



Jefferson County  
**Affordable Housing Study**

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**syntrinsic**  
AN INVESTMENT FIRM FOR NONPROFITS AND MISSION-LED PEOPLE





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May 2022

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## Letter from the CEO and President

Dear friends,

As the community foundation serving Jefferson County, Colorado Gives Foundation (formerly Community First Foundation) is committed to connecting ideas, people, and resources so that all of Jeffco is thriving.

To understand the issues facing our communities, we listen relentlessly and systematically. One of the things we consistently hear is that the high, and rising, cost of housing in Jefferson County has made it difficult for our firefighters, librarians, police officers, teachers, nurses, and nonprofit employees to live where they work. This not only affects the employee, but it also hurts the employer and ultimately, our community.

Housing impacts all of us. It is a powerful factor fundamental to our sense of security, safety, and overall wellbeing. It impacts economic development and ultimately dictates whether a community is thriving or merely surviving.

We partnered with Syntrinsic to help us understand the housing issues facing Jeffco and to begin identifying solutions that we could pursue together.

Thank you for participating in this study. This will not be the proverbial study that gathers dust sitting on a shelf. It will catalyze action, and we are committed to working together to create viable paths toward a Jeffco where everyone can thrive.

Warmly,

Kelly Dunkin  
CEO and President  
Colorado Gives Foundation



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## Purpose

Colorado Gives Foundation (CGF, the Foundation) in partnership with Syntrinsic Social Capital (SSC) conducted an Affordable Housing Study (Study) of and for Jefferson County, Colorado. The Study's intention was to better understand affordable housing needs, identify current efforts, define the gap, and identify strategies that CGF and other parties can take to remedy that gap.

## Methodology

This scan is not intended to be all-inclusive nor a recreation of existing data sets regarding affordable housing in Jefferson County. As such, we have incorporated existing quantitative data and supplementary qualitative data to inform the understanding of affordable housing needs in Jefferson County and the role Colorado Gives Foundation could play to address these challenges.

SSC worked closely with CGF to identify key actors and stakeholders able to inform the Study and designed an interview process to elicit relevant data with a goal toward identifying actionable strategies and tactics. Thirty formal interviews drove the process, with additional conversations and resources also informing the Study. These interviews included representatives regionally and nationally from philanthropic organizations, public entities, nonprofit leaders, housing authorities, and business leaders, as well as community voices.

In addition to the 30 in-depth interviews, we held conversations with sector leaders through more informal conversations. These discussions offered additional insights regarding needs and opportunities for addressing housing needs regionally and nationally.

We also gleaned information from publicly available data and information through websites, blogs, articles, and other publications, including presentations by Colorado Gives Foundation's key partners.

On behalf of Colorado Gives Foundation, thank you to all who participated in the interview and the gift of your time, energy, and expertise.



## Defining Affordable Housing

To provide consistency and clarity through this study, it is helpful to understand the terminology that was used during interviews. Affordable housing is incredibly complex, as are the nuances to the definitions in the field. Below are definitions provided by Foothills Regional Housing as well as other key partners interviewed for the study.

**Homelessness:** In this context, refers to "literally homeless". Those lacking a permanent nighttime residence. May be sleeping outside, in vehicles, in a motel or couch surfing.

**Emergency Shelter:** "Any facility, the primary purpose of which is to provide a temporary shelter for [people experiencing homelessness] and which does not require occupants to sign leases or occupancy agreements." (Department of Housing and Urban Development, HUD)

**Transitional Housing:** "Project designed to provide housing & appropriate supportive services to persons experiencing homelessness to facilitate movement to independent living. Housing is typically for less than 24 months." (HUD)

**Community Housing:** Long-term affordable rental housing operated by community organizations. Residents receive support services, as needed.

**Affordable Rental:** When a household pays no more than 30% of their income to rent. Public housing agencies often develop and operate properties with income limits and rent restrictions so low-income households can obtain an affordable rental. (HUD)

**Affordable Homeownership:** This is homeownership when a household pays no more than 30% of their gross income to a monthly payment. This may include various programs and/or subsidies focused on making homeownership accessible to low-income and moderate-income households. (HUD)

**Market Value/Market Rate Rental:** Rental properties in which prices are set by private landlords who set prices based on prevailing market conditions rather than broader accessibility considerations. Market value rentals can often be out of reach for low-income and moderate-income households.

**Market Value/Market Rate Homeownership:** Any home being sold by private homeowners at a price of their choosing based on prevailing market conditions rather than broader accessibility considerations. Selling price may be out of reach for low-income and moderate-income households.

**AMI/Area Median Income:** The Area Median Income (AMI) is the midpoint of a region's income distribution – half of families in a region earn more than the median and half earn less than the median. For housing policy, income thresholds set relative to the area median income—such as 50% of the area median income—identify households eligible to live in income-restricted housing units and the affordability of housing units to low-income households.



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**Workforce/Missing Middle Housing:** Individuals or families who make 60-120% AMI. These are individuals who are being priced out of the rental and homeownership market in Jefferson County. (It is important to note that according to Denver Metro Chamber of Commerce, 30% of individuals experiencing homelessness are working. This definition of workforce/missing middle does not include individuals experiencing homelessness.)

**Attainable, Affordable Housing:** The ability to find affordable housing, housing in which the occupant(s) is paying no more than 30 percent of his or her income for gross housing costs, including utilities.

**Cost Burden:** Residents who are paying over 30% of their gross income on housing costs are considered to be cost burdened.

**Severe Cost Burden:** Residents who are paying over 50% of their gross income on housing costs are considered to be severe cost burdened.

## Understanding the Problem

Prior to exploring key themes from the interviews and proposed solutions, it is important to understand the context of housing in the United States, the Denver Metro region, and Jefferson County.

### National Context

Housing affordability has become a national crisis, with regional approaches to address localized issues. According to Pew,<sup>1</sup> concern around housing affordability has spiked in recent years. Renters and homebuyers alike have seen prices increase and supply of housing decrease over the years, with a startling 16.8% price increase in the last 12 months.<sup>2</sup> Over the course of the last two years, because of the coronavirus pandemic, these problems have been exacerbated nationally. According to the same Pew study, Americans' concerns about the availability of affordable housing have outpaced worries about other local issues.

According to the World Economic Forum,<sup>3</sup> housing affordability is not only a housing crisis, but also an economic, health, and wealth building crisis – globally and nationally. Over the last two years, we have seen the fragility of the systems in our country exposed, and low-income and middle-income families suffer disproportionately.

### State and Regional Context

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<sup>1</sup> Pew Research Center, A growing share of Americans say affordable housing is a major problem where they live, 2022

<sup>2</sup> Whitehouse.gov, Housing Prices and Inflation, 2021

<sup>3</sup> World Economic Forum, 3 ways to reinvent affordable housing in a post-pandemic world, 2022



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While this is a nationwide challenge as stated above, certain regions of the country are experiencing this at higher levels than others. Colorado, with a significant influx of new residents over the course of the last ten years,<sup>4</sup> is experiencing housing shortages and surges in prices at levels comparable to large coastal metropolitan areas.<sup>5</sup> According to the Denver Post, Denver Metro and Colorado Springs both make the list of the top 10 places in the country with unaffordable housing.<sup>6</sup> State lawmakers are exploring solutions to address the affordability crisis in Colorado through the creation of a 16-member Strategic Housing Working Group, comprised of lawmakers and industry experts.<sup>7</sup> This statewide strategy has regional and local implications for addressing the housing shortage and price increases that affect residents of Colorado.

## Jefferson County Context

Locally, Jefferson County is experiencing similar challenges to the nation and the region. Interviewees focused primarily on Jefferson County, and the remainder of the study will highlight key information and data about the county.

Throughout the interviews and conversations, participants discussed housing along a spectrum – both based on types of housing as well as income levels. It is important to note that this spectrum is not static, meaning individuals and their families move from experiencing housing stability and then can cycle back to less stable housing based on life experiences such as job loss, lack of affordable housing, domestic violence, or illness.<sup>8</sup>

While income does not always directly correlate with where individuals fall within the housing spectrum, the lower income you are the more vulnerable you are to instability of housing. Interviewees discussed how individuals' current income levels and housing affordability are top of mind for them as well as residents of Jefferson County, which we will discuss in the themes below.

Additionally, interviewees discussed services being offered to support individuals and families as they navigate housing affordability. Oftentimes wrap around services were discussed as key to breaking the cycle of cyclical homelessness or preventing individuals to move from stability to instability.

In addition to services being offered to individuals and families, interviewees discussed the existing financial tools available to address access to housing across the spectrum through subsidies, rental assistance, homeownership programs, and first-time home buyer incentives.

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<sup>4</sup> The Denver Post, A growing, more diverse Colorado: 9 key takeaways from new census data, 2021

<sup>5</sup> Denver Business Journal, Here's how Colorado's high housing prices and demand could change in 2022, 2022

<sup>6</sup> Denver Post, Metro Denver and Colorado Springs both make list of country's 10 least affordable housing markets, 2022

<sup>7</sup> Denver Post, State lawmakers release recommendations for how to address Colorado's housing crisis, 2022

<sup>8</sup> Healthypeople.gov, Healthy People 2020Plan



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Below is a representation of the housing spectrum, as well as the key indicators which support housing stability for individuals and families, such as wrap around services and financial tools as discussed above.

This is not an inclusive list but does offer a framing to understand housing needs in Jefferson County and opportunities for addressing critical gaps.

	Homelessness & Emergency Shelter	Transitional & Community Housing	Affordable Rental	Affordable Homeownership	Market Rate Rental & Homeownership
<b>Population</b>	Very Low Income to low income		Low to moderate income, up to 120% AMI		120% + AMI
<b>Wrap Around supports</b>	Significant supports offered through government and nonprofit programming		Minimal wrap around supports and services offered		N/A
<b>Public Capital</b>	Significant public investment (federal, state, regional) is focused on homelessness prevention to affordable housing with priority populations based on income levels: <ul style="list-style-type: none"> <li>Federal funding supports individuals up to 60% AMI</li> <li>State funding supports individuals up to 80% AMI</li> </ul>		Some public investment (down payment assistance, subsidies to support build)		Minimal public investment
<b>Traditional Financial Institutions</b>	Corporate grantmaking	Participation in capital stack	First time home buyer incentives		Bank backed/traditional loans
<b>Philanthropy</b>	Philanthropic Capital in Various Forms (including financial support for homeownership to make it affordable)				N/A

While most interviews discussed housing needs of Jefferson County residents as a whole, it is important to note that there are individuals who are disproportionately at risk for housing instability. According to Jefferson County’s 2020-2024 Consolidated Plan for Housing, their data indicate African American, Hispanic, and Native American households in Jefferson County have disproportionate need compared to the jurisdiction as a whole. Residents with additional challenges— such as victims of domestic violence who have children, single parent households, as well as persons who need accessibility improvements for a disability—have a very limited supply of housing from which to choose and are disproportionately impacted by rising housing costs. This limitation also holds true for elders and single female head of households.<sup>9</sup>

<sup>9</sup> Jefferson County, 2020-2024 Consolidated Plan & 2020 Action Plan





Additionally, the experience of housing instability is unique based on the geography of a place. For example, rural housing instability looks and feels different than urban or suburban housing instability. This is an important consideration as residents in Jefferson County live across a diverse geographical landscape.

In the themes below, we will explore additional information to offer context to the housing problem in Jefferson County.

## Key Themes from Interviews

The interviews surfaced several key themes relevant to housing needs in Jefferson County. While each interviewee offered unique, insightful perspectives, we only defined as “themes” those observations that emerged from over 70% of subjects.

We have loosely grouped these Key Themes around five primary topics.

### 1. **Affordable housing impacts the community’s overall health and economy**

Often, difficulty with housing is seen as a personal issue – that is, it is something that is caused by and affects only an individual or their family. However, housing, or lack thereof, is not just a personal issue. There are systems and policies put into place that have strategically and systemically disenfranchised individuals that still effect specific populations despite revisions to laws and practices over the decades. Beyond the barriers to housing and the deeply harmful effects for individuals and families experiencing housing instability, housing instability effects the health and economy of the county.

According to a 2019 Bloomberg report, increased affordable housing access increases economic gains for those geographies.<sup>10</sup> Greater tax generation, creation of jobs, opportunities for economic development, increased job retention and productivity, and the ability to address inequality — all are among the economic benefits of increased access to quality, affordable housing. Without affordable housing the workforce that supports a thriving economy does not live where they work, recruitment of talent is challenging, as is productivity and retention of the talent that is recruited. Interviewees mentioned attracting and retaining talent in all industries being a challenge already in Jefferson County – because housing costs exceeded wages.

Additionally, research shows that affordable, stable housing increased individual and family health and mental health.<sup>11</sup> When individuals and their families are healthy this leads to increased overall community benefits

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<sup>10</sup> Bloomberg, How Affordable Housing Can Improve the American Economy, 2019

<sup>11</sup> Center for Housing Policy, The Impacts of Affordable Housing on Health: A Research Summary, 2015



and wellbeing through increased productivity in the workforce, enhanced educational attainment of children, reduced medical expenses, and need intervention, and increased civic engagement.<sup>12</sup>

If affordable housing is not attainable in a community, not only do individuals and their families suffer, so does the community in which they live.

## **2. Demand for housing exceeds supply of housing**

Every interview conducted raised the issue of lack of housing supply across the spectrum available in Jefferson County. Because there is a housing shortage with more demand than housing available, housing prices are driven up, making housing unaffordable for many residents in Jefferson County. According to 2019 data at the county level, the county is over 20,000 units short of housing options for low to moderate income individuals and families. This means that over 20,000 individuals and families would like to live in JeffCo but there are not housing options available.<sup>13</sup> When demand exceeds supply, prices increase.

Interviewees cited multiple reasons why housing supply cannot keep up with the demand. Specifically in the last few years with supply chain issues globally because of the pandemic, construction materials have soared in price causing development costs to increase. Like many industries, workforce shortages have also contributed to the challenges of building.

Acquisition of land and sites for building of housing was also cited as a challenge by interviewees. Without land to build on or existing building to upgrade or repurpose for housing, increasing the supply of housing proves to be a challenge. This is in part due to zoning and policies at municipal and county levels. One interviewee also stated that because of the demand for all types of housing to be built, including market rate housing, there are often bidding wars and excessive costs associated with acquisition for development.

Interviewees also discussed the increased costs associated with development of affordable housing and the need for subsidies to offset the loss of revenue in comparison to market rate housing.<sup>14</sup> Development of affordable housing is often seen as viable only if tax credits are used to build or redevelop with Low Income Housing Tax Credits (LIHTC) and New Market Tax Credits as the primary federal housing subsidies available. Often with these tax credits come restrictions for income levels, which again, leaves out those in the low to moderate income levels who do not qualify for subsidized housing.

Lastly, while lack of housing supply and increased pricing is affecting residents in Jefferson County this is a regional challenge. Individuals are transient and often moving in and out of the Denver Metro region for work, for greater opportunities, and to find affordable housing. With accessibility to Denver and the mountains,

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<sup>12</sup> Enterprise Community Partners, Impact of Affordable Housing on Families and Communities: A REVIEW OF THE EVIDENCE BASE, 2014

<sup>13</sup> Jefferson County, 2020-2024 Consolidated Plan & 2020 Action Plan

<sup>14</sup> Turner Center for Housing Innovation UC Berkeley, The Cost of Building Housing Series, 2020



Jefferson County has become a desirable place for many to live. With the increased influx of residents to the region, the housing supply has not kept up with the demand and affordable housing has moved to the forefront of the conversation for many in the county.

### 3. Wages have not increased to match the price increase of housing

As mentioned above, prices in rental and home sales have increased sharply in recent years. While homeownership is still seen primarily as a wealth building tool in the United States, attainable, affordable homeownership is a growing challenge nationally. Jefferson County is not the exception although it is experiencing its unique set of circumstances due to its geographic location between the city of Denver and the mountains.

For context specific to Jefferson County, as of December 2021, the median home price in Jefferson County is 50% higher than the national average and the median home value is \$608,424, an increase of 23.6% over one year.<sup>15</sup> These price points lock many individuals out of homeownership, including those in the missing middle/workforce.

According to research conducted by Jefferson County to inform their 2020-2024 Consolidated Plan to address housing needs, cost burden and severe cost burden are the most common housing problems in the county. This means that individuals and households are spending over 30% of their gross income on housing (cost burdened) or 50% of their gross income (severe cost burdened). With rising prices for both rental and homeownership, this results in individuals being at higher risk for displacement as well as unable to save for future homeownership.<sup>16</sup>

In the absence of homeownership options, 30% of residents in Jefferson County are renters. Even the cost of rentals has increased substantially in recent years. As of December 2021, the average rent in Jefferson County is 4% higher than the average rent nationally. 47% of those renting households in Jefferson County are paying more than attainable, affordable rent. In other words, they are cost burdened and unable to save which in turns affects their ability to buy a home and impedes their ability to build wealth.<sup>17</sup>

To provide more context to wages and cost of living in Jefferson County, a household must make more than \$3,507/month (\$42,084 annually) for an apartment at the median rental rate to be attainable.<sup>18</sup> Interviewees shared a significant concern regarding the housing needs for the “missing middle”, those individuals working

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<sup>15</sup> Jefferson County Regional Housing Authorities Joint Presentation, Jefferson County Municipal Breakfast Attainable Housing Presentation, Slide 9, 2021

<sup>16</sup> Jefferson County, 2020-2024 Consolidated Plan & 2020 Action Plan

<sup>17</sup> Jefferson County Regional Housing Authorities Joint Presentation, Jefferson County Municipal Breakfast Attainable Housing Presentation, Slide 15, 2021

<sup>18</sup> Jefferson County Regional Housing Authorities Joint Presentation, Jefferson County Municipal Breakfast Attainable Housing Presentation, Slide 15, 2021



in jobs that pay too much to qualify for assistance but who are being priced out of the county such as new teachers, medical assistants, public transportation drivers, electrician apprentices, and 911 dispatchers, all whose starting salaries hover around \$42,000 per year.<sup>19</sup>

Interviewees discussed concerns regarding the cost of housing as prohibitive for current and prospective low to moderate income residents to Jefferson County and the future middle-income workforce. In interviews conducted, we heard that because of the high cost of housing in Jefferson County recruiters are having trouble attracting talent to mid-level paying jobs. Without talent in all types of employment, Jefferson County risks economic instability and stalled growth.

#### **4. Public policy and zoning restrictions prevent expansion of affordable housing**

The majority of interviewees discussed the challenges with navigating each municipality's unique zoning laws as a barrier to building affordable housing. Because each municipality within Jefferson County has its own set of laws governing development, developers cited that it can be difficult to navigate and a deterrent to build in multiple sections of the county. Anti-growth measures and restrictions on types of housing being built (including the height of the building and number of floors) may deter developers from pursuing affordable housing builds.

Interviewees discussed that the increasing focus on affordable housing at the federal and state level offers a unique opportunity to influence policy change and leverage public capital for local good. Specifically, they mentioned American Rescue Plan Act (ARPA) Funds being earmarked at the state level for affordable housing as an opportunity to see how the state is going to focus on affordable housing.

Interviewees also mentioned a need for implementation of a comprehensive strategy across the county to address housing needs, as well as a statewide strategy due to the regional nature of housing needs.

#### **5. Lack of shared understanding of the problems and opportunities for affordable housing is a barrier**

Nearly all interviewees shared their concern about a lack of understanding of housing needs in Jefferson County and a lack of shared urgency of the general public to address the issue. This is in part due to the rapidity of which this is becoming a crisis for the county as a whole and not just an individual housing issue, as well as concerns of some residents of the county's inevitable change as it grows. With lack of education about how housing impacts the entire county, and the difficulty of changing hearts and minds to understand housing needs across income levels, moving forward housing initiatives and increasing supply of housing across all income levels proves to be a challenge. Until there is shared understanding and shared urgency of the need for housing, residents of Jefferson County will continue to be at risk for lack of housing and housing cost burden.

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<sup>19</sup> Jefferson County Regional Housing Authorities Joint Presentation, Jefferson County Municipal Breakfast Attainable Housing Presentation, Slide 13, 2021



## Potential Roles for Colorado Gives Foundation

Through these interviews, Syntrinsic identified potential roles for Colorado Gives Foundation to explore. Interviewees are excited for CGF's interest in affordable housing and see them as key partners in the efforts that are already underway in the county. These potential roles are not necessarily the key next steps that Colorado Gives Foundation will take, but rather suggestions to help inform potential roles.

### **1. Narrative Change and Expanded Understanding of Affordable Housing Needs in Jefferson County**

Interviewees see Colorado Gives Foundation uniquely positioned in the county to bring together diverse stakeholders and key constituents to begin to have conversations about housing needs in the county. As a neutral third party, the Foundation can bring together individuals, community leaders, politicians, housing authorities, agency leaders, and developers to begin to have a broader conversation about housing needs in the community and illuminate existing and county wide solutions.

### **2. Policy Change through Advocacy and Convening**

As stated above, housing needs are being discussed at the federal, state, and local levels. Interviewees see Colorado Gives Foundation as a convener and grantor who can support advocacy efforts in the county.

### **3. Expanded Investments for Increased Housing Opportunities and Services**

Interviewees cited the role Colorado Gives Foundation has played in addressing basic human needs in Jefferson County and applauded the Foundation's responsive grantmaking during the height of the pandemic. Interviewees were excited about this study and the role of Colorado Gives Foundation potentially expanding to meet housing needs through impact investments. Interviewees discussed the exploration of addressing the need for increased housing supply as well as wrap around services to support the most vulnerable individuals as they navigate housing.

### **4. Investments in Existing Funds and Tools for Affordable Housing**

Interviewees shared existing tools and strategies that are addressing housing needs in Jefferson County and encouraged Community First to delve into a deeper understanding of those efforts through partnership and co-investment.

### **5. Creation of New Tools to Invest in Affordable Housing**

While there are tools that exist to address affordable housing, there are still gaps as raised by interviewees. As Colorado Gives Foundation explores its next steps in affordable housing, interviewees stated that philanthropy can play a unique role to create new tools and opportunities for co-investment through aggregation of capital.



## Next Steps

As the housing needs continue to grow nationally, regionally, and locally, the need for public private partnership, philanthropic leverage, and community buy-in is crucial. We recognize that addressing housing needs for Jefferson County is incredibly complex and none of this work can be done alone. Our mission is that all communities in Jeffco thrive, and we are committing to:

- Convene key stakeholders to discuss findings and explore potential next steps.
- Continue to build relationships with key stakeholders for expanded partnership and potential co-investment opportunities.
- Support County-wide housing efforts through continued conversation, understanding, and co-investment when appropriate.
- Explore State-wide efforts to address housing through ARPA funds, emerging legislation, and potential leverage opportunities.
- Determine internally as an organization the potential impact investment tools and vehicles needed to address your specific goals and objectives for housing in Jefferson County.

The energy and urgency around affordable housing is growing and as the community foundation serving Jefferson County, we are committed to bringing our human and financial capital to the conversation in a new way.

### Colorado Gives Foundation

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CEO and President

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