



Housing Instability Study 2018

Thank you to the following partners for sponsoring this study:



The WMRHA Board chose to look at the intersection of housing and health as one of its tenets to determine strategy forward and to meet its mission: *To build an integrated health system for all residents who live in the West Mountain region.*

In 2018, the board *decided* on this social determinant of health in alignment with Pitkin, Garfield, and Eagle County's Public Health Departments Community Health Assessment (2016). Once initial data from the Accountable Health Communities Model came in showing housing to be a top need it solidified the effort.

After education and *dialogue*, the WMRHA board *requested this study* to get a better understanding of the need, and we wanted to work with the existing regional housing affordability study as an addendum and to build on that existing effort to maximize resources and work together on the larger effort.

The WMRHA board and larger group of partners then decided its particular focus is on facilitating and convening an effort for Permanent Supportive Housing in the region. This study is also available to support other affordable housing projects and efforts. For more information about West Mountain Regional Health Alliance go to www.westmountainhealthalliance.org

Executive Summary

Background & Objectives

Economic & Planning Systems (EPS) and RRC Associates were contacted by members of the West Mountain Regional Health Alliance (WMRHA) to provide information supplemental to the Regional Housing Assessment currently underway for the Roaring Fork Valley (RFV), inclusive of six geographies: Aspen to Snowmass, Basalt, Carbondale, Glenwood Springs, New Castle to Parachute, and Eagle to Gypsum.¹

The purpose of this effort is to begin documenting the scope and prevalence of housing instability conditions in the RFV and elevate the awareness of public health issues among leaders and the general public so that better-informed decisions and policies can be pursued to address growing public health threats.

Housing Instability

For the purposes of understanding and documenting conditions of need in the Roaring Fork Valley, instability is being defined as a set of at-risk conditions – a state of being for an individual or family on the threshold of falling downward into crisis. Instability occurs, and threatens quality of life, when one or many “stress indicators” are present: housing problems (i.e. lack of safe, adequate, affordable); an absence of equitable economic policies and fundamentals; and lack/difficulty in accessing affordable health care, healthy foods, employment and economic opportunities, etc. In this initial effort, the EPS/RRC Team (with WMRHA) are defining a core set of stress indicators as:

- Financial stress (e.g. housing costs)
- Mental health and substance abuse disorders
- Crime
- Sub-standard housing
- Overcrowding

The findings of this initial analysis are characterized in quantitative and qualitative terms using primary and secondary sources of data. Primary data are special cross-tabulations and analysis of the 2018 Roaring Fork Valley Regional Housing Study Resident/Worker Survey and Employer Survey. Secondary sources include the U.S. Census, American Community Survey, the most recent regional Point-in-Time surveys, and the Colorado Department of Public Health and Environment.

¹ The RFV Housing Study Draft Report is currently available, as of January 15, 2019, and will be finalized shortly upon review and comment by the regional representation committee.

Findings

This summary of findings portrays in quantitative and qualitative terms, the magnitude of housing instability stress indicators facing residents of the RFV. In addition to discussion, salient quotes are provided from the survey to further illustrate findings.

1. Residents must prioritize housing costs over saving for emergencies, retirement, or (among current renters) purchasing a home.

One of the biggest sources of financial stress comes from the lack of affordable housing. In the RFV, median home prices generally range between \$500,000 and \$600,000 (and \$1.8 million in Aspen to Snowmass), but a household earning median income (100 percent AMI²) can only afford a home priced between \$300,000 and \$450,000.

The difference, called the affordability gap³, forces thousands of households to spend more of their income on housing.⁴ In 2017, it is estimated that more than 14,000 RFV households spent an extra \$300 per month beyond what was “affordable” to them to make rent or mortgage payments - a collective regional impact of \$54 million per year.

“I pay 68% of my income to rent. It is almost impossible to live here. I am a single parent to 2 children, and if anything happens, I have zero savings and could end up homeless.”

“...I'm in one of the few professions who live in the Roaring Fork Valley year-round, architecture. I have a college degree and work more than 40+ hours a week. It's stupid how restrictive housing is here.”

As a result, most residents (of the 2,100 who responded to the survey) speak of increased stress levels despite having high levels of professional skills or education. Coupled with the cost of health insurance, others speak of constantly moving, poor living conditions, and the impact high housing costs have on their ability to start a family or find housing at all.

² Area Median Income

³ The affordability gap is the difference between the median price of a home sold and what a household (4 persons) earning the median income. The analysis utilizes historic 30-year fixed rate mortgage information from the Federal Reserve Bank of St. Louis, an average property tax mill levy of 52 mills, factors for insurance and utilities, as well as a 10 percent down payment.

⁴ For decades, the federal government has defined “affordable” by the rule that no household should spend more than 30 percent of its income on housing, implying high-income earners, hourly-wage workers, young professionals, the elderly on fixed incomes, and everyone in between. Affordable housing means a place to live that is “affordable” so that when the rent or mortgage is paid, money is left over for basic necessities like food, transportation, healthcare, and all that contributes to one’s socioeconomic mobility and quality of life. Spending more than 30 percent of income on housing is called “cost burden”.

2. Another source of financial stress stems from low wages (despite educational attainment).

Individuals typically achieve wage premiums with higher educational attainment. In Colorado, median income for those with less than a high school education is approximately \$26,000. But, for those who possess a college education or beyond have incomes of over \$67,000 – an educational attainment “premium” of 160 percent.

In the RFV, however, that premium is only 97 percent – and in Aspen to Snowmass, Carbondale, and New Castle, it is only 77 percent, 66 percent, and 53 percent, respectively. Additionally, a larger portion of the RFV’s population has less than a high school education – 11 percent versus 8 percent at the state level.

"Housing costs compared to incomes are horrifying. I have zero savings because of the rental market. I have little recreation time because I work so much for so little, and I have a master's degree."

"Housing is extremely difficult to find. I don't even qualify for affordable housing because I apparently make too much, which is insane to me. I shouldn't have to living pay check to pay check in order to pay for housing."

3. Individuals face financial stress whether or not they have health insurance coverage.

Among employer-sponsored plans, health insurance premiums in Colorado escalated between 50 and 60 percent between 2008 and 2017 – from \$360 to \$540 per month per individual.⁵ Coverage, however, is not the only source of financial stress (and risk), but lack of coverage. In the RFV, it is estimated that nearly 19 percent (19,000 individuals) do not have health insurance, more than twice the statewide rate (8 percent). Specifically, high portions of local populations in Carbondale (26 percent), Basalt (20 percent), and Glenwood Springs (20 percent) are without coverage. Moreover, it is alarming with such high rates of uninsured, that the portion of population qualifying for Medicaid isn’t larger – perhaps because their incomes are only slightly higher than the income qualification limit.⁶

4. More than one in ten residents of RFV have a documented disability.

Out of a total population of 103,000, more than 11 percent (11,700) have a disability, of which 2,100 suffer from a mental health disability. Of the total disabled population, approximately 7 percent live (predominantly in Glenwood Springs and New Castle to Parachute) below the federal poverty line (\$24,600

⁵ Colorado Department of Regulatory Agencies, Division of Insurance: Health Insurance Cost Report, 2017

⁶ To qualify for Medicaid coverage households with children must fall under 260 percent of the Federal Poverty Level (FPL) and adults without dependents must fall under 133 percent of the FPL.

in 2017 for a family of four)⁷. Of those with a mental health disability, half are concentrated also in Glenwood Springs and New Castle to Parachute.

5. Poor living conditions were reported as a major concern for households as a result of financial stress in a tight housing market.

Many residents surveyed also commented about other hardships that were a direct result of financial stress due to difficulties finding affordable housing. These included mistreatment from landlords, poor maintenance and living conditions, and added stress from being forced to move frequently due to seasonal housing. Examples of the types of housing residents speak of ranges from poorly insulated apartments to units with no smoke detectors to “old and run down” buildings where “blackish mold grows on the walls of bathrooms...no matter how much you clean it”. In the RFV, there are an estimated 1,100 households (13 percent of region) living in mobile homes, vans, and RVs.

"My apartment is so poorly insulated and we have electric heat, my bill in winter is ridiculous... since I can never seem to get ahead financially because I'm putting everything towards rent and electric, how am I supposed to come up with \$2000 to put down towards a house if I win the lottery? I have been here 14 years and see no real housing in my future. I have been here 14 years and see no real housing in my future..."

"Rent goes up. Quality of housing goes down. Radon, Mold, Bad insulation, Extremely high utility bills."
"These buildings are old and run down, a blackish mold grows on the walls of the bathrooms- no matter how much you clean it keeps coming back. The carpets are horrible and the appliances are ancient..."

6. The incidence of crime is a social determinant of health, whether you experience it directly or indirectly.

Many residents expressed concerns about safety, crime (theft, graffiti), and drug use, including the prevalence of marijuana shops and methamphetamines.

"No police protection, covenant neighborhood is a joke - nothing enforced. Crime and marijuana has taken over the community. Has become sad."

⁷ <https://aspe.hhs.gov/prior-hhs-poverty-guidelines-and-federal-register-references>

7. Homelessness is real for those who are experiencing it and a real threat to those at-risk.

According to the most recent Point-in-Time surveys, there are nearly 200 homeless individuals in Eagle, Garfield, and Pitkin counties, a majority of which are in Garfield County. Homeless individuals frequently report mental illness (13 percent) and substance abuse disorders (10 percent) as persistent conditions from which they suffer, but other conditions include victims of domestic violence, chronic physical illness, developmental disability, and PTSD. As noted earlier, more than 2,000 individuals in the RFV suffer from a mental health disability in addition to more than 2,700 individuals who suffer from a physical disability (half of whom are under the age of 64).

8. Overcrowding is the result of a temporary solution to alleviate financial stress that has taken on greater permanency.

"Renting with roommates because none of us can afford to buy a place on our own and rental prices are almost as inflated as purchasing. Plus, having a teacher and another government worker, (Pitkin County) living as roommates none of us get paid compared to the cost of living."

Individuals will live with unrelated roommates or extended family, sometimes in insufficient housing conditions, as a means to avoid unaffordable housing costs. But this condition has taken on greater permanency in the living experiences of the RFV population. Out of 39,000

households in the RFV, 23 percent (more than 9,000) live in overcrowded conditions. Themes that emerge from resident comments in the survey relate to the prevalence of needing multiple unrelated roommates, limited housing types for families, and unsuitable alternatives (e.g. campers, trailers, garages, etc.). As mentioned earlier, there are an estimated 1,100 households living in mobile homes, vans, and RVs.

"I live in a 3-bedroom house with 6 roommates, where the rent for the house is 4500 a month. I pay high rent for very limited space."

Status

As mentioned in the opening, these findings are the synthesis of analysis of primary and secondary sources of information. Specific cross-tabulations of the resident survey and analysis of open-ended comments were completed, as was a high-level analysis of data obtained from the U.S. Census, American Community Survey, the Colorado Department of Public Health and Environment, and the Colorado Department of Regulatory Agencies.

These high-level findings largely characterize a component of the demand side for supportive services related to housing instability risks. To more fully quantify the magnitude of the problem, EPS and RRC recommend the following steps to pursuing a fuller characterization of the “gaps” between the demand for and supply of services and facilities operating to alleviate these housing instability issues.

- Tailored resident survey to assess public health issues and needs
- Analysis of the 2019 Point in Time survey (now available)
- Analysis of Accountable Health Screening Tool results to illuminate the level of health services and the corresponding needs within the RFV
- Inventory of the resources and facilities available for vulnerable populations in the RFV (e.g. Catholic Charities as a starting point)
- Comprehensive review of supportive service models and case studies in rural settings
- Additional quantitative data: major medical issues/risk factors, crime statistics, ER visits, and distance/quality of health care services