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Media Contact:
Kevin Bommer, Executive Director
1144 Sherman St., Denver, CO 80203
(p) 303-831-6411 · (f) 303-860-8175
kbommer@cml.org
www.cml.org

NEWS RELEASE

For immediate release

Survey of Colorado municipalities points to inflation as number one challenge

Jan. 18, 2023, Denver, CO – For the first time in the 15-year history of the [Colorado Municipal League's State of Our Cities and Towns survey](#), municipal officials consider inflation to be the greatest cause of concern, followed closely by the tight labor market, affordable housing, unfunded street and road maintenance needs, and unfunded water and wastewater improvement needs. The 2023 State of Our Cities & Towns survey, administered from August to September 2022, inquired about the impacts of staffing shortages and inflation on municipal operations, as well as challenges related to housing supply and affordability, water, and navigating the state and federal funding available to address these challenges.

Most municipalities are experiencing negative impacts on their expenses due to recent inflation, which has drastically increased costs for capital projects and further complicated the recruitment and retention of employees, already made difficult by the lack of affordable and workforce housing. 98% of municipalities are at least slightly concerned about inflation's impact on their community.

The 2023 State of Our Cities and Towns Report features stories of how the individual municipalities of Craig, Estes Park, Fraser, La Junta, and Loveland are working to respond to staffing shortages, increased wildfire pressure, and a lack of affordable housing

Key findings of the survey include:

Economic data:

- 33% of respondents reported that their local economy was somewhat or much better in 2022 than in 2021.
- 42% of respondents reported that their municipal revenues were somewhat or much better in 2022 than in 2021.
- This positive outlook on the economy was seen more along the Front Range, as fewer communities on the Eastern plains and on the West Slope reported an improvement in their economies.

Staffing:

- Over half (52%) of all municipalities are having a somewhat or much harder time hiring than in 2021.
- Over two-thirds (69%) of larger municipalities are experiencing somewhat more or much more turnover than last year.
- 62% of municipalities are experiencing moderate to significant operational impacts due to staffing challenges.
- In response:
 - 80% of municipalities are increasing wages to be more competitive in the job market, and nearly two-thirds (65%) increased wages outside of their normal budget cycle.

- 42% of municipalities promoted training opportunities to their staff.
- 37% increased or improved non-wage benefits.
- 36% promoted the positive impact municipal employees have on their community.

State and federal funding:

- Respondents reported an interest in using state and federal government funding for a variety of uses:
 - Water and wastewater: 48%
 - Transportation: 33%
 - Affordable housing: 28%
 - Broadband: 18%
 - Climate, energy, and environment: 15%
- With the interest comes concern over the ability to execute certain aspects of funding.
 - 47% reported low or no confidence in applying for Bipartisan Infrastructure Law funding.
 - 38% reported not being aware of state programs for affordable housing, and of those who are aware, 46% reported low or no confidence in applying for them.

Housing:

- Housing remains a top 3 challenge in 2023, as it has been every year since the 2016 report.
- Over 40% of respondents – including over half of Western Slope/Mountains municipalities and 45% of Front Range municipalities – representing almost three-quarters (72%) of the municipal population covered by the survey, are taking action to promote affordable housing.
- Top actions being taken (of those promoting affordable housing):
 - Permitting accessory dwelling units: 73%
 - Approving increased density on smaller lots: 52%
 - Offering waivers for lot size/width/building height restrictions: 36%
 - Reducing review fees: 33%
 - Reducing parking requirements: 33%

[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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