

Executive Summary

In Larimer County numerous households face serious problems in finding or maintaining a place to live. The group that is most heavily impacted are residents with extremely low income. These citizens make at or below 30% of the area median income (AMI), which equates to roughly less than \$20,000 a year. In 2004, this group comprised over 10,000 households (almost 30% of the total number of rental households) and recent analysis indicates this number is growing. There are two critical issues that these households face and the community must acknowledge:

1. A large number of these households cannot obtain affordable housing assistance. In 2004, a shortage of low-income housing resulted in 7,600 extremely low-income households who were unable to find adequate housing.
2. A majority of these households are unable to pay even the lowest rents, placing them in jeopardy of losing housing because their monthly rent payments exceed the amount they can afford to pay. In 2004, 9,000 (91%) extremely low-income households were cost-burdened, paying 30% or more of their gross income for housing.

The term affordable housing has different meanings for various groups involved in housing. The United States Department of Housing and Urban Development (HUD), the federal administration that provides most of the affordable housing funds, defines affordability as not being “cost-burdened”. Cost-burdened is defined as any household that spends more than 30% of gross annual income (before taxes) for housing. Households that pay more than 30% of gross income for housing are often unable to cover other basic costs, such as food, clothing, medical care, and transportation.

For households making less than 30% AMI, housing is essentially unobtainable without assistance from federal vouchers or subsidized housing. The number of vouchers and subsidized housing units in Larimer County has decreased. It should be stressed that residents earning less than 30% of AMI are unable to afford home-ownership. For them, housing options include only the most inexpensive rental units and obtaining and maintaining this housing is a struggle.

In Larimer County, Fair Market Rent¹ (hereafter referred to simply as rent) for a two-bedroom apartment was \$775 per month in 2006. Affordable housing for a household with one full-time minimum wage earner would have to cost no more than \$268 per month. In other words, renting a two-bedroom apartment would cost nearly *three times* the amount a single wage earner could afford on a minimum wage income. Having two full-time wage earners does not solve the problem. This household would have earned \$1785 monthly (\$21,424 annually) of which no more than \$586 should be paid for housing. To afford a two-bedroom apartment, the household would need an additional \$239 each month (or \$2,868 per year).

¹ Fair Market Rents are gross rent estimates including the shelter rent plus the cost of all utilities, except telephones.

To place these figures in perspective, the following table depicts the average income of some common professions, along with the maximum monthly payment they can afford to spend for housing.

Larimer County Wages and Affordable Rents²

Job Title	Average ³ Income (Hourly)	Average Income (Annual)	Maximum Monthly Rent Affordable for this Income	Monthly Rent by Number of Bedrooms ⁴				
				Efficiency	1 BR	2 BR	3 BR	4 BR
				\$516	\$619	\$750	\$1,092	\$1,273
Monthly Amount of Cost Burden (Rent Amount in Excess of 30% of Gross Annual Income)								
Waiter/ Waitress	\$6.52	\$13,562	\$339	\$177	\$280	\$411	\$753	\$934
Child Care Worker	\$8.76	\$18,221	\$456	\$60	\$163	\$294	\$636	\$817
Preschool Teacher	\$9.03	\$18,782	\$470	\$46	\$149	\$280	\$622	\$803
Retail Salesperson	\$9.42	\$19,594	\$490	\$26	\$129	\$260	\$602	\$783
Construction Laborer	\$11.65	\$24,232	\$606	N/A	\$13	\$144	\$486	\$667
Medical Assistant	\$12.37	\$25,730	\$643	N/A	N/A	\$107	\$449	\$630
Secretary	\$12.71	\$26,437	\$661	N/A	N/A	\$89	\$431	\$612
Butcher/ Meat cutter	\$12.86	\$26,749	\$669	N/A	N/A	\$81	\$423	\$604

The table shows that, depending on the size of the household, the monthly rent may far exceed the amount the household can afford (the red cells in the table represent the additional amount that these groups would need to obtain that rent).

The problem is made even more serious by the number of home owners who are facing possible foreclosure. Colorado consistently has had one of the highest foreclosure rates in the nation. In fact, the rate grew from 2.2 foreclosures per 1,000 home owners in 1996 to 10.8 per 1,000 in 2006. As these households lose the ability to own a home, they are forced to compete with low-income households for available rentals.

To summarize, Larimer County residents making 30% AMI or less have few housing options that fit within their budgets. The federal support that they need to obtain housing is currently insufficient and appears to be declining further. The majority must accept

² Note: 2005 income and rent figures are presented in this table. 2006 data are not yet available for all income categories.

³ 2005 Average Income; source: Colorado Department of Labor and Employment (website: <http://www.coworkforce.com/lmi/Wages/FCLoveland.asp>).

⁴ 2005 Fair Market Rents; source: United States Department of Housing and Urban Development (HUD), (website: <http://www.huduser.org/datasets/fmr/fmr2005R/index.html>).

rents that are above their means, leaving them struggling for the basic necessities of life such as food and clothing.

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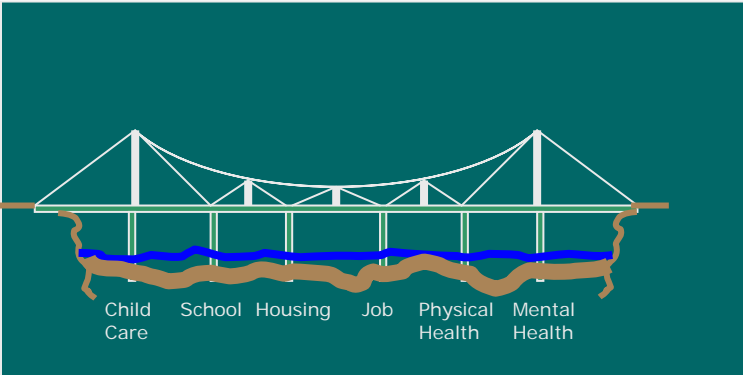
Introduction

In 2004, the County's Health and Human Services Division conducted research into which health and human services needs were most urgent in Larimer County. Lack of truly affordable housing emerged as the most pressing problem by a wide margin, especially for those with extremely low income, earning 30% or less of the area median income (AMI). Further analysis revealed that every other need and service is impacted by housing. A sample of the *reasons* why housing is so crucial included:

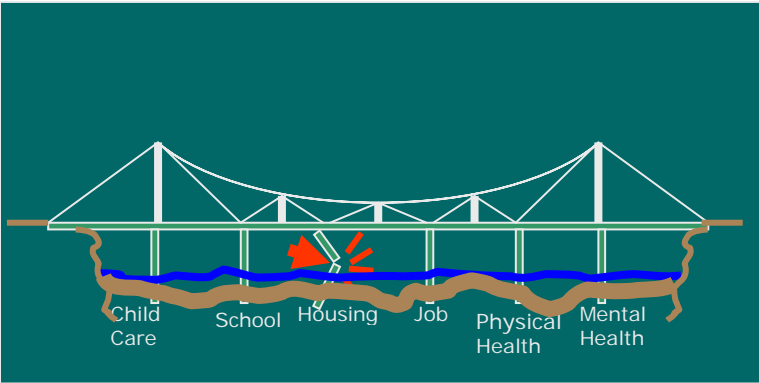
- People who lack a stable address have difficulty finding jobs
 - Example: No consistent place of residence for prospective employees to use on job applications.
- People who can't afford a place to live are likely to have difficulty accessing medical services
 - Example: Most people without housing cannot afford medical insurance.
- Children whose families don't have a stable place to live often bounce from school to school, lack a proper study environment, and have more problems in school.
- Families who are regularly stressed by looking for housing are more likely to have other family problems, with one stress contributing to another.
- People without housing are more likely to come to the attention of law enforcement.
- Shelters have limited space and struggle to find funds to operate. Even then, shelters are only temporary living arrangements and are not a solution.

As the following illustration suggests, housing is like a crucial pillar supporting a bridge. If it is threatened, the whole structure is in jeopardy.

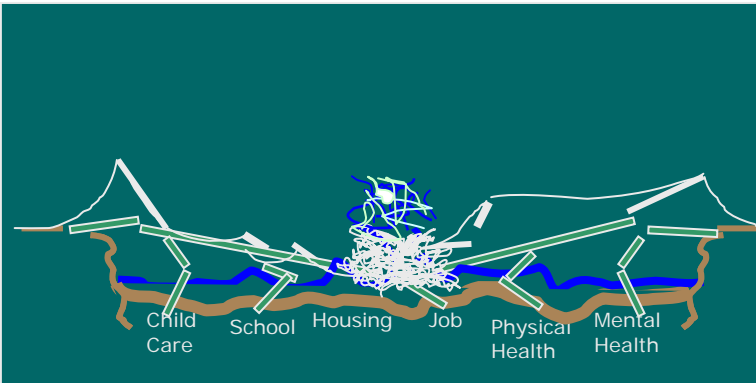
Chart A. The Impact of a Housing Crisis on a Family



Families are complex systems, with many aspects and many functions. Families function best when these functions are stable.



If one or more sub-systems of a family are placed in jeopardy, the whole structure is weakened.



Of all the sub-systems of a family the one that appears to have the widest impact, affecting all other sub-systems directly, is *housing*. When housing is lost or threatened, all other elements of the family are placed at risk.

Housing problems affect not only individuals and families but also entire communities. Lack of affordable housing lessens the positive impact of every health and human service program, the educational system, and unnecessarily impacts law enforcement and correctional services.

Lessons Learned

The Larimer County Health and Human Services Division researched affordable housing for 18 months. The initial objective was to provide information to local funders about the severity of the need. In addition, it became evident that clients of Health and Human Services need the security of a home so that they can benefit from necessary programs.

Some of the major lessons learned include:

- The greatest need is experienced by people at or below 30% of AMI. Residents in this group are rarely able to purchase a home. In fact, they do well to maintain a small rental unit, and any unexpected financial issues that arise (i.e., car repairs or health problems) can jeopardize their housing.
- Funding allocated to affordable housing generally is spent for a higher median income group, such as for those at 80% of AMI. This group is still considered to be low income, but is not as devastated by lack of income as is the 30% group.
- Local housing authorities are tasked with the mission of serving people at 30% AMI. Meanwhile, they have lost resources in recent years, and often have long waiting lists of clients who wish to secure housing units or vouchers.
- Significantly more money is required to subsidize housing for households earning 30% AMI in contrast to those earning 80%. In 2005, to provide the same two-bedroom housing unit required monthly housing subsidies of at least \$231 (for those earning at 30% of AMI). In contrast, those who earn 80% of AMI would not require any subsidy. This typifies why there is such a shortage of housing for the very poor.
- It is more cost effective to provide affordable housing than to deal with the aftermath of homelessness. On average, it costs \$229 in rental assistance to prevent a family from losing their home and \$5,000 to get a homeless family back into housing⁵.
- In recent years, a large number of people in Colorado have lost their homes due to foreclosure. In fact, Colorado has fluctuated between first and second in the

⁵ \$5,000 includes shelter costs, agency services, food baskets, and costs to secure new housing; source: Homelessness Prevention Initiative (website: http://www.uwaylc.org/results/partner_agencies/homeless.html).

nation annually for foreclosures. In 2006, over 1,200⁶ Larimer County residents filed for foreclosure, often because of job loss or medical expenses.

- A significant number of Larimer County Detention Center inmates have housing problems prior to incarceration (36% reported homelessness, and 46% reported multiple housing changes in the year before incarceration)⁷. When they are released, even more have lost their homes or apartments. The spiral accelerates here because they can't secure a job, reliably take their medications, or take care of their families if they are homeless.
- The community can't build its way out of the affordable housing shortage. To build the needed number of housing units is economically unrealistic, due to the vast cost involved.
- Simply securing housing is often not sufficient for stabilizing a low-income household. It is important that the community also invest in other needed services to help the household sustain that housing, such as case management, counseling, job training, and child care.
- Confusion arises when trying to determine the community need for affordable housing because the term itself has several different meanings.

What Is Affordable Housing? Whom Does It Serve?

At first glance the term affordable housing seems simple and straightforward. In fact, it is not. Generally, the definition is dependent on two parts: 1) how much of a household's income is required to maintain housing, and 2) the income level of the population served.

Federal programs such as the Department of Housing and Urban Development (HUD) follow the long-standing federal definition where affordable translates as *not* "cost burdened". This term refers to rent or mortgage payments that cost the household more than 30% of their gross income. This figure is based on economic analysis, indicating that when households pay more than 30% of their income for housing, they are at much greater risk of financial catastrophe, such as bankruptcy.

The main confusion in defining affordable housing involves income. Most people believe that affordable housing should serve low-income households. However, there are various definitions of low-income. In fact, the term low-income is used to refer to:

- A person or family with limited means to purchase a home.
- College students, because it is expensive to go to college, find lodging, and afford necessities.

⁶ Larimer County Public Trustees Office.

⁷ Data from Larimer County Health & Human Services Division, Larimer County Detention Center Inmate Survey, 2006.

- Young families starting out in the job market, because they are at the low end of their pay scale and must make that money stretch to provide for the needs of their family (i.e., day care expenses).
- Those earning 80% of AMI, which in 2004 was \$53,200 for a family of four.
 - HUD defines affordable based on whether housing can be purchased at a monthly rate that does not exceed 30% of a household earning 80% of AMI.
- A family of four, who are under the Self-Sufficiency Standard for Larimer County earned \$47,261 in 2004.
- Those earning 50% of AMI, which in 2004 was \$33,250 for a family of four.
 - Realtors, developers, and frequently municipal planners speak of housing as being affordable if households earning in the 50-80% AMI range can sustain payments. However, by this definition, 40% of Larimer County households *cannot* afford “affordable housing.”
- Those under the Federal Poverty Level, which is at or below the minimum wage of \$5.15 per hour. For a family of four, the 2004 Federal Poverty Level was \$18,850.

When realtors, developers and municipal planners speak of “affordable housing” they typically are referring to the long-standing government definition, which defines an affordable home as one that can be successfully purchased and paid for by a family making at least 50% to 80% of the average area income. Unfortunately, this definition of “affordable” means that 40% of an area’s population cannot afford housing.

When most human services professionals speak of “affordable housing”, they mean a house or apartment on which the payments or monthly rental can be sustained by families without high incomes (such as the families of retail workers, teachers, meat cutters, construction workers, dental and medical assistants, office workers and numerous other professions). Note, too, that most lower income households cannot afford to own a home. This is particularly true of those earning 30% of AMI, who are the focus of this report. So, “affordable” really means rental housing for households below this threshold.

Here is a sample of the rental costs faced by some typical households. The rentals shaded red indicate housing that would not be affordable for the typical resident employed in the indicated job.

Table I. Larimer County Wages and Affordable Rents,⁸ 2005

Job Title	Average ⁹ Income (Hourly)	Average Income (Annual)	Maximum Monthly Rent Affordable for this Income	Monthly Rent by Number of Bedrooms ¹⁰				
				Efficiency	1 BR	2 BR	3 BR	4 BR
				\$516	\$619	\$750	\$1,092	\$1,273
Monthly Amount of Cost Burden (Rent Amount in Excess of 30% of Gross Annual Income)								
Waiter/ Waitress	\$6.52	\$13,562	\$339	\$177	\$280	\$411	\$753	\$934
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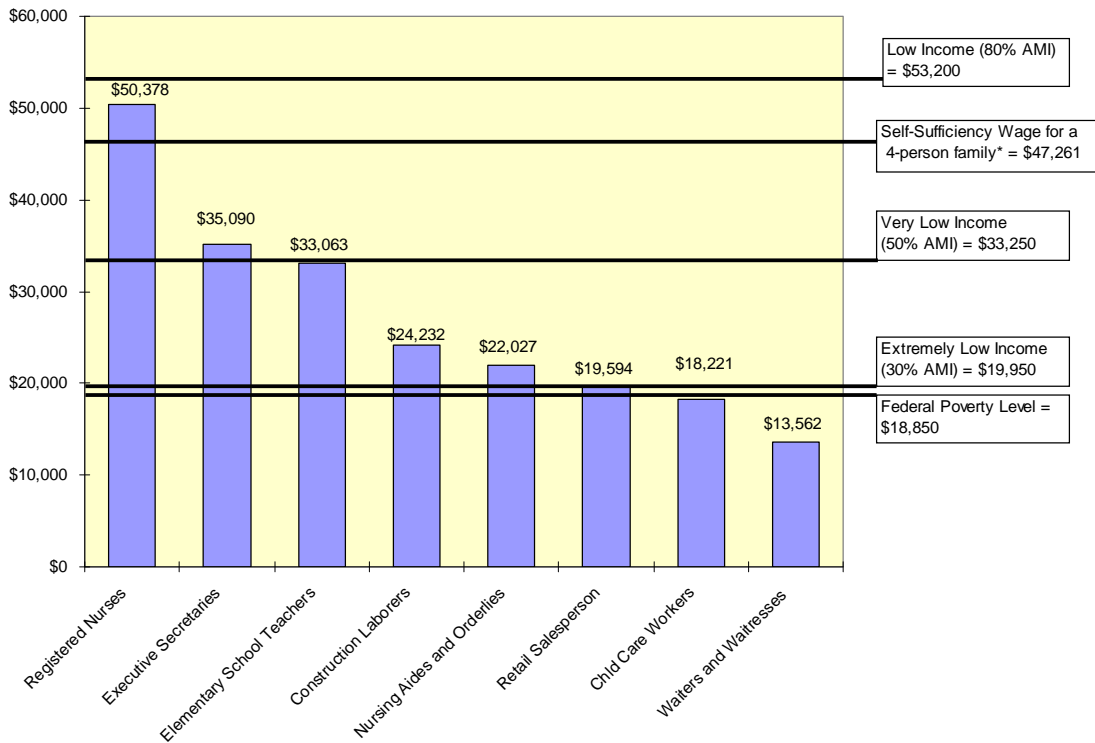
This report concentrates on those who are least likely to be able to afford shelter, those earning 30% of AMI (extremely low-income). The chart below provides a comparison of the some of the differing classifications of the term “low-income”.

⁸ Note: 2005 income and rent figures are presented in this table. 2006 data are not yet available for all income categories.

⁹ 2005 Average Income; source: Colorado Department of Labor and Employment (website: <http://www.coworkforce.com/lmi/Wages/FCLoveland.asp>).

¹⁰ 2005 Fair Market Rents; source: US Department of Housing and Urban Development (HUD), (website: <http://www.huduser.org/datasets/fmr/fmr2005R/index.html>).

Chart B. Annual Income Compared to Income Benchmarks in Larimer County, 2004¹¹



Data Source: [Colorado Department of Labor & Employment](#)

(See data table on page 27.)

The extremely low-income population can rarely purchase a house, so affordable housing for these residents refers to the availability of appropriately priced rental units that do not put them at risk for losing their housing if they experience a financial burden (such as a family illness, unexpected auto repair, or a missed paycheck because of a lay-off). These residents make little more than minimum wage, yet make valuable contributions to the community, working in retail, service (i.e., restaurants), and child care jobs. All of these jobs enhance the quality of life in Larimer County. Two of every ten households in Larimer County are extremely low-income households.¹²

A Changing Community

In recent years Larimer County has experienced a chain of events that represent a serious challenge to the well-being of Larimer County communities. These changes include:

¹¹ Source: Colorado Department of Labor & Employment (website: <http://www.coworkforce.com/lmi/Wages/FCLoveland.asp>)

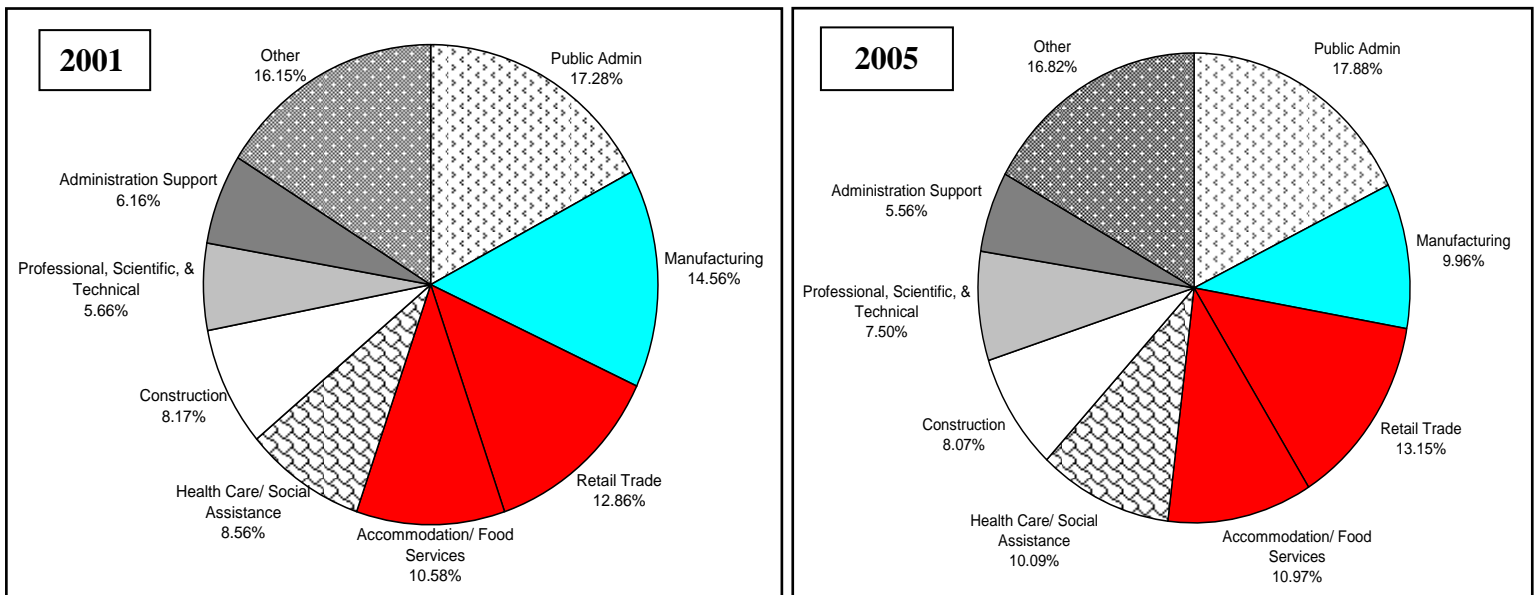
¹² Source: US Census Bureau, American Fact Finder (website: http://factfinder.census.gov/servlet/DatasetMainPageServlet?_program=ACS&_lang=en&_ts=143547961449).

decreases in higher paying wage jobs, increases in rental costs, declining funding for affordable housing assistance, and an increase in the number of residents living in poverty. If this trend continues Larimer County may become a community of increased financial inequality, and the community may inherit social issues that come with this designation (such as increased violent crime, disintegration of the family, and other social costs).

Decreases in Higher Paying Wage Jobs

In Larimer County, manufacturing jobs, one of the highest paying business sectors, decreased from about 15% of total employment in 2001 to less than 10% of total employment in 2005.¹³ This reflects a loss of over 5,300 jobs in four years. During the same period, employment in the retail trade and accommodation/food service sectors increased to become the second and third most employed sectors in the County. The chart below shows the shift in sector employment.

Chart C. Sector Employment as a Percentage of Total Employment for Main Sectors in Larimer County, 2001 and 2005¹⁴



Data Source: [Bureau of Labor Statistics](http://www.bls.gov)

(See data table on page 27.)

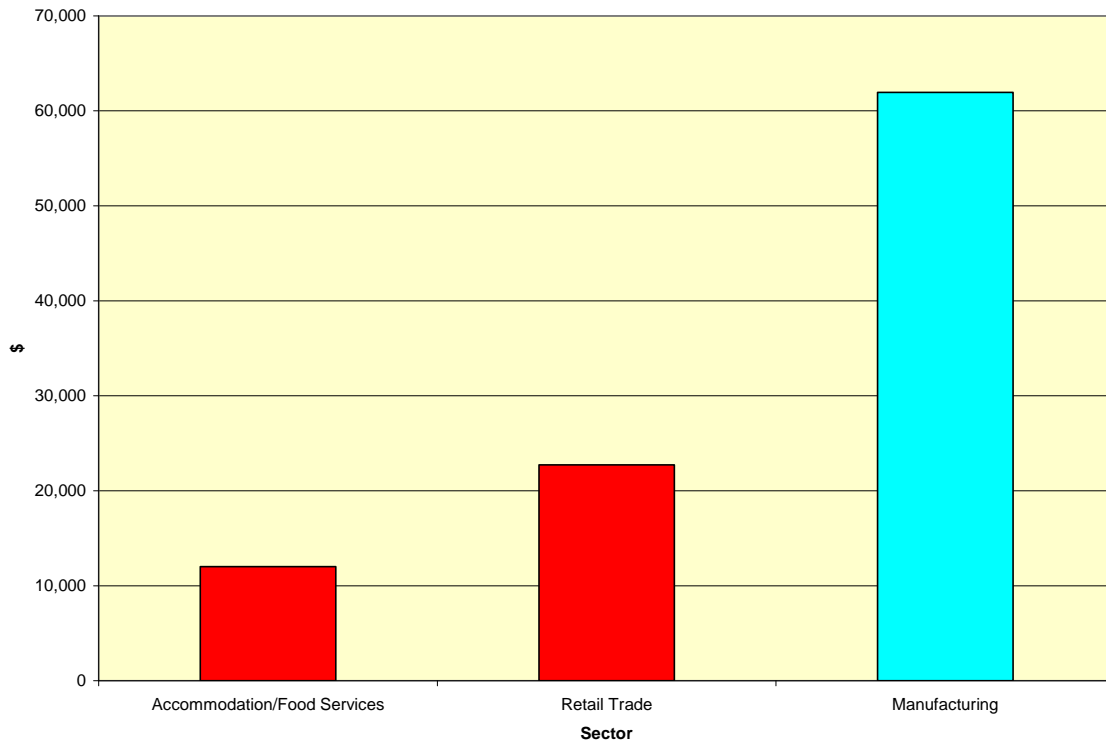
This shift took a toll on the local economy. Minimally skilled workers who were once gainfully employed in the manufacturing sector were forced to find employment in

¹³ Source: Colorado Department of Labor & Employment, Quarterly Census of Employment & Wages (website: <http://www.coworkforce.com/lmi/es202/index.asp>).

¹⁴ Source: Bureau of Labor Statistics (website: <http://data.bls.gov/labjava/outside.jsp?survey=en>).

lower-paying sectors such as retail sales and accommodation/ food services¹⁵. Annual salaries for jobs in the retail trade and accommodation/food services were \$22,724 and \$12,012, respectively, while the manufacturing sector paid \$61,932.

Chart D. Average Annual Salaries in Larimer County, 2005



Data Source: [Bureau of Labor Statistics](#)

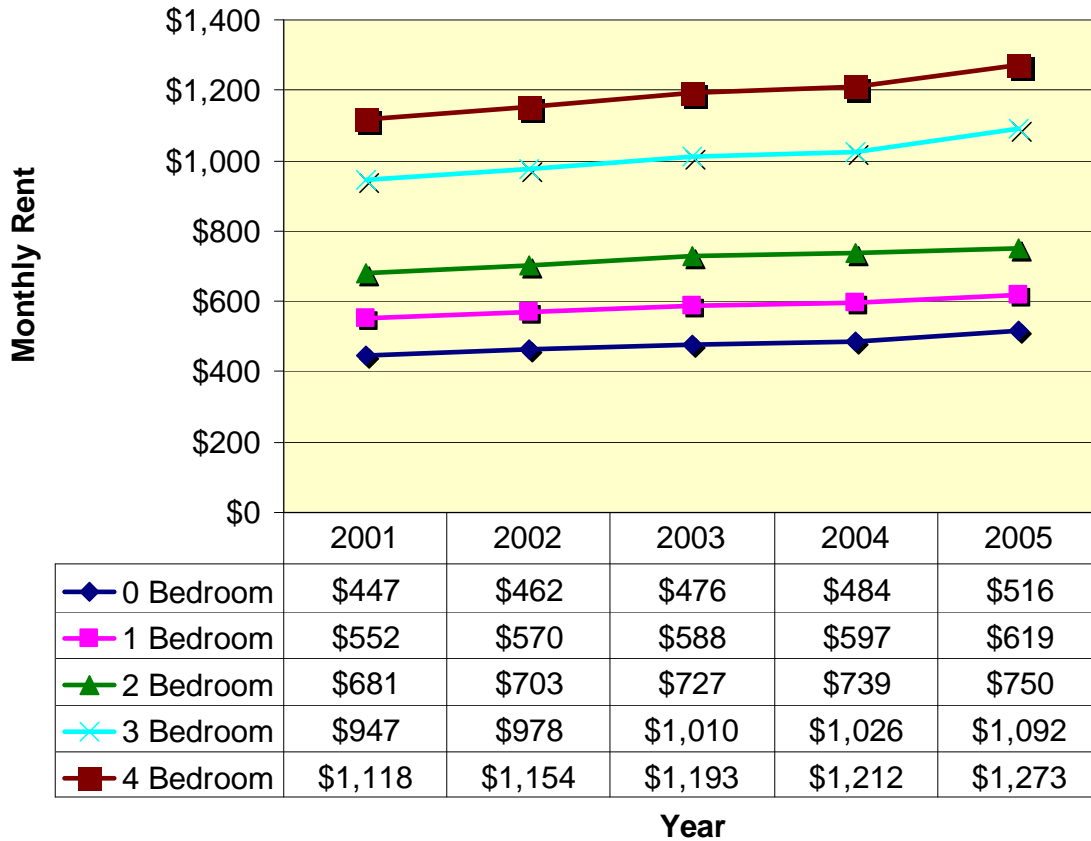
The High Cost of Rental Units

While there are rental units available throughout Larimer County, the cost of these rentals are a major barrier for low-income households. The monthly rent for housing units (apartments and houses) costs more for larger units than for smaller units. In Larimer County in 2005, for example, the rental cost for a studio apartment (i.e., without a separate bedroom) was \$516¹⁶. In contrast, rent for a three bedroom apartment was \$1,092 per month, more than twice the cost of a studio apartment. The chart below shows that from 2001 to 2005, rental increases ranged from approximately \$70 per month to nearly \$150 per month, with the largest increases effecting the larger rental units (three bedroom or more).

¹⁵ While there was also significant employment growth in Health Care/ Social Assistance sector in 2001-2005, it is unknown whether the increases were to the minimally skilled jobs or more specialized professions (i.e., nurses, social workers, etc.). Therefore, this sector was left out of the focus of this report.

¹⁶ Fort Collins/Loveland MSA (Larimer County) historical Fair Market Rents; Source: HUD (website: http://www.huduser.org/datasets/fmr/fmrs/histsummary.odt?inputname=2670.0*Fort+Collins--Loveland%2C+CO+MSA).

Chart E. Increase in Rental Costs in Larimer County 2001-2005¹⁷



Data Source: [U.S. Department of Housing and Urban Development](#)

(See data table on page 28.)

Declining Resources

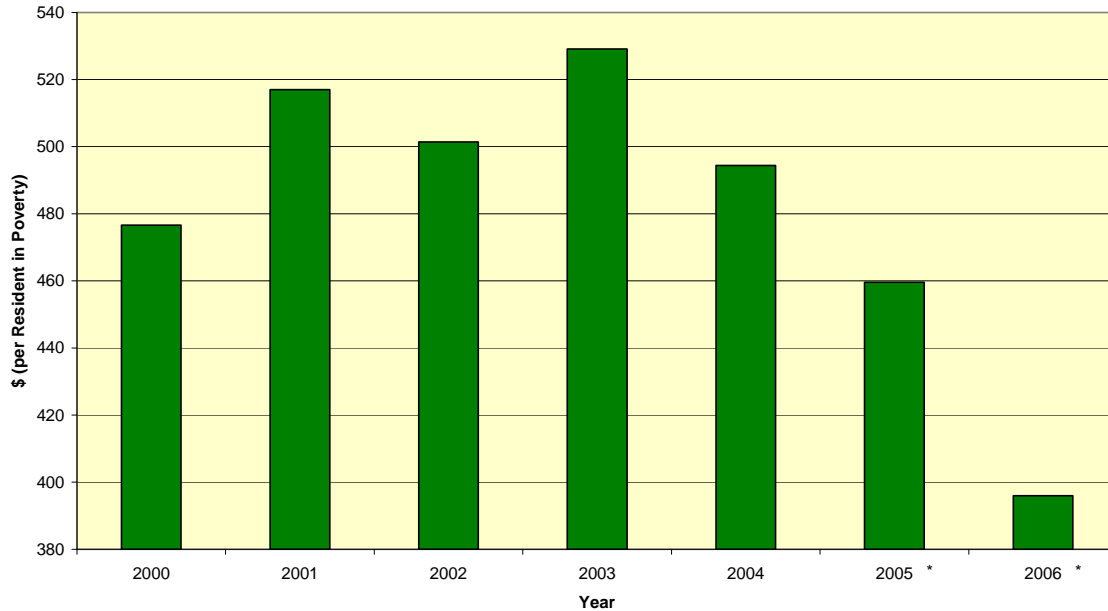
The federal government has provided housing assistance for low income renters since the Housing Act of 1937. In Larimer County, the majority of funding for public and subsidized housing is through federal vouchers and dollars earmarked for creating and maintaining public housing units. Additionally, local municipalities have supplemented these affordable housing funds. However, with federal cuts looming and local budget difficulties, the ability of the area to provide for low-income residents is in jeopardy.

Primary affordable housing funding in Larimer County, has been declining since 2003. Most significantly, these funds decreased by **over \$1,000,000** in 2006. (For data table see page 29 - *Affordable Housing Funding (Dollars) in Larimer County.*) The following

¹⁷ Fair Market Rent Data; source: United States Department of Housing and Urban Development Office of Policy Development & Research (website: www.huduser.org/datasets/fmr/fmr2005R/index.html).

chart shows that as of 2006, the amount of primary affordable housing funds available for each resident in poverty is projected to be *less than \$400 for the entire year*.

Chart F. Primary Annual Affordable Housing Funding (per Resident in Poverty) in Larimer County 2000-2006



*2005 & 2006 are projections based 2000-2004 data trend.

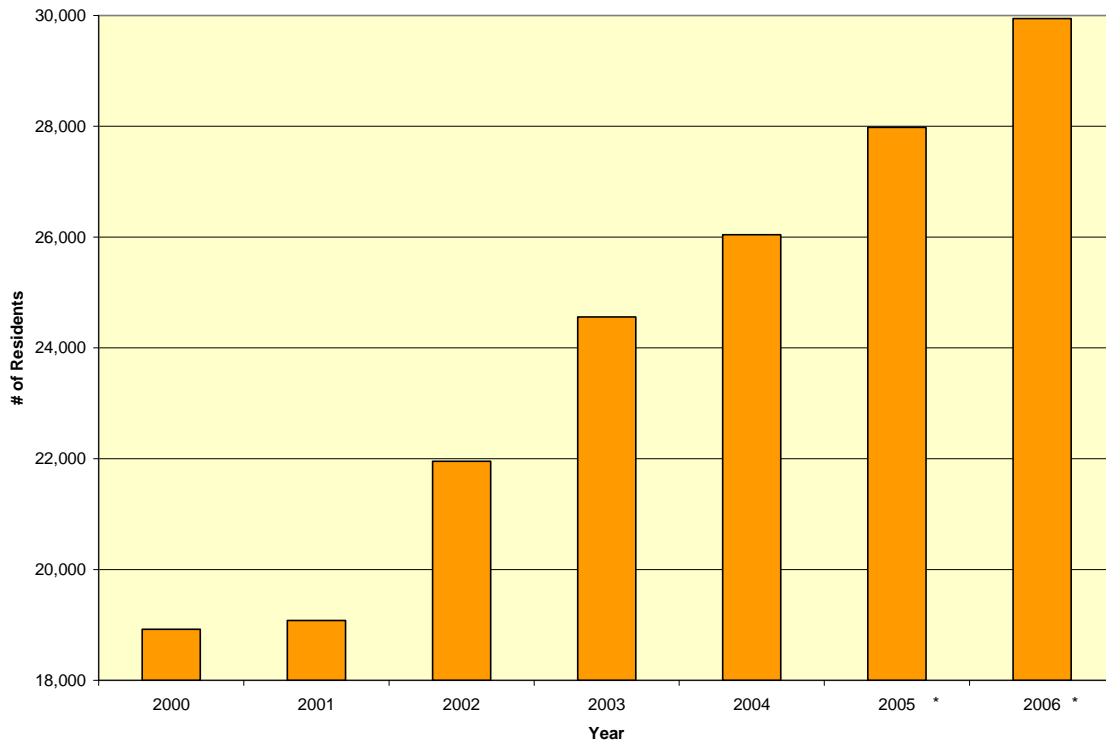
Data Source(s):

- [Primary Housing Funding in Larimer County](#)
- People in Poverty (Note: numbers are derived based on different methods)
2000-2004, [US Census Bureau, Small Area Income & Poverty Estimates](#)
2005-2006, Projections from 2000-2004 Small Area Income & Poverty Estimates

(See data table on page 28.)

Additionally, the area population living in poverty has increased considerably. The chart below indicates that since 2000 the number of residents living in poverty has increased by almost 80% (approximately 30,000 people).

Chart G. Total Residents in Poverty in Larimer County, 2000-2006



**2005 & 2006 are projections based 2000-2004 data trend.*

Data Source:

People in Poverty (Note: numbers are derived based on different methods)
2000-2004, [US Census Bureau, Small Area Income & Poverty Estimates](#)

(See data table on page 28.)

In Larimer County, over 70% of primary funding (2000-2006) came from the Housing Choice Voucher Program. Under this program, qualified households typically pay 30% of their incomes toward their rent and the Federal government pays the rest. To be eligible, households must meet applicable income limits which vary by household size. Once qualified for a program, a household will generally be put on a waiting list for assistance. The wait for assistance can range from one to four years, predominantly because the number of households leaving the program is small and because so many households are in need.

The data shown below represent the average number of active vouchers in Larimer County for a given year. From 2002 to 2003, the Larimer County Housing Authority nearly tripled the number of vouchers available (from 35 to 100 vouchers) by obtaining an additional HUD grant (Mainstream vouchers for handicapped households).

Table II. Larimer County Housing Choice (formerly Section 8) Households, 2002–2006

Year	Estes Park Housing Authority	Fort Collins Housing Authority	Housing Authority of the City of Loveland	Larimer County Housing Authority	Total
2002	44	744	424	35	1,247
2003	44	744	424	100	1,312
2004	44	744	468	100	1,356
2005	40	712	448	100	1,300
2006	40	730	430	100	1,300

With the exception of the Larimer County Housing Authority, all Housing Choice programs in Larimer County experienced decreases in the number of vouchers they managed from 2004-2006 due to changes in HUD policies and allocations. In Larimer County, 56 vouchers and *approximately \$130,000 in funding were lost*.

Local Housing Authorities also receive funds directly from HUD for operating Low Income Public Housing (LIPH) units. Additionally, HUD provides subsidies for capital improvement and modernization projects (based on a formula allocation). LIPH support for the Fort Collins Housing Authority *fell over \$27,000* in 2005, while making marginal gains in 2006.

The Community Development Block Grant (CDBG) is a federal program that has provided substantial funding (13% for 2000-2006) for housing authorities in Larimer County, to acquire land, develop and maintain affordable housing. This funding has allowed local housing authorities to purchase and operate 276 public housing units, (through 2004)¹⁸. CDBG funds in Larimer County reached their highest level in 2003 and began declining in 2004, resulting in *an approximate loss of \$245,000*. Local housing authorities anticipate further cuts in this program.

In 1990, the HOME Program arose from the National Affordable Housing Act. The Program objectives were to expand the supply of affordable housing, particularly rental housing for low and very low income citizens and assist local governments in planning and implementing affordable housing strategies. HOME provides funds to states, cities, urban counties for tenant-based rental assistance (including security deposit assistance), rental housing acquisition, rehabilitation, and construction, rehabilitation for owner-occupants, and homebuyer assistance. HOME funding peaked in 2003 and since that time, Larimer County has experienced *an approximate \$80,000 loss*.

The major municipalities in Larimer County (Fort Collins and Loveland), have recognized the need for affordable housing and have worked to support local programs

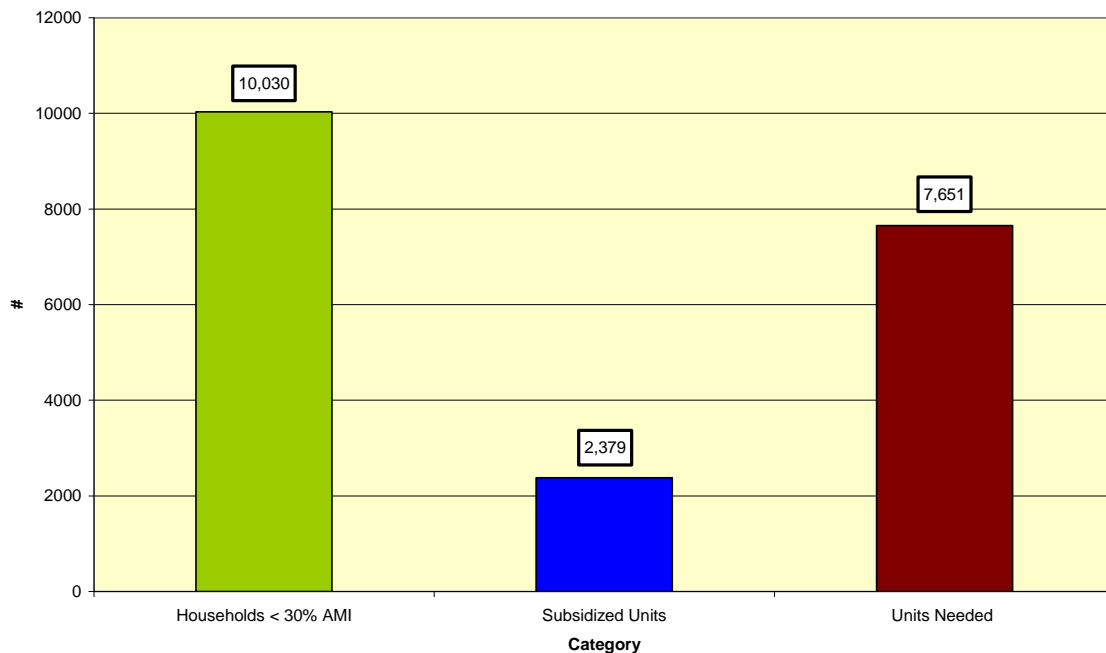
¹⁸ Source: Department of Local Affairs Economic and Demographic Information System (website: <http://www.dola.colorado.gov/cedis/county/ctyhous.cfm>).

by providing annual funds (separate from federal and state funds earmarked for local efforts. This municipal funding has traditionally accounted for a small but significant amount of the overall affordable housing funding (5.5%, 2000-2006). In fact, in 2005 there was a **\$45,000 increase** in funding from the City of Loveland’s Human Services Commission. This increase was primarily due to two reasons: 1) support for a tenant based rental assistance program grant, 2) initiation of a new scoring system for fund allocation. In 2006, the Housing Authority of the City of Loveland (recipient of the tenant based rental assistance program), did not request further support. Recent budget deficits have caused the City of Fort Collins to institute service cuts to their general fund (of which affordable housing is listed as a [primary service](#)), resulting in a **\$600,000 loss** for affordable housing in Larimer County (60% of loss in 2006). With an \$8 million [budget shortfall](#) facing the City of Fort Collins, these affordable housing budget cutbacks are expected to continue in 2007. (For data table see page 2.)

The Gap in Housing

While loss of funding for affordable housing is an indicator of the impact on the community, the severity becomes most apparent when comparing the number of units available with the number of potentially qualified households. The following chart compares the number of affordable housing units¹⁹ with the number of extremely low-income households in Larimer County in 2004. The available units helped almost 2,400 households, but there was a remaining shortfall of 7,600 affordable units.

Chart H. The Need for Affordable Housing in Larimer County, 2004



¹⁹ For the purposes of this report the term “units” includes vouchers, public housing and income-restricted housing built using monies from federal programs such as the Community Development Block Grant (CDBG) and HOME, and from local sources.

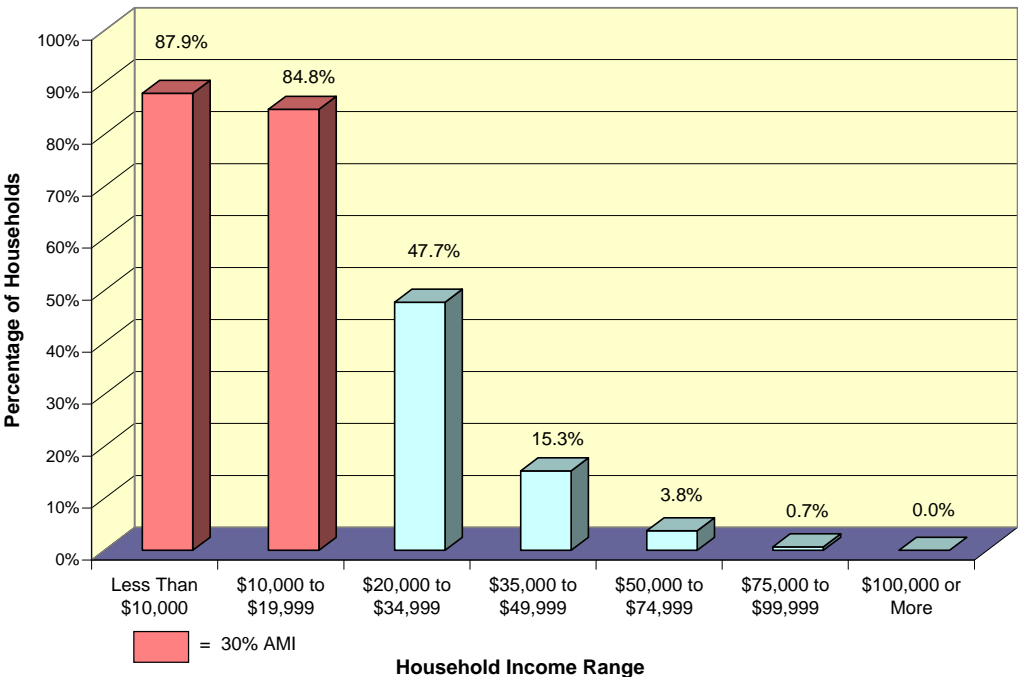
Data Source(s):

- [City of Fort Collins Affordable Housing Needs Strategy](#)- Subsidized Units
- [Colorado Division of Housing](#)- Households at or below 30% AMI

(See data table on page 29.)

When affordable housing is not available, households must choose to accept unstable housing (live with friends, family or others) or become cost-burdened. The following chart shows the likelihood of becoming cost-burdened increases as income decreases. Again, the greatest effect is on those in the 30% AMI group.

Chart I. Households Paying 30% and More of Income for Rent by Income Range, Larimer County 2004



Data Source:

[Colorado Department of Local Affairs](#)

(See data table on page 30.)

Even when affordable housing is available, it may not provide enough support for those with extremely low income. As stated previously, in 2004, 7,651 extremely low income households (76%) did not receive any affordable housing support. However, the following table indicates that 91% of these same households reported being cost-burdened.

Table III. Estimated Number of Low-Income Households in Larimer County, 2004²⁰

HUD Designation	Households	# Cost-Burdened*	% Cost-Burdened
Low Income (80% AMI)	44,142	26,604	60%
Very Low Income (50% AMI)	16,841	14,769	87%
Extremely Low Income (30% AMI)	10,030	9,166	91%

*Cost burdened= Households pay 30% or more of income for rent

This then equates to over 9,000 extremely low-income households, and 50,000 total households (49%) in Larimer County who are at risk for becoming homeless.²¹ With this many households struggling to maintain shelter, a basic human need, the quality of life of the entire community is in jeopardy.

Conclusion

The problem is clear. The affordable housing supply is not meeting the need. The severity of the situation is evident by the fact that 49% of Larimer County households must overextend themselves to secure a stable home. The recent trend appears to be pessimistic with increasing numbers of households falling into the low-income category, while less funding is available for subsidized housing. At the same time, fewer rentals are available at manageable prices.

Those who experience the most severe hardship are households earning 30% of area median income or less (extremely low-income households). Low-income wage-earners, such as child care workers, waiters and waitresses, and retail salespersons, are the foundation of the community, caring for area children and contributing to the local quality of life. Without affordable housing, these households become cost-burdened, paying 30% or more of their gross income for housing. Cost-burdened households are at high risk for losing their stable housing with any unforeseen circumstance (such as an illness), beginning a downward spiral, affecting their future and the future of their families. Without stable housing, it is difficult to heal from an injury or illness, cope with mental health issues, enroll and maintain a child's place in school or childcare or even find employment. With the lack of affordable housing, the community also accepts a financial cost through the increased demand on health and human services, law enforcement/correctional services, and the educational system. The problem impacts the entire community.

In Larimer County, the number of community members in need of affordable housing is growing annually, while resources are declining. The area has recently experienced a

²⁰ Estimate based on 2004 figures; source: Colorado Department of Local Affairs, Division of Housing (website: <http://www.dola.colorado.gov/housing/HUDDLim.cfm>).

²¹ Total household data; source: Colorado Department of Local Affairs (website: http://www.dola.state.co.us/demog_webapps/profile_county).

considerable shift in industry, with the retail sector replacing the manufacturing sector as the second largest source of employment. This has resulted in a greater number of low-paying jobs and greater number of households in the extremely low income category. Meanwhile, the availability of subsidized housing is considerably below the level needed, with federal and local municipal funding for affordable housing showing further deterioration. If no action is taken, the numbers of families without stable housing will only continue to increase.

Possible Community Response

It is important that the community support affordable housing efforts for low income persons in Larimer County. Concerned citizens can:

- Develop their personal awareness (join organizations that study housing such as local housing boards or the League of Women Voters)
- Educate the community (use word of mouth to get support from friends, family, and neighbors).
- Contribute financially to local resources (*see page 31 for a list*).
- Volunteer in local housing organizations (*see page 32 for a list*).
- Influence public policy (contact Federal and State elected officials).

Appendices

Appendix i Glossary

Area Median Income (AMI) – Refers to the middle or midpoint income for a particular area. The term is used to estimate the "average" income for a particular area. ([Initiative for Affordable Housing](#)). In Larimer County, the 2006 Area Median Income was \$68,800.

Bankruptcy- A legally declared inability or impairment of an individual or organization to pay their creditors. Bankruptcy gives creditors some payment on their debts if a debtor (the one who owes the debt) can afford to pay them and bankruptcy law gives debtors a fresh start, by canceling many of their debts, through an order of the court ([American Bankruptcy Institute](#)).

Community Development Block Grant (CDBG)- A Federal program created under the Housing and Community Development Act of 1974. This program provides grants funds to local and State governments to be used to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. CDBG replaced several categorical grant programs such as the Model Cities Program, the Urban Renewal Program and the Housing Rehabilitation Loan and Grant Program ([U.S. Department of Housing and Urban Development](#)).

Cost Burdened- When 30% or more of gross household income is spent on rent ([U.S. Department of Housing and Urban Development](#)).

Federal Poverty Guideline- The other version of the federal poverty measure (the first being poverty threshold) which is issued each year in the Federal Register by the Department of Health and Human Services (HHS). The guidelines are a simplification of the poverty thresholds for use for administrative purposes, for instance, determining financial eligibility for certain federal programs. In 2006, the poverty guidelines were \$20,000 for a family of four ([U.S. Department of Health and Human Services](#)).

Foreclosure- A legal procedure that involves mortgaged properties. If a homeowner defaults on his or her mortgage, by either failing to make mortgage payments or failing to follow other terms of the mortgage document, foreclosure may be the result. The homeowner relinquishes all rights to the property, and the mortgage lender takes possession of the property. Usually there is a forced sale of the property at public auction; the proceeds of this sale are applied to the mortgage debt ([Larimer County Compass](#)).

HOME program- HOME provides formula grants to States and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people ([U.S. Department of Housing and Urban Development](#)).

Housing Authority- Agency that secures public and private sector funds (federal, state, and local) to develop, manage, and administer affordable housing programs for the community's low-income families. In addition to assisted housing programs, it operates several successful programs to promote growth toward economic independence for participating families ([Fort Collins Housing Authority](#)).

Housing Choice Voucher (previously known as Section 8 Voucher)- The largest federal low-income housing assistance program. Families who are awarded vouchers use them to help pay the cost of renting housing on the open market. Because vouchers are provided to particular tenants to live where they choose, they are often referred to as “tenant-based” assistance. Vouchers can also be used to help families buy homes ([Center on Budget and Policy Priorities](#)).

Mainstream Vouchers- enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market ([U.S. Department of Housing and Urban Development](#)).

Public Housing- Housing owned and run by a government body such as a local Housing Authority. To be eligible to live in public housing, a person or family must have low income and meet certain other requirements. Rent and utilities are generally lower than in private housing. In most cases, rent in public housing can be no more than 30% of individual or family gross income ([Larimer County Compass](#)).

Rent (Fair Market Rent)- Fair Market Rent is the amount calculated by the Department of Housing and Urban Development which defines the presumed fair cost for housing units. It is based on the general market costs for comparable housing in a specific geographic area. For the purposes of this report rents are gross rent estimates including the shelter rent plus the cost of all utilities, except telephones ([Department of Housing and Urban Development](#)).

Section 8 (*see Housing Choice Voucher definition above*).

Self-Sufficiency Standard- measures how much income is needed for a family of a given composition in a given place to adequately meet their basic need without public or private assistance ([Colorado Fiscal Policy Institute](#)).

Subsidized Housing- Housing is subsidized when the government pays part of the tenant's rent or mortgage. To obtain subsidized housing, households must have a low or moderate income. Under the HUD (Housing and Urban Development) Housing Choice Vouchers program and the Rural Economic and Community Development (formerly FmHA) Rental Assistance Program, part of the rent of qualifying lower income households is paid by the government. Under these programs, as with public housing, tenants usually pay no more than 30% of their gross income for rent and utilities. Housing Choice Vouchers (*includes what used to be known as 'Section 8 Certificates'*) can be project based (e.g., a housing development where some or all units are partially

paid by Housing Choice Vouchers) or client based (the voucher moves with the household regardless of the place of residence). In this case, the voucher holder finds a private landlord willing to accept the certificate and work with the program ([Larimer County Compass](#)).

Appendix ii – Data Tables

Data Table - Chart B.: Annual Income and Income Benchmarks in Larimer County, 2004

Occupation / Income Benchmarks	Median Annual Salary / Benchmark Annual Salary
80% of Area Median Income	\$53,200
Registered Nurses	\$50,378
Family of Four Self-Sufficiency wage	\$47,261
Executive Secretaries	\$35,090
50% Area Median Income	\$33,250
Elementary School Teachers	\$33,063
Construction Laborers	\$24,232
Nursing Aides and Orderlies	\$22,027
30% Area Median Income	\$19,950
Retail Salesperson	\$19,594
Federal Poverty Level	\$18,850
Child Care Workers	\$18,221
Waiters and Waitresses	\$13,562

Data Source: [Colorado Department of Labor & Employment](#)

Data Table - Chart C.: Sector Employment as a Percentage of Total Employment for Main Sectors in Larimer County, 2001 & 2005

Sector	2001	2005
Public Administration (Government)	17.28	17.88
Manufacturing	14.56	9.96
Retail Trade	12.86	13.15
Accommodation and Food Services	10.58	10.97
Health Care and Social Assistance	8.56	10.09
Construction	8.17	8.07
Professional, Scientific, & Technical Services	5.66	7.5
Administration Support; Waste Management, Remediation Services	6.16	5.56
Other (all sectors below 5% combined)	16.15	16.82

Data Source: United States Department of Labor, [Bureau of Labor Statistics](#)

Data Table - Chart E.: Increase in Rental Costs in Larimer County 2001-2005

Number of Bedrooms	2001	2002	2003	2004	2005
0 Bedroom	\$447	\$462	\$476	\$484	\$516
1 Bedroom	\$552	\$570	\$588	\$597	\$619
2 Bedroom	\$681	\$703	\$727	\$739	\$750
3 Bedroom	\$947	\$978	\$1,010	\$1,026	\$1,092
4 Bedroom	\$1,118	\$1,154	\$1,193	\$1,212	\$1,273

Data Source: United States Department of Housing and Urban Development, Office of Policy Development & Research, Fair Market Rent data,
www.huduser.org/datasets/fmr/fmr2005R/index.html

Data Table - Chart F.: Primary Annual Affordable Housing Funding (per Resident in Poverty) in Larimer County, 2000-2006 (Dollars)

Total Annual Funding per Resident in Poverty	2000	2001	2002	2003	2004	2005	2006
	\$477	\$517	\$501	\$529	\$494	\$460	\$395

Data Sources:

- City of Fort Collins Advance Planning Division;
- City of Loveland;
- Fort Collins Housing Authority;
- Housing Authority of the City of Loveland
- Other resources contribute to Affordable Housing Funds, however they were not included in this report because the figures were either small, unavailable, or inconsistent with data that was included.

Data Table - Chart G.: People in Poverty in Larimer County, 2000-2004

Larimer County	2000	2001	2002	2003	2004	2005	2006
People in Poverty	18,923	19,080	21,952	24,558	26,041	*27,981	*29,981

**2005 and 2006 poverty data were projected based on 2000-2004 trend.*

Data Source: [United States Census Bureau, Small Area Income & Poverty Estimates](http://www.census.gov)

Affordable Housing Funding (Dollars) in Larimer County, 2000-2006

Source	2000	2001	2002	2003	2004	2005	2006
Housing Choice Voucher	6,163,650	6,653,107	7,499,359	9,396,424	9,451,846	9,460,438	9,331,634
Community Development Block Grant	1,456,915	1,513,904	1,500,156	1,537,300	1,526,237	1,484,608	1,294,494
HOME	615,000	643,000	684,000	726,510	723,006	681,881	645,419
City of Fort Collins (Affordable Housing Funds)	443,000	671,000	893,962	893,962	695,000	735,000	133,000
City of Loveland (Human Services Commission)	41,000	40,200	45,175	49,500	68,000	115,272	67,873
Low Income Public Housing	299,012	342,638	383,278	390,681	409,464	381,954	384,970
Total Funding Dollars	9,018,577	9,863,849	11,005,930	12,994,377	12,873,553	12,859,153	11,857,390

Data Sources:

- Housing Choice Voucher - Fort Collins Housing Authority, Housing Authority of the City of Loveland
- Community Development Block Grant - City of Fort Collins Advance Planning Division, City of Loveland
- HOME Program - City of Fort Collins Advance Planning Division
- Primary Municipal Affordable Housing Funding - City of Fort Collins Advance Planning Division, City of Loveland
- Low Income Public Housing - Fort Collins Housing Authority

Data Table - Chart H: The Need for Affordable Housing in Larimer County, 2004

Category	2004
Households < 30% AMI	10,030
Subsidized Units	2,379
Units Needed	7,651

Data Source(s):

- Subsidized Units- City of Fort Collins Affordable Housing Needs Strategy 2004 Report, Community Planning & Environmental Services Advance Planning Department, <http://www.ci.fort-collins.co.us/affordablehousing/pdf/needs-strategies-doc.pdf>.
- Households ≤ 30% AMI- 2004 Rental Households by HUD Income Limits, Colorado Division of Housing, <http://dola.colorado.gov/housing/HUDLim.cfm>.

Data Table - Chart I.: Larimer County Rental Households by Income Group and Percentage of Income Paid in Rent, 2004

2004	Annual Income Range						
	30% AMI (\$19,950)		50% AMI (\$33,250)	80% AMI (\$53,200)	100% AMI (\$66,500)	Over AMI	
*Area Median Income Range:	Less Than	\$10,000 to	\$20,000 to	\$35,000 to	\$50,000 to	\$75,000 to	\$100,000
% of Income Paid in Rent	\$10,000	\$19,999	\$34,999	\$49,999	\$74,999	\$99,999	or More
Less than 20%	137	211	998	2,279	3,407	2,287	2,265
20 to 24%	74	292	1,221	1,683	1,017	275	46
25 to 29%	179	481	1,706	897	534	61	0
30 to 34%	64	585	1,261	518	100	0	0
35% or more	2,764	4,911	2,324	359	94	18	0
Not Computed**	473	226	284	115	156	80	71
Cost-burdened Households	2,828	5,496	3,585	877	194	18	0
% Cost-burdened	87.90%	84.80%	47.70%	15.30%	3.80%	0.70%	0%

* The “Area Median Income Range” (AMI) row approximates how each of the Income Ranges fit into each AMI category. The 2004 Area Median Income in Larimer County was \$66,500.

**Households that either do not pay rent or a rent is not calculated. This category is not included in the cost-burden calculations.

Data Source: Estimate based on 2004 figures from Colorado Department of Local Affairs, Division of Housing (<http://www.dola.colorado.gov/housing/HUDDLim.cfm>)

Appendix iii - Affordable Housing Resources in Larimer County

Advocacy and Informational Groups and Boards

1. [Affordable Housing Coalition of Larimer County](#)
The Affordable Housing Coalition is a collaboration of non and for profit organizations, local, state and federal government representatives and concerned citizens. The Affordable Housing Coalition advocates for the production and retention of affordable housing locally, regionally and statewide.
2. [City of Loveland Affordable Housing Commission](#)
The Commission studies the extent of the need for affordable housing, reviews existing affordable housing incentives and policies, and develops specific incentives and regulatory-based strategies to increase affordable housing in Loveland.
3. [Congregations Building Communities](#)
Congregations Building Communities is a faith-based organization that fosters community collaboration to address community issues and needs, such as homelessness and affordable housing.
Phone: (970) 686-0162
4. Fort Collins Affordable Housing Advisory Task Force
Through the Task Force, board members with expertise in areas of affordable housing (including development, finance, lending, charitable and low-income services, and general community issues) advise the Fort Collins City Council on affordable housing issues.
Phone: (970) 221-6753
5. [Fort Collins Area Interfaith Council](#)
The Interfaith Council is a collaboration between faith communities and health and human service agencies that address community-wide social concerns such as health, hunger, and housing.
6. [Fort Collins Board of Realtors](#)
The Board of Realtors sponsors a [website](#) which summarizes housing-related programs for home buyers in the Larimer & Weld counties (including programs which provide home buying assistance to individuals based on income).
7. Loveland Homeless Task Force
The Task Force is a networking and advocacy group that conducted two studies on homeless issues in Loveland, including homeless youth.
Phone: (970) 663-5450

8. Northern Colorado Social Legislative Network
The Network meets with state legislators to discuss pending legislation that affects low income individuals and families and sponsors legislation that benefits the poor.
Phone: (970) 484-5010
9. North Front Range Continuum of Care
The Continuum of Care is a multi-county (Larimer and Weld) group that works in conjunction with the Colorado Coalition for the Homeless. The group provides funding for transitional housing and permanent supportive housing for homeless individuals and families.
Phone: (970) 347-2125

Groups that Provide Housing

Domestic Violence Shelters

1. [Alternatives to Violence](#)
Alternatives to Violence is committed to the intervention, education, and prevention of domestic violence, sexual assault and other violent crimes. Services are offered to female and males survivors of all ages and their families and support systems. Professional services are provided to law enforcement, the judicial system, schools and community of Southern Larimer County.
2. [Crossroads Safehouse](#)
Crossroads is a safe environment for victims of domestic violence that promotes social change for the community through education and intervention.

Emergency Shelters

[House of Neighborly Service](#)

The House of Neighborly Services provides the basic necessities of life to residents who meet low income guidelines.

Homeless Shelters

1. [Catholic Charities Northern](#)
Catholic Charities operates The Mission, accommodating up to 40 persons, including single men, single women, and families. An evening meal and breakfast are served, and there are facilities for showers and laundry.
2. [The Open Door Mission](#)
The Open Door Mission provides overnight and day shelter services to individuals and families. The Day Shelter includes shower facilities, computers, phone, mailing address, and separate area for women and their children.

3. **Interfaith Hospitality Network/Angel House Day Shelter**
The Interfaith Hospitality Network provides shelter, meals as well as comprehensive counseling and mentoring for homeless families with children. A staffed Day Center gives families an address and phone number while looking for housing and employment.
Phone: (970) 663-1716

Housing Authorities

1. **Estes Park Housing Authority**
In 2006, Estes Park Housing Authority became an independent agency functioning in voucher distribution, housing project development, and research of housing needs specific to Estes Park and the surrounding communities.
Phone: (970) 577-3730.
2. [Fort Collins Housing Authority](#)
The Fort Collins Housing Authority promotes safe and affordable housing, economic opportunity and a living environment free from discrimination. Through intergovernmental agreements the Fort Collins Housing Authority also governs the Larimer County Housing Authority and the Wellington Housing Authority.
3. [Housing Authority of the City of Loveland](#)
The Housing Authority of the City of Loveland provides low and moderate income residents with opportunities for home and community through housing.

Providers of Short-term, Semi-permanent and Permanent Housing

1. [CARE Housing](#)
CARE provides earnings-based affordable housing, promotes self-sufficiency and healthy neighborhood relations for working families through support services, advocating for additional lower income affordable housing, and educating the public about these issues.
2. **Habitat for Humanity**
Habitat for Humanity International is a nonprofit, ecumenical Christian housing ministry that seeks to eliminate poverty and homelessness from the world, and to make decent shelter a matter of conscience and action.
 - [Estes Valley](#)
 - [Fort Collins](#)
 - [Loveland](#)

3. [Neighbor to Neighbor](#)
Neighbor to Neighbor promotes housing opportunity through counseling, education, supportive services, homeless prevention, community partnerships and the provision of multi-family affordable housing.

4. [Northern Hotel](#)
The Northern is an historic hotel in Old Town Fort Collins with one and two bedroom apartments for families in which the head of household or spouse is 55 years of age or older. Rents are based on 30% of adjusted household income.

Groups that Provide General Aid

1. [Crossroads Ministry of Estes Park, Inc.](#)
Crossroads Ministry distributes food and limited financial assistance to families and individuals who are in need, with a goal of promoting self-sufficiency.

2. [Foothills Gateway](#)
Foothills Gateway coordinates and provides services for citizens with developmental disabilities and their families. Services and supports are provided through a variety of programs aimed at addressing employment, housing and social needs for eligible individuals and their families.

3. [Harvest Farm](#)
Harvest farm is a 100-acre farm and rehabilitation center for men, located in Wellington. The Farm accommodates up to 72 men who participate in a long-term treatment program.

4. [Larimer Center for Mental Health](#)
Larimer Center for Mental Health provides mental health treatment, education and supportive services to promote improved quality of life for persons with emotional and stress-related disorders and mental illness.

5. [Mosaic](#)
Mosaic provides support and advocacy in partnership with people who have disabilities. Mosaic supports people with disabilities by providing individualized services, living options and work choices.

6. [Northern Colorado AIDS Project](#)
The Northern Colorado AIDS Project serves offers free HIV care services and HIV prevention services. HIV care services function to improve the quality of life for people affected by HIV/AIDS. The Northern Colorado AIDS Project provides case management, emotional support, practical help and limited financial and housing assistance to clients.