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The Housing Crunch

Housing market rebounds and prices are on the rise. That's good news for some, but not for everyone.

It's no secret that it's expensive to live in Boulder County, especially in the City of Boulder. In 2005, the median sales price of a single-family home in the city hit above the half-million dollar mark. It remained the only municipality above that line until 2014. Now Louisville is on that list, with Superior not far behind.

"We were renting in Boulder, but when we wanted to buy a house, we didn't find anything in Boulder that was even remotely in our price range," says Laura Snider, who lives with her husband and two young children in a Lafayette condominium. "We looked at both Louisville and Lafayette, but ultimately chose Lafayette because it was a little cheaper than Louisville for similar properties and because my husband works as a teacher at Peak to Peak."

Special Report to the Community

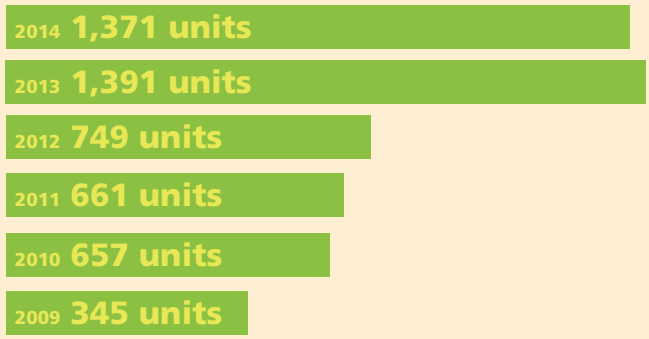
She says they feel lucky to have moved in 2011 – they would have been close to being priced out of their complex at the 2015 sales prices. Prices have soared around the county post-recession, putting pressure not only on low-income residents, but middle-income residents as well. Low interest rates and extremely tight inventory has made buying a home a frenzied and often frustrating experience.

"This hot housing market is the hardest ever for buyers. The county has run out of land to build on and there will be little new construction to meet demand," says Lou Barnes, a mortgage banker in Boulder.

Elizabeth O'Neill Dennison and John Dennison bought their first home in Boulder's Gunbarrel neighborhood after renting in Downtown Boulder for years.

They had eight offers rejected.

NEW HOUSING UNITS AUTHORIZED IN BOULDER COUNTY



Source: United States Census Bureau

"The housing prices in Boulder County are out of control," says O'Neill Dennison. "You're competing with all-cash offers from investors. Houses are going for $50,000 above already high listing prices. One house we put in an offer for went for $80,000 over listing. It was an entirely disheartening process, but we feel extremely lucky to have found a beautiful home ... I think we just lucked out with amazing sellers who were reasonable and sympathetic."

When housing costs rise at a faster clip than incomes, it puts pressure on the entire economy.

"The high cost of living and real estate costs are a detractor to the economy," says Richard Wobbekind, executive director of the Business Research Division at the Leeds School of Business at the University of Colorado Boulder. "This is a very expensive community, and that's an issue."

Boulder County's Housing Stabilization Program provides assistance, mostly help with rent, to keep people in their homes. Since 2008, it has helped more than 1,700 households – 56 percent of which had incomes of less than $20,000 per year.

Referrals come from nonprofit agencies – including EFAA, OUR Center and Sister Carmen – who try to identify clients who need help before it's a crisis: Residents who can use just a little assistance for the major benefit of keeping them in their homes.

Housing Costs

	Boulder County	Boulder	Longmont	U.S.
Owner-occupied housing	63%	49%	62%	65%
Houses without a mortgage	26%	32%	23%	34%
Owners* spending 30%+ of their income on monthly mortgage	30%	33%	29%	35%
Renters spending 30%+ of their income on monthly rent	59%	64%	55%	52%

*Owners with a mortgage Source: American Community Survey

Economists talk about the 30-percent mark when it comes to housing costs – the percentage of a household's income spent on either mortgage or rent. Spending more than that is considered economically unhealthy, and not just for those signing the hefty rent or mortgage checks.

In Boulder County in 2013, 30 percent of homeowners and 59 percent of renters spent more than that recommended 30 percent on housing costs.

That means they have less to spend on other things.

High housing prices cost local businesses, and in turn, local governments, income and tax revenues, according to a study by Colorado State University and the Piton Foundation, which is part of Gary Community Investments. The study found that too much money spent on housing means less money for everything else: Things like dining out, movie tickets, food and clothing.

While there are a lot of top-earning families in Boulder County – far more than in the United States as a whole – the largest group of families (30 percent) earn median incomes between $50,000 and $99,000. That's very close to the percentage of families at that income level in the United States.

Median single-family home values in Boulder in 2013 were $487,400; in Longmont they were $237,900. Compared with the national median of $173,200, there is considerable pressure on the middle class as families strive to own a home here. The values are estimates from the U.S. Census for owner-occupied homes. The actual local median sales prices, reported by local Realtors, are higher. As of mid-2015 there was no end in sight for rising home prices here.

"Prices are going crazy but having lived in other areas of the country I can understand why," says Darcia Thomas. She moved to Lafayette in 2015 with husband Marc, their young son, and with another child on the way. "We certainly feel like we overpaid, but it's the price of admission to live in this area. I do think property taxes are strikingly low, having grown up in Nebraska and lived in St. Louis."

Indeed, when measured against other areas, Colorado and Boulder's property taxes are low. A five-year study by the Tax Foundation ranked Boulder County 2,239 out of 2,773 counties nationwide for property taxes as a percentage of home value in owner-occupied homes; Colorado was 41st out of the 50 states.

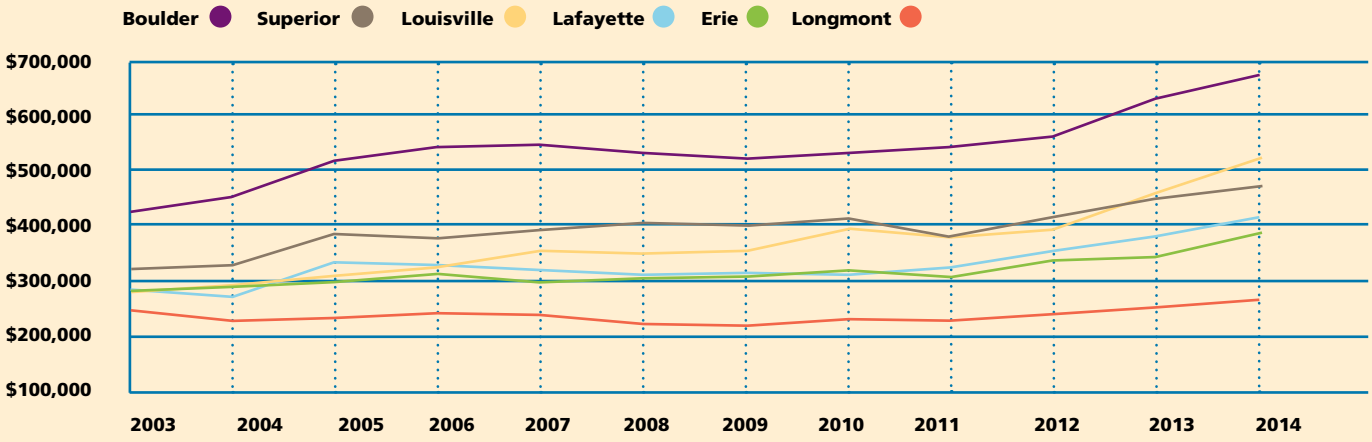
"My fear is that people who have lived here a long time and people at different income levels will be priced out of the market – they already are. Socioeconomic diversity is important in any community for many reasons, and that stratification is happening all over the United States, but more so here, to our detriment," Thomas says.

Boulder County Per Capita Personal Income

	Boulder, County	Colorado	US
2007	$51,436	$42,724	$39,506
2008	$53,533	$44,180	$40,947
2009	$48,891	$41,388	$38,637
2010	$50,031	$42,107	$39,791
2011	$51,893	$44,053	$41,560
2013	$54,968	$46,897	$44,785

Source: Bureau of Economic Analysis

MEDIAN SINGLE-FAMILY HOME SALES PRICE



Source: Boulder Area Realtor Association

A Housing Market Rebound

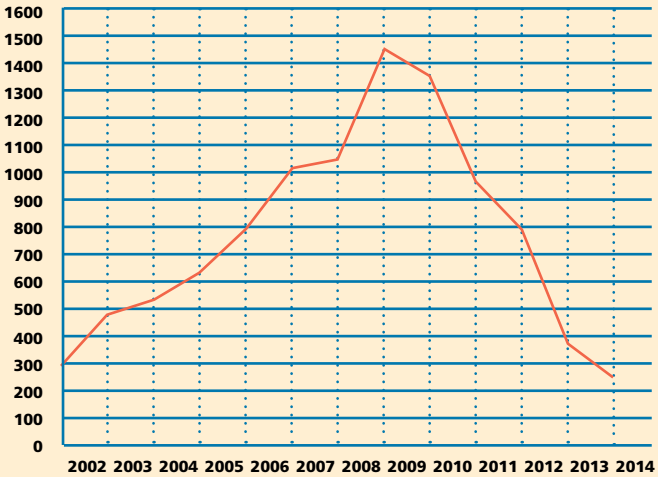
New housing units are being approved and numbers of foreclosures continue to plummet.
During the 2009 Great Recession, there were 345 new housing units authorized in Boulder County and 1,441 foreclosures. In 2013, there were 1,391 new housing units authorized and 392 foreclosures. In 2014, there were 1,371 new housing units authorized and 256 foreclosures.

Carrie Hahn bought a newly built home in Lafayette in May 2015, after moving here from out of state and living temporarily in a Broomfield apartment. She liked that her new duplex home was low-maintenance: It wouldn't need the improvement or repairs of some other homes she looked at, and she'd have outdoor space but not a lot of yard work.

"I knew I couldn't afford Boulder," she says. "I settled on Lafayette to purchase because it was an area I could afford and more importantly I saw upward potential of the 'affordable' area."

FACT: There were 706 homeless students enrolled in Boulder County public schools in the 2014-2015 school year.

BOULDER COUNTY HOME FORECLOSURES



Source: Boulder County Public Trustee

Affordable Housing

Agencies that regularly try to find affordable rental units for vulnerable populations – including homeless people who are in transition to being housed, and families fleeing domestic violence – say the lack of housing is one of their top concerns.

Affordable housing is defined as homes, usually apartments, that are subsidized with funds including Section 8 vouchers or limited titles, so residents don't spend more than 30 percent of their household incomes on housing costs.

The City of Boulder has a goal of having 10 percent affordable housing; with 3,391 units in 2015, it was at about 7.5 percent.

The City Council in 2015 approved a phased-in affordable housing fee on commercial development to support the program. It already charges a fee to residential projects that don't build 10 percent of their units to be permanently affordable.

But with home prices rising around the county, affordable housing is becoming a key issue outside of the City of Boulder as well.

- Louisville in 2015 was working with the Boulder County Housing Authority to build a 190-unit affordable housing complex that would include a senior center.
- Longmont in 2015 was mulling putting a new sales tax on its municipal ballot to fund more affordable apartments.

CAUSES OF TRANSIENT DEATHS REPORTED TO THE BOULDER COUNTY CORONER'S OFFICE, 2011-2014

Natural causes	52%
Accident:	36%
Homicide:	2%
Undetermined:	6%
Suicide:	4%

TRANSIENT DEATHS REPORTED TO THE BOULDER COUNTY CORONER

Housing First

"I'm very blessed, this is a blessing," says Jeff S. The 58-year-old has an apartment after living on Boulder's streets for many years. He can't quite remember how many. "This is the first time I've lived alone, in my whole life," he says. "I'm from a big family."

In 2014, Boulder's new "Housing First" apartment building opened its doors, ushering in a new era in homeless services in this region. Housing First is a national movement to build apartments for the chronically homeless, with the hopes of getting individuals who qualify off the streets for good.

The 31-unit facility is for individuals only. Families in crisis can seek help from OUR Center, the Emergency Family Assistance Association and Sister Carmen's housing stabilization program. Families fleeing domestic violence can seek help from Safehouse Progressive Alliance for Nonviolence and Safe Shelter of St. Vrain Valley. For day services, Bridge House serves the area's homeless and working poor with meals, case management and more.

The Lee Hill Housing First building was opened by Boulder Housing Partners, and is next to the homeless shelter. But it can feel like a lifetime away.

The homeless shelter mostly functions as an emergency winter shelter with dorm-like rooms for sleeping. Two meals are served, and the shelter is closed during the day. There is also a year-round program for people in transition who are housed for up to 9 months. Those individuals have a bed to sleep in every night.

Jeff had been in the homeless shelter many times off and on for years. The lottery system it uses – more people show up every night than it can shelter – meant sometimes he had to turn back to the streets. When it's very cold, the Boulder Outreach for Homeless Overflow (BOHO) helps shelter people on the floors of local churches.

He made it to the transitional program, just as the Lee Hill facility neared completion.

"This is the world's quietest apartment building, ever," Jeff says. He's proud of his tiny apartment, he calls it his "house," and apologizes for the mess. A brand-new mattress set had just been delivered by EFAA. A small kitchen includes a stovetop, refrigerator and microwave oven. He offers a tour of a friend's house, because it's spotless and he wants to show off his friend's hard work.

"They call me the TV man," he says. Indeed, there's a set in Jeff's house. And in all other houses as well. Jeff has a car, and was able to pick up television sets listed for free on Craiglist, and other sets discarded in Dumpsters in the City of Boulder near the university.

The Lee Hill apartment building is staffed 24/7. It is bright and airy, with a big common room. There is also a small bookshelf with two chairs, and two tiny desks with computers, which serve as a library. Turnover has been low as of mid-2015: One person passed away and another was asked to leave.

On this day it's pouring rain outside, but warm and bright inside Lee Hill. A housing inspector gives the OK on an open unit. A woman – a friend of many in the building – was able to secure a house there. She has been homeless for more than a dozen years.

Jeff says he's "blessed" a lot, and says the people of Boulder saved his life. But Jeff is also acutely aware that his living situation is unusual. He pays a portion of his government benefits as rent – about $200 a month. "In this market? That is unbelievably inexpensive," he says.

FACT: In 2014, Boulder County had 850 people in its point-in-time estimation of the homeless – 125 of them were chronically homeless. Chronic homelessness is defined as a person or family who is homeless continuously for one year or more, or who has had four episodes of homelessness in the last three years.