

Stable Homes, Healthy Communities:

How rent stabilization will promote a healthy Colorado



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EXECUTIVE SUMMARY

Strong communities need stable, safe, and affordable housing that supports the health and well-being of the people and families who live there. But across the country, landlords have raised rents rapidly while incomes for low- and middle-income renters have stagnated, leaving many renters struggling to meet basic needs and facing ongoing housing instability.

This is especially true in Colorado, where lawmakers have not taken meaningful action to address the rental affordability crisis. And due to structural racism and discrimination in housing and employment, Black and Latinx renters are disproportionately harmed.

We conducted the majority of research for this report before the COVID-19 pandemic, which has further magnified and revealed the persistent housing insecurity that many renters already experience. Rent stabilization policies are one key opportunity for state and local governments to provide immediate stability for renters, and to support healthy communities in the long term.

The problem: Rising rents in Colorado harm health and exacerbate racial inequities

In this report, we present findings about how rising rents and housing instability affect renters' health in Colorado, including the results of a survey with 212 low- and moderate-income renters across the state. **Half of the renters we surveyed reported that their landlords had raised the rent within the past 2 years. The average increase was 9%, or \$113 per month, while the largest was \$450 per month, a 38% increase.**

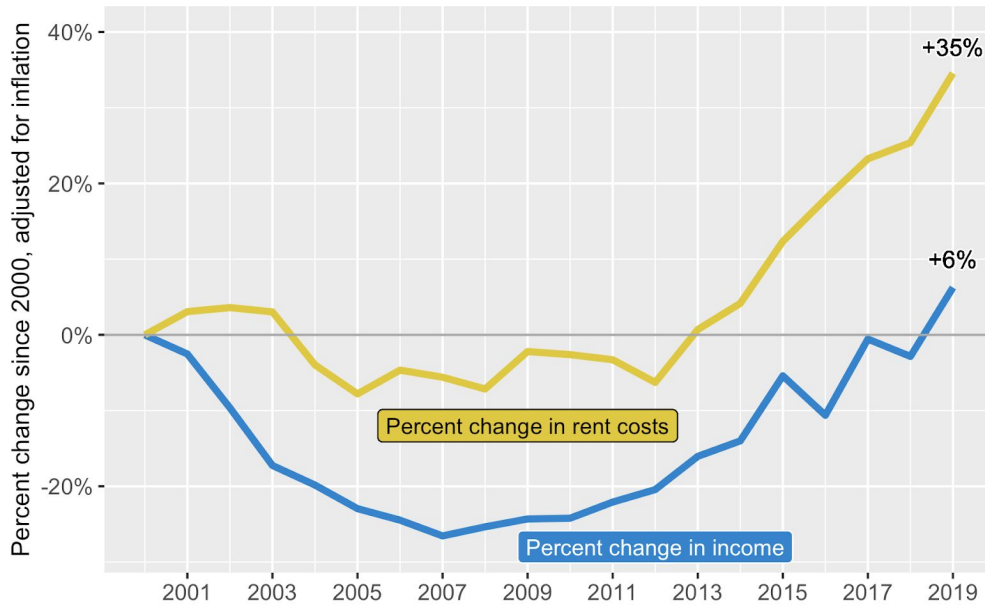
Families have less money for basic needs

When the rent went up to \$1,600 [from \$1,400] it was pretty bad...We let the electricity bill go to the next month, or some portion of the water bill. School supplies are really crucial for us, but we put those to the side because rent is due. We'll have to limit groceries too.

- Laura, a renter living in Aurora with her husband and children

When landlords raise rents without limits, tenants have to make hard tradeoffs. Research shows that when housing isn't affordable, people are more likely to cut back on basic needs that are critical for health, like food, healthcare, and education. **Among the renters we surveyed, nearly 3 out of 4 reported spending less on food in order to pay rent.**

Figure 1: Change in rent costs and incomes for low-income renters in Colorado



Low-income renters are defined here as those with incomes in the bottom half of all renter incomes. Values are indexed to the year 2000 and inflation-adjusted to 2019 dollars using the consumer price index for all urban consumers for income and the consumer price index excluding shelter costs for rents.

Source: American Community Survey data from IPUMS USA, University of Minnesota, www.ipums.org

Rising rents lead to housing instability and chronic stress

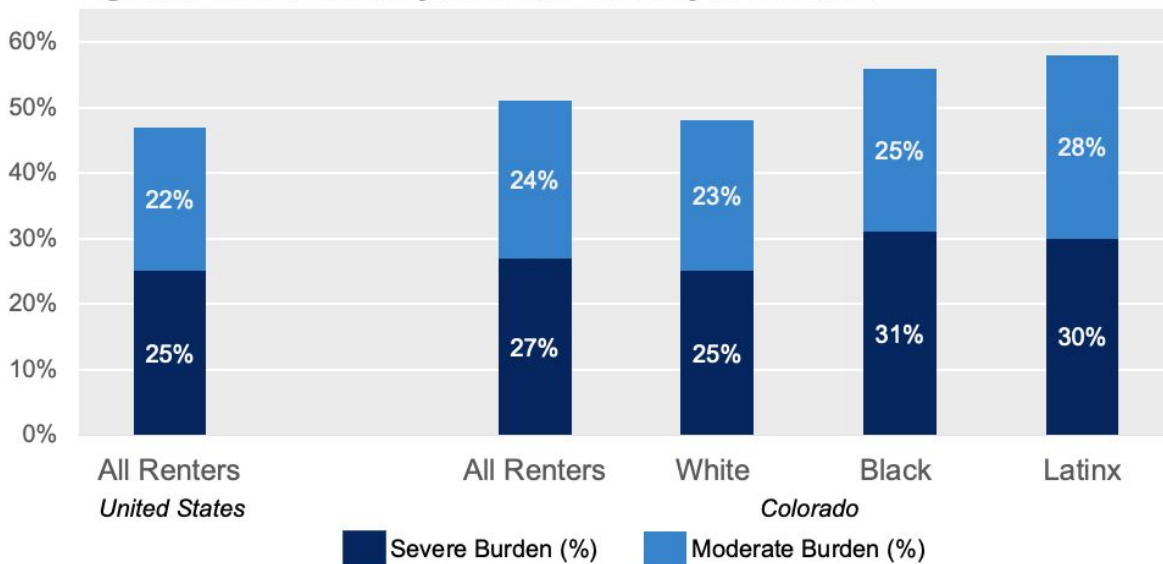
Unaffordable housing is closely linked to housing instability, including evictions, which can have cascading effects on health, employment, children's educational attainment, and future housing opportunities. Evictions are common in some Colorado cities, such as Aurora, where each year there are over 5 evictions for every 100 renter households.

Renters who responded to our survey experienced ongoing stress and worry about housing instability, especially if their landlord had raised the rent recently. 3 out of 5 people whose rent had been raised reported that they worried frequently that they would have to move because they're rent was unaffordable. This can contribute to chronic stress, which in turn can cause or worsen chronic health conditions like depression, heart disease, and diabetes. Involuntary or frequent moves can also negatively impact children's mental health and their educational attainment — which is a major driver of adult health outcomes.

Lack of stable and affordable housing contributes to racial injustice

Historical and ongoing housing discrimination and income inequities mean that Black and Latinx households are more likely to rent their homes and to spend huge portions of their incomes on rent, which further exacerbates racial inequities. In Colorado, 45% of White renter households are rent burdened, compared with 56% of Black households and 59% of Latinx households.⁵⁷ Increasing housing stability for renters is crucial for building a more racially just state.

Figure 2: Renter Costs by Race and Ethnicity in Colorado



Severe burden refers to households paying more than 50% of their income on rent. Moderate burden refers to households paying more than 30% but less than 50% of their income on rent.

Source: American Community Survey 2018 1-year estimates from IPUMS USA, University of Minnesota, www.ipums.org

The solution: Allow cities to adopt policies that support renter health by removing Colorado's ban on rent stabilization

Rent stabilization limits how much landlords can increase rent each year, and well designed policies contribute to just housing systems that support healthy communities. But in Colorado, state lawmakers prevent cities and towns from adopting rent stabilization policies that work for their local context, through a state preemption (or ban) adopted in 1981. Repealing this ban would shift power and agency to tenants, and strengthen community health. It would also give cities the freedom to pass policies that support renters' health based on what makes sense in their localities.

Recommendations for rent stabilization

1. Repeal Colorado's statewide ban on rent stabilization.
2. Create strong and equitable rent stabilization policies at the municipal or county level

Cities and counties can ensure that rent stabilization is effective and supports overall housing stability and health through:

- Complementary policies like prohibiting no-cause evictions, limits on condominium conversions, and proactive code enforcement
- Covering as many renters as possible by including single family and mobile homes
- Strong public oversight
- Incorporating rent stabilization into a comprehensive housing strategy to preserve and create new affordable housing



Acknowledgements

This is the executive summary of the report *Stable Homes, Healthy Communities: How rent stabilization will promote a healthy Colorado*, authored by Human Impact Partners in partnership with United for a New Economy (UNE) and 9to5 Colorado. To access the full report, references, and additional materials, visit HumanImpact.org/StableHomesCO. For additional information or to get involved in advocating for the policies recommended here, contact Carmen Medrano at carmen@unecolorado.org, or Lili Farhang at lili@humanimpact.org.

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United for a New Economy (UNE) envisions vibrant, strong communities where ALL community members have a voice in the decisions that impact them, access to economic security, affordable housing, good jobs, and the ability to live free of racism and fear. UNE works towards its vision by building community power through organizing, community activism, and innovative policy solutions.



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