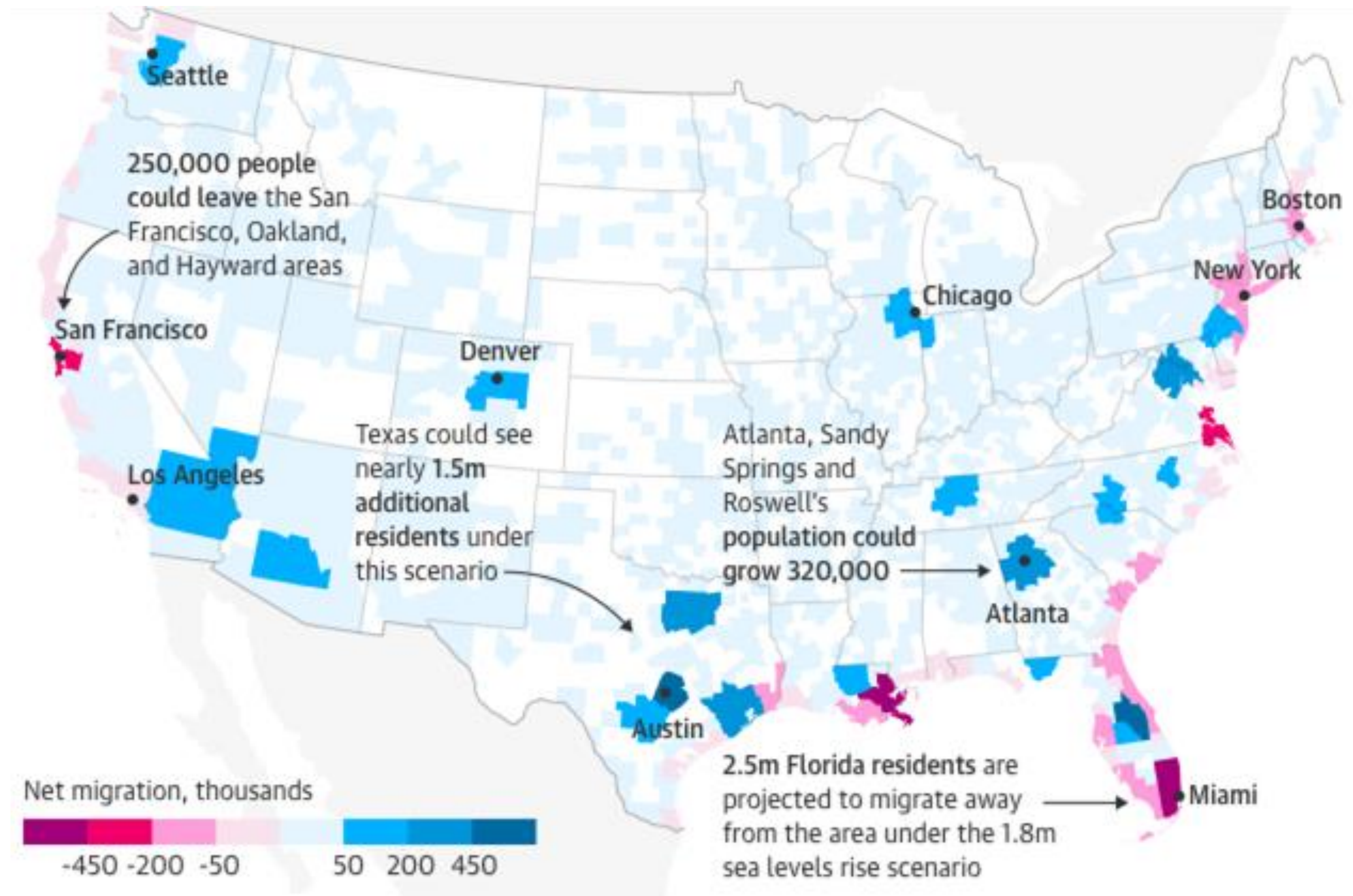


~560K

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

stay in touch

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Thank You