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NEWS RELEASE

For immediate release

Survey of Colorado municipalities reveals strong fiscal recovery, familiar challenges

Jan. 25, 2022, Denver, CO – Today, the Colorado Municipal League (CML) released the [2022 State of Our Cities & Towns Report](#), which examines the continued operational and fiscal impacts of COVID-19 as well as the ongoing challenges related to housing supply and affordability, public safety, and infrastructure funding. The 2022 report is based on results of a statewide survey of cities and towns conducted in the fall of 2021.

Findings from the 162 municipalities that responded show most municipalities have quickly recovered from the fiscal hardships of 2020. A majority of respondents reported a better overall economy (51%) in 2021 as compared to 2020 and better revenue (57%) as compared to 2020. Thanks to robust federal assistance and higher than expected revenue, Colorado's cities and towns have been able to stave off the worst of the pandemic's hardships.

However, familiar challenges remain. Lack of affordable housing is the largest issue facing municipalities in 2022, followed by a tight labor market and unfunded street/road maintenance. Looking ahead to the next five years, housing affordability remains the number one challenge, followed by budget constraints, policing, and transportation funding.

The 2022 State of Our Cities and Towns Report also features the experiences of the individual municipalities of Thornton, Steamboat Springs, and Mancos to demonstrate how public servants across the state are rising to the occasion and responding to challenges related to public health, housing, and law enforcement.

Key findings of the survey include:

Economic data:

- 64% of respondents felt their fiscal outlook was better than expected compared to last year.
- 59% reported having fully recovered from, or never having been impacted by, the negative fiscal impacts of the COVID-19 pandemic.
- 83% felt funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) sufficiently or more than met their needs.
- Just over half of municipalities (51%) felt their overall economy was somewhat or much better in 2021 compared to 2020, and 57% felt their revenue was somewhat or much better.

Housing:

- When asked to name the biggest challenges facing their municipalities in the next five years, 68% of respondents named housing affordability, the most frequent response given.

- While municipalities of all sizes were concerned about housing affordability, this was an especially large concern among mid-size (81%) and large municipalities (86%).
- 63% of municipalities feel housing supply and affordability issues have gotten somewhat or much worse over the past three years.
- Top actions being taken by respondents to address the issue include:
 - 17% have a housing affordability plan.
 - 28% plan to create a housing affordability plan in the next three years.
 - 43% are working regionally.
 - 28% are zoning for accessory dwelling units (ADUs).
- 62% report workforce challenges as a result of housing supply and affordability issues.
 - In the Western Slope and mountain communities, that number rises to 77%.
- 71% of municipalities with a population of 25,000 or more reported an increase in the homeless population as a result of housing supply and affordability issues.

Public safety:

- 80% of municipalities with their own police force reported experiencing difficulties with police recruitment.
 - Recent changes to state law and current public perceptions of police were the biggest barriers to recruitment, each reported by 52%.
- Half of municipalities with their own police force are experiencing difficulties with police retention.
 - Current public perceptions of police were again a common barrier, reported by 38% of respondents, including 64% of municipalities with a population of 25,000 or more.
- Respondents reported seeing the impact of housing supply and affordability issues when it comes to public safety as well. Multiple respondents named a lack of affordable housing as an issue with recruiting and retention.
- Municipalities are using several common strategies to boost police recruitment and retention, including covering the cost of the police academy for new recruits, increasing training opportunities and providing tuition reimbursement, ensuring pay and benefits are competitive, and offering hiring bonuses.

Infrastructure:

- The most commonly reported projects and needs not currently funded are:
 - Streets: 53%
 - Storm water: 43%
 - Public buildings: 41%
 - Public safety facility: 33%
 - Water treatment facilities: 32%
 - Water supply and storage: 32%
 - Wastewater treatment facilities: 28%
- Most municipalities reported that they fund their street maintenance needs through a general fund (75%) and/or through the Highway User Tax Fund (HUTF) (70%).
- About two-thirds (65%) of municipalities reported that they fund street capital projects through a general fund, and just over half (56%) through HUTF.
- Transportation funding was a larger concern among municipalities with a population of 25,000 or more (86%) than municipalities with a population of 2,000 or less (14%).
- Transportation funding was reported as a more common concern in the Front Range than other regions of the state, with more than half of Front Range municipalities feeling this is a challenge that will continue over the next five years.

The full report can be viewed [here](#).

CML is a nonprofit, nonpartisan organization established in 1923 and represents the interests of 270 cities and towns. For more information on the Colorado Municipal League, please visit www.cml.org or call 303-831-6411.

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