

2022 Priority: Increase availability of affordable housing and emergency supports for housing insecurity

OVERVIEW

In Adams County, housing costs have outpaced incomes since 2000. Since then, the median rent has risen 37% and home value has risen 116%, but household median income rose by only 1%.¹ In Rocky Mountain Partnership's region as of 2021, there were 4,400 units affordable to 12,660 renter households with incomes at or below 30% of the area median income.² Not all of the units are available to be rented, as some are occupied by renters in higher income brackets.

Housing cost burden affects 63% of Adams County low-income households, meaning 53,380 Households in Adams County are cost burdened (40% renters and 18% of owners).³ Lack of affordable housing, rising home prices, and racial and economic disparities in access to safe and affordable housing have resulted in this housing burden, particularly for households with low incomes. A disproportionate share of people of color are impacted by cost burden, perpetuated by structural racism. If families fall behind on mortgage payments or rent they risk foreclosure and the loss of accrued equity.

Homeownership is viewed as the gateway to intergenerational wealth. Research shows, however, that this pathway is less achievable for people of color in America. Hispanic / Latino/a/x Americans have a rate of 50.9%, compared to 75.8% of white families.⁴ Homes in neighborhoods predominantly populated with people of color across the country are valued at \$48,000 less than predominantly white neighborhoods for a cumulative loss in equity of approximately \$156 billion.⁵ As wealth is a predictor of education, health, employment, and quality of life, policy focused on maximization of homeownership and home value is needed.

Lower homeownership rates for people of color and the racial wealth gap are byproducts of systemic racism.⁶ Residential segregation facilitates the extraction of wealth and other vital resources that fuel economic and social mobility, hastening a downward socioeconomic spiral. For instance, schools with majority Hispanic / Latino/a/x, Black, and Asian students receive \$23 billion less in funding than predominantly white districts, because schools primarily rely on local property taxes rather than a broader pool of funding to equalize school resources.⁷

As such, Rocky Mountain Partnership is **focusing on policy solutions in the realm of affordable housing to ensure access to safe and affordable housing both immediately and long term** as a means to improve social and economic mobility in our region.

STATE & FEDERAL POLICY SOLUTIONS

- **Increase support for and access to small dollar mortgage loan programs.** Recent research from the Urban Institute shows that buyers of lower value homes have comparable credit scores and loan-to-value ratios to more valuable properties, but the myth pervades that lower value homes are riskier investments.⁸ This barrier to entry to homeownership disproportionately affects buyers of color, especially those who are first-time buyers. Incentivizing or otherwise promoting access to smaller dollar mortgage loan programs can alleviate this barrier and inequity.
- **Reduce uneven costs of mortgages for homeowners of color.** Creating a rate-and-term refinancing option, or a no cash-out refinance, would help more households reduce monthly mortgage costs and lower the barrier to homeownership. It would allow homeowners to lower the interest rate, term, or both of an existing mortgage without advancing new money.
- **Extend credit and down payment assistance to borrowers impacted by discriminatory housing and lending practices.** Systemic racism and historical, ongoing racist policies like redlining, restrictive covenants, and more have extracted wealth from communities of color for generations. While it is not enough to simply extend credit based on redlining maps, past injustices can be redressed by intentionally extending expanded credit and down payment assistance in areas left behind by racist policies.
- **Ensure emergency relief for those experiencing housing insecurity continues to be available for homeowners, renters, and buyers in the wake of the COVID-19 pandemic.** The disparate impacts of the pandemic and associated recession mean that preexisting homeowners of color faced disproportionate difficulty with mortgage payments. Foreclosure and eviction moratoriums allowed many to hold onto their homes, but now they face repayment of deferred mortgages or rent, and a bifurcated economy has not yet returned employment to pre-pandemic levels for people of color. Emergency relief programs to prevent foreclosure and eviction are essential to ensuring people of color can retain their housing.

LOCAL GOVERNMENT POLICY SOLUTIONS

- **Stand up programs in the North Denver Metro region that can replicate the successes of Denver's Supportive Housing Social Impact Bond Program.** In Denver, hundreds of people experiencing chronic homelessness were offered housing and provided the supportive services they needed to thrive. As a result, the large majority remained housed and reduced their interactions with costly emergency services even years later, according to an independent analysis of the program by Urban Institute.⁹ Standing up a similar program to help the chronically homeless in the North Denver Metro region could create the same remarkable success.

- **Increase the number of shelter beds available to youth experiencing homelessness in the North Denver Metro region.** Many youth in emergency situations can only find emergency shelter in Denver, travel which is dangerous and prohibitive for these youth due to several factors. Agencies in the North Denver Metro must find opportunities to work collectively to stand up additional emergency shelter in the region to provide needed support to youth in crisis.

SOURCES

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