

# ANNUAL REPORT

2017

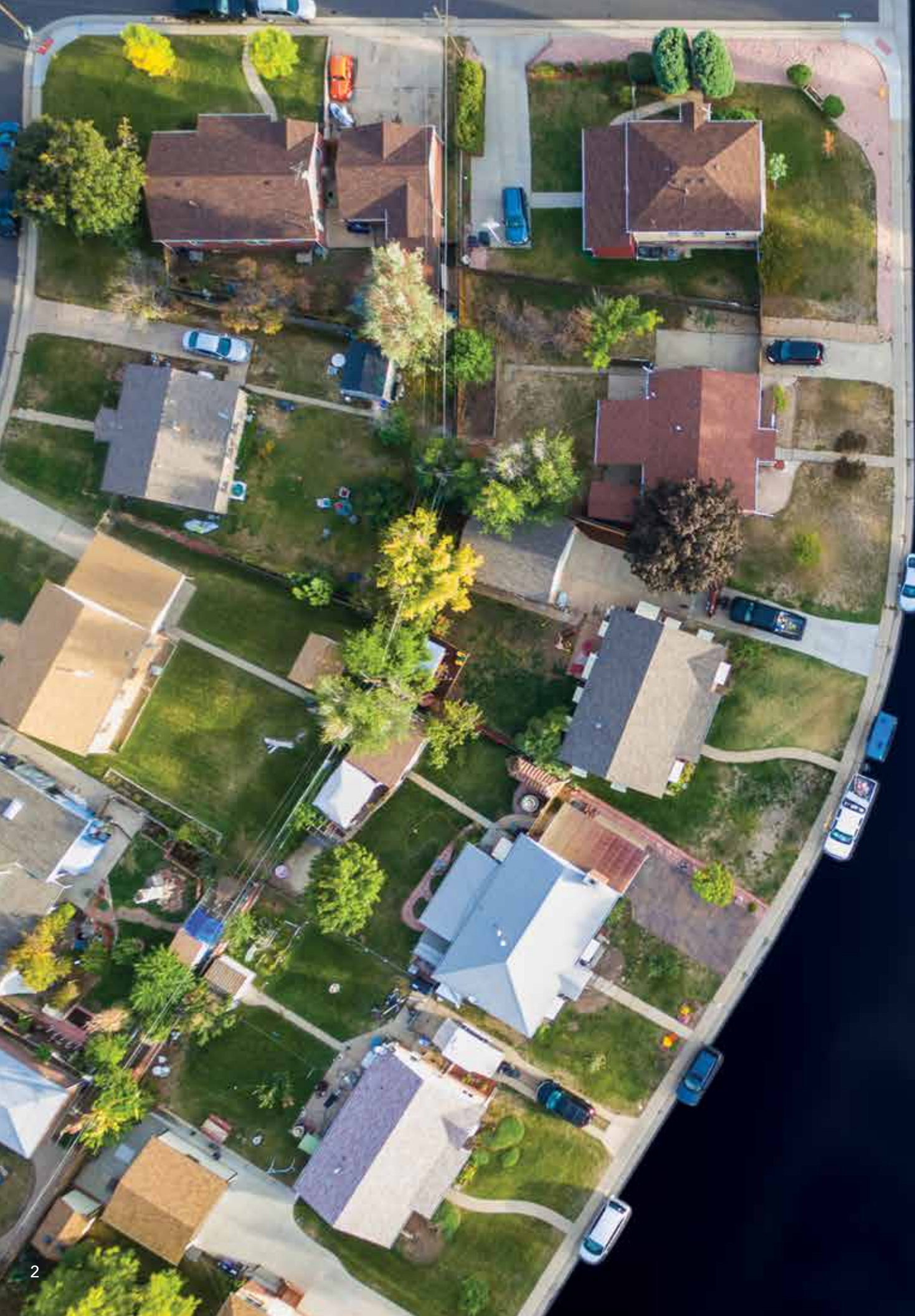
[WWW.COMMONSENSEPOLICYROUNDTABLE.ORG](http://WWW.COMMONSENSEPOLICYROUNDTABLE.ORG)

COMMON SENSE POLICY ROUNDTABLE  
6295 GREENWOOD PLAZA BLVD. SUITE 100  
GREENWOOD VILLAGE, CO 80111



**COMMON  
SENSE**  
*Policy Roundtable*





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Dear Stakeholder,

2017 was a remarkable year for Common Sense Policy Roundtable (CSPR).

Simply put, we achieved our mission to research and promote common sense solutions for economic issues facing Colorado. You share in each of our milestone accomplishments, and we thank you for your support, your contribution, and your belief in our mission.

Along with our REMI partners, Colorado Concern, the Colorado Association of Realtors and the Denver South Economic Development Partnership, we engaged in some of the most pressing issues affecting our state. And most importantly, we made a difference.

The debate over affordable housing was perhaps the most salient example of us making an impact. For several years, the issue dominated the attention of state lawmakers – and with good reason. With one of the tightest housing markets in the country, Colorado has consistently ranked among the worst in the nation for first time homebuyers.

In 2017, lawmakers were forced to resolve the crisis or face major economic repercussions. CSPR issued “Restrictions on the Supply of Affordable, Entry-Level Housing in Colorado,” to address the housing crunch.

While some argued less supply and higher demand is good for the state because it creates higher prices, our model simulations did not support that. We found that just a 1% increase in housing costs in 2017 would lead to a decrease of \$322 million in Coloradans’ real disposable income in the first year because of less migration, less employment, and higher inflation. In other words: Lack of affordable housing is a losing proposition for Colorado.

These fact-based findings caught the attention of business leaders, homebuyers, and legislators, and the study provided a valuable resource to those debating the highly contentious issue of construction defects liability. Late in the legislative session, lawmakers reached a resolution and passed legislation to address the issue. The change in policy is already resulting in new affordable housing options.

In addition to affordable housing and construction defects policy, CSPR generated studies and issued papers on a range of topics, including the state budget, energy, and taxes. In each of these areas, CSPR made lasting impact and achieved measurable results. In addition to policy impacts, 2017 was a significant achievement for CSPR in terms of growth. We added board members and grew our collective expertise.

In September, we added a full-time policy director, Chris Brown, to our staff. Chris has a wealth of experience in economic modeling and public policy. His addition has significantly expanded our capacity to issue studies and provide commentary and analysis on a wide range of issues.

In 2018, we hope to surpass our 2017 success. This is a critical time in Colorado, and the issues facing our state will challenge our analytical capabilities and require innovative, thoughtful, and common sense public policy.

State Infrastructure, the PERA deficit, education, energy policy, and growth are all issues we will address in 2018. As CSPR analyzes these and other issues, we will continue to partner with others to effectively share our results.

Thank you for your ongoing support. The future of Colorado is bright. To maintain and grow our robust economy, we owe it to ourselves and the people of this great state to offer fact-based research, thoughtful conversations, and sound fiscal policy. We look forward to the continued fulfillment of our mission.





Sincerely,  
  
**Earl L. Wright**  
Chairman of the Board


## RESTRICTIONS ON THE SUPPLY OF AFFORDABLE, ENTRY-LEVEL HOUSING IN COLORADO


REMI STUDY | PUBLISHED: MARCH 2017


### KEY FINDINGS:


- 


Denver for-sale home prices have increased much more quickly than rent prices, particularly at the entry level. For the previous 5 years through December 2016, the median Denver home price increased 73.2%, while median rent prices increased just 46.4%.
- 

Condominium prices in particular have skyrocketed. According to Metro Denver EDC average sales price for single-family homes in Denver rose 5.1% year-over-year to \$421,962, while the average price of condos increased 21.3%.
- 

Median home prices in Denver have reached all-time highs partly as a result of the insufficient supply of new housing for entry-level homes, especially in the area of condominiums. During 2016, nearly 90% of all existing condos re-sold in Denver were priced below \$400,000, pointing to strong demand in the entry-level segment. However, less than 30% of the new condo supply built in 2016 was priced below \$400,000, and nearly 40% was priced over \$1 million.
- 

Several studies from recent years have found that Colorado construction defects laws are having adverse effects on the housing market and the supply of affordable condominiums. A 2013 study released by the Denver Region Council of Governments found that the increased risk of litigation and resulting insurance costs due to Colorado's construction defect laws have increased condominium builder expenses by as much as \$15,000 per unit, potentially making any condos priced under \$450,000 uneconomic to build.
- 

The REMI simulations found that even a 1% decrease in residential investment due to reduced building would result in over 2,300 fewer jobs for Coloradans, \$1.1 billion less in state GDP, and \$32 million less in revenue to the Colorado General Fund over the next five years. A 5% decrease in residential investment would eliminate over 11,400 Colorado jobs, \$5.2 billion in state GDP, and \$156 million in state revenue over the same period.
- 

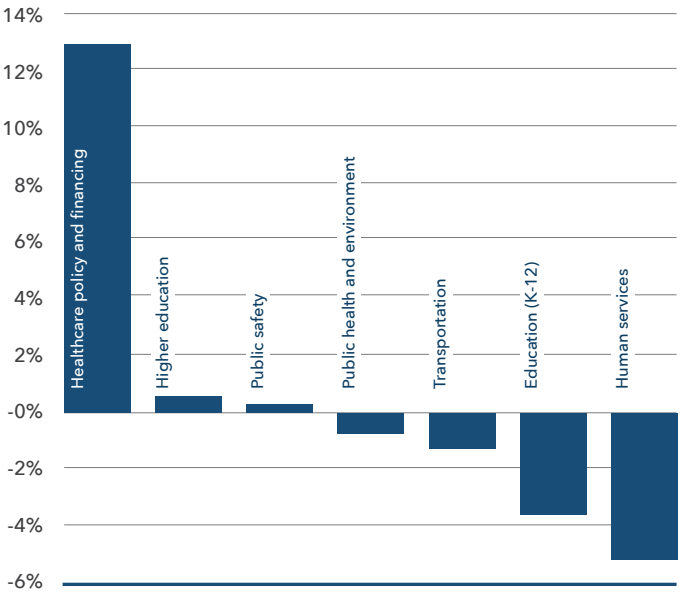
The simulation also found that a 1% increase in housing costs would reduce Coloradans' aggregate real disposable income by \$1.8 billion over the next five years. A 5% increase would reduce Coloradan's real disposable income by \$10.0 billion over the same period.
- 

The crowding-out of young buyers impacts households by preventing them from building home equity, but also affects the state at large by leading to reduced migration, greater income inequality, increased infrastructure pressures as a result of urban sprawl, and disincentives for businesses to move to or open offices in the state.

## THE COLORADO STATE BUDGET: THEN & NOW WHAT HAS CHANGED OVER 10 YEARS?

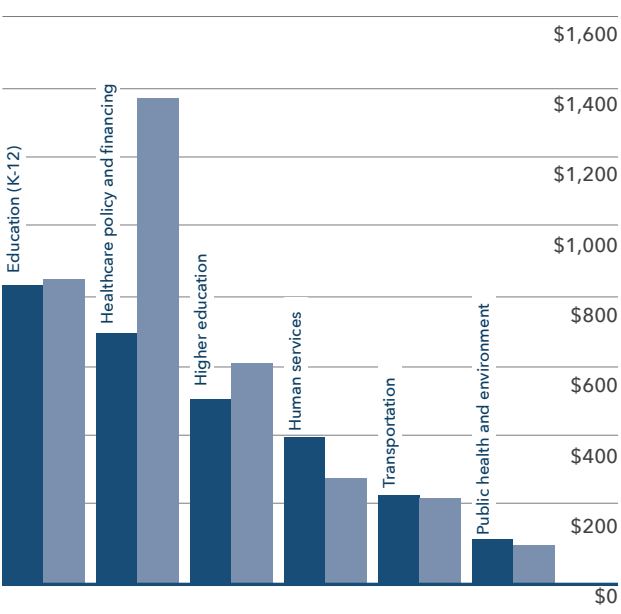
PUBLISHED: APRIL 2017

Change in Share of Total Colorado Budget  
Select Departments, 2006-2016, 2006 Dollars



- As a share of the total state budget, Healthcare Policy & Financing increased from just over 20% of the budget in 2006 to nearly 34% in 2016, at the expense of departments like Transportation, Public Health & Environment, K-12 Education, and Human Services

Colorado Budget Spending per Citizen  
Select Departments, 2006-2016, 2006 Dollars



- Colorado is now spending \$667 more per citizen than it did ten years ago after adjusting for inflation, an increase of over 19%
- Of the increase in spending per citizen, over 99% has gone to Healthcare Policy & Financing
- Part of this may be due to Medicaid expansion - the number of Medicaid recipients in Colorado has more than tripled over the last ten years, from just over 400,000 to nearly 1.4 million

BUILDING GATED CITIES:

THE ECONOMIC AND FISCAL IMPACTS OF RESTRICTING HOUSING GROWTH IN THE CITY OF LAKEWOOD, COLORADO

REMI STUDY | PUBLISHED: OCTOBER 2017

In a period of rapid-growth and prosperity, a central question facing Coloradans is, **“How do we manage anticipated growth?”**

MAJOR FINDINGS OF THE STUDY INCLUDE:

The pending 1% growth initiative proposed in the City of Lakewood would have significant impacts on the city’s future and jeopardize the issues residents care about the most. REMI Partnership | October 2017 | 5

As indicated in recent surveys, the items that citizens of Lakewood deem most important - affordable homes, access to a range of amenities, and less traffic congestion - are directly at odds with the proposed initiative.

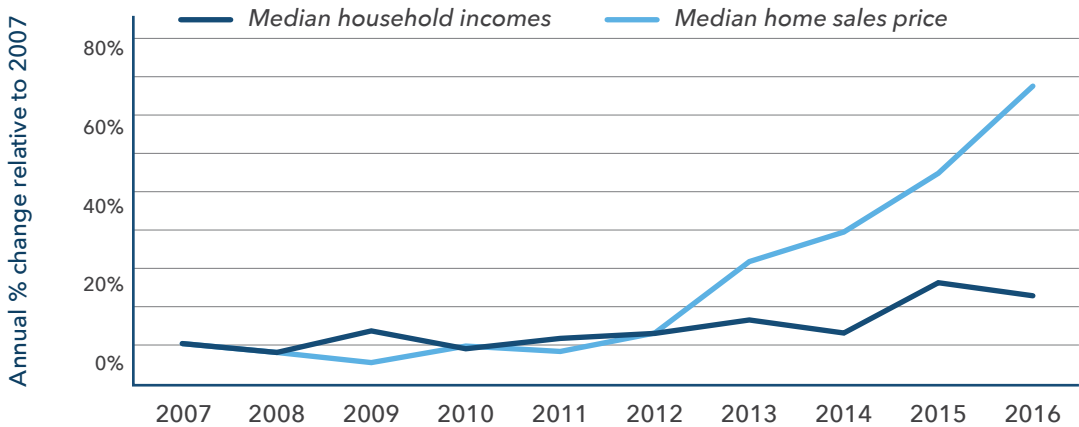
Estimates suggest the measure could reduce the projected number of households in Lakewood by 10% to 18% over the next 10 years.

The reduction in housing availability will likely drive up the cost of living, contribute to widening income inequality, increase congestion and urban sprawl, and reduce the local consumer base that draws in desirable retail options.

Along with the upward pressure on housing costs, over the next decade the city could forgo up to \$1.046 billion in residential construction investment and up to \$263 million in household disposable income that could have gone to supporting local businesses.

The 1% growth initiative will also leave Lakewood’s major public infrastructure investment, the West Rail Line, challenged to realize its potential by preventing denser housing growth in the areas surrounding rail stops.

Growing divergence between incomes and home prices is having a negative impact on Lakewood



Critical civil servants such as policemen and firemen currently can’t afford the median priced home in Lakewood on a single salary according to recent housing affordability study.



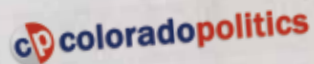
Affordable homes allow individuals to raise a family, start a career and generate wealth.



Businesses rely on housing affordability to continue to attract and retain talented workers that can afford to live and thrive in the communities they work.



# 2017 IN THE NEWS



## Common Sense Policy Roundtable Hires Research Leader for 'Critical' Colorado Issues

August 25, 2017 by Joey Bunch



## Common Sense Policy Roundtable Researches Issues Affecting Colorado Jobs and Economy

September 3, 2017 by Anne Trujillo



## GUEST COMMENTARY – Common sense makes affordable housing

April 5, 2017 by Buz Koelbel



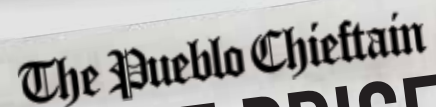
## Construction Defects & CSPR Budget Comparison

April 27, 2017 Radio Broadcast



## Wright: Solving the affordable housing crisis

March 24, 2017 by Earl Wright



## HOME PRICES WORRY DENVER

March 2, 2017



## Business Partnership Looks at Bigger Picture of Capping Lakewood's Growth

October 18, 2017 by Joey Bunch

## Chairman of the CSPR Board of Directors Earl Wright Discusses the Need for Tax Reform

Varney & Co. on FOX Business Network: October, 2017



## Conservative group sounds alarm over health care's rapidly rising share of Colorado state budget

April 7, 2017 by Ernest Luning

## A ballot issue that mandates stagnation and recession? No thanks

Author: Mike Kopp - December 6, 2017 - Updated: December 6, 2017



## GUEST COLUMN: Solving the affordable housing crisis

The Gazette  
March 25, 2017  
by Earl Wright



# PUBLIC OUTREACH & EDUCATION

## REMI PARTNERSHIP EXPANDS

## 2017 WEBSITE & SOCIAL MEDIA PRESENCE

[www.commonsempolicyroundtable.org](http://www.commonsempolicyroundtable.org)

A partnership of public and private organizations announced in July 2013 the formation of a collaboration to provide Colorado lawmakers, policy makers, and business leaders with greater insight into the economic impact of public policy decisions that face the state and surrounding regions. The parties involved include the Common Sense Policy Roundtable, The Colorado Association of REALTORS, Denver South Economic Development Partnership and Colorado Concern.

CSPR is set to launch internship programs in 2018. In January 2018, CSPR announced the establishment of the Terry J. Stevinson Fellowship.



*This fellowship was established in honor of Terry J. Stevinson, a founding board member of Common Sense Policy Roundtable (CSPR). Thanks to Mr. Stevinson's continuing dedication to free enterprise this fellowship has been named in his honor.*

### FELLOWSHIP SUMMARY:

The Terry J. Stevinson Research Fellowship is a year-long commitment. CSPR is an organization dedicated to developing deep insights into critical policy issues. With a strong emphasis on understanding the full economic and fiscal ramifications of policy choices, the Research Fellow will be responsible for supporting the public facing research items that CSPR develops.

A significant part of our mission is outreach and education. CSPR aims to engage elected officials, policy makers, community leaders, and Coloradans from all walks of life in the issues that impact Colorado. As part of that effort, CSPR significantly expanded outreach on all media platforms in 2017.

Over 40,000 visitors accessed the CSPR website in 2017 to learn more about the organization and read policy studies. In 2018, CSPR will launch a new and improved site. The new site will catalog CSPR research, commentaries, and policy studies. In addition, visitors to the site can also view the latest news and editorials about issues facing Colorado as well as sign up for the monthly newsletter.



"We want to be a fact-based resource for thoughtful debate. Our new website will be a critical tool for achieving that goal. The site will be a one-stop shop for those seeking a fact-based resource for thoughtful debate," said Chris Brown, Director of Policy and Research. The new site is expected to generate a significant growth in traffic.

The new site will also have a new address: [www.commonsempolicyroundtable.org](http://www.commonsempolicyroundtable.org).

Unique Visitors	Number of Visits	Pages	Hits
41,646	57,000	381,822	496,244

### SOCIAL MEDIA

In 2017, CSPR grew social media presence. On Facebook alone, CSPR reached over 4,000 people and generated 3,985 new "likes." CSPR also grew a following on Twitter. In 2018, CSPR expects to significantly grow social media activity on Facebook, Twitter, Google+, and LinkedIn.

### CSPR EXPANDS SOCIAL MEDIA PLATFORM

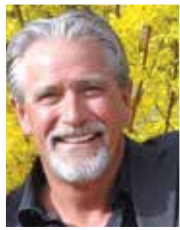
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## STAFF



**Kristin Strohm**  
EXECUTIVE DIRECTOR  
KRISTIN@CSPRCO.ORG



**Jake Zambrano**  
DIRECTOR OF LEGISLATIVE SERVICES  
JAKE@CSPRCO.ORG



**Chris Brown**  
DIRECTOR OF POLICY AND RESEARCH  
CHRIS@CSPRCO.ORG



**Cinamon Watson**  
DIRECTOR OF PUBLIC RELATIONS  
CINAMON@CSPRCO.ORG

## COMMON SENSE POLICY ROUNDTABLE IS A FREE-ENTERPRISE THINK TANK DEDICATED TO THE PROTECTION AND PROMOTION OF COLORADO'S ECONOMY.

CSPR researches and promotes **common sense** solutions for economic issues facing the state.

We are **THE SOURCE** for **FACTS** on all free enterprise issues in Colorado.

CSPR is a nonpartisan, nonprofit, 501(c)(3) educational organization. CSPR owns the The REMI Tax-PI dynamic model, which was built for Colorado and calibrated with Colorado revenues, expenditures, employment and population. We are supported by our board of directors and private donations from foundations, individuals and corporations. We do not accept any government funding.

For more information about CSPR please visit:  
[www.commonsempolicyroundtable.org](http://www.commonsempolicyroundtable.org)





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