Housing Colorado:

The challenge for a growing state

November 1, 2002

Colorado Division of Housing
Tom Hart, Director

Department of Local Affairs
Bob Brooks, Executive Director

State of Colorado
Bill Owens, Governor

Colorado Division of Housing

The Colorado Division of Housing is your partner in providing financial assistance and services that increase the availability of housing to residents of Colorado who can least afford it.

The Colorado State Housing Board was created in 1970 to advise the General Assembly, the Governor, and the Division of Housing on Colorado housing needs. The seven member State Housing Board reviews financing requests and adopts regulations governing factory built structures and multifamily housing in counties with no codes.

BOARD MEMBERS

Executive Summary

Regardless of current economic conditions, the need for affordable housing in Colorado will not go away. Shelter costs continue to rise. While vacancy rates are increasing, low-income units are still in very short supply. As renter incomes decrease, so do housing options. Homebuyers have unique opportunities. With historic low interest rates and growing inventories of homes on the market, first time buyers may find that modest homes are within their purchasing range.

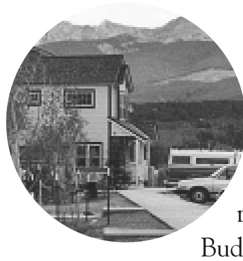
The production of affordable housing in both rental and homeownership markets increased during 2001/2002. As a result of a one year increase in state appropriations, the Division of Housing and its funding partners added 4,154 new rental units and 5,130 more households became homeowners.

Colorado's changing market dynamics have increased the challenge for affordable housing producers. As a result of new Census data as well as income declines and higher unemployment among service sector occupations, the annual estimate of the demand for affordable rental housing has climbed to 36,502 units. Over 42,000 households could become new homeowners if they had a down payment and a good credit score.

In responding to the 2003 affordable housing need, the state and municipalities face greater financial and political obstacles. Developers desiring to build affordable housing must do so with fewer resources as tax revenue decreases. Community fear or resentment of affordable housing frequently sabotages worthwhile projects.

This report will review the need for affordable housing in Colorado, review the state's efforts to address the lack of affordable housing, present data on the impact affordable housing programs have in the state, review the programs available to meet housing needs and report on the Division's efforts to eliminate regulatory barriers to the development of affordable housing.

Understanding the Problem



Economic Trends

Both state and national economies are sluggish. The latest economic indicators project our state's economy will remain flat at least into 2003. Colorado's economic recovery will depend on many factors. According to the State Office of Planning and Budgeting, Colorado's recovery will be delayed compared with the nation's for several reasons.

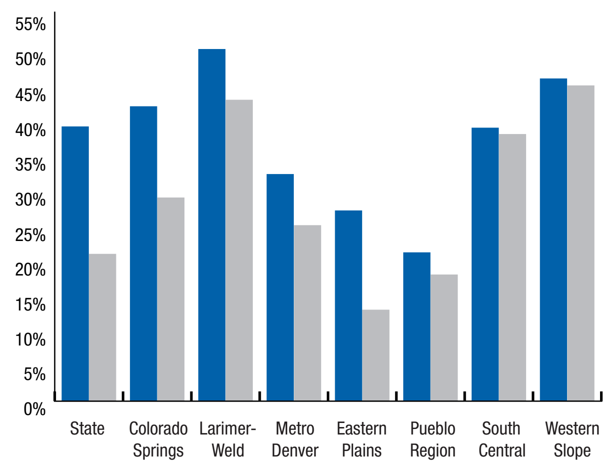
"First, the national recovery, while picking up speed, remains tentative. Colorado will have slow economic performance until the nation's economy accelerates more vigorously, which has not yet begun to happen. Second, the state's advanced technology sector remains affected by the recession and as long as this sector continues to struggle, it will hamper the Colorado economic recovery. Demand for technology workers in the western region of the United States, including Colorado, fell 71 percent between 2000 and 2002 and demand for advanced technology workers is not yet improving. Finally, Colorado's third most important sector, tourism, has yet to fully recover from the aftershocks of September 11th 2001. Although airline passenger traffic at Denver International Airport is increasing, it remains below last year's levels. The tourism sector is showing signs of strengthening."[1]

Most Colorado economists agree our economy will improve — but our state will recover at a slower rate than the nation as a whole and the economy will look different than it did during the high times of the Internet boom. While those who made large salaries in computer related industries may notice shrinking paychecks, they will be more insulated from economic changes compared to those working in jobs created by disposable income — waiters and waitresses, construction workers and store clerks.

Colorado's Housing Market

The real estate sector shows few signs of a 1980's style slump. During the 1990s, housing production did not keep pace with new households, and consequently demand exceeded supply. This inequity caused home prices to increase much faster than wages for low- and moderate-income households. Even in the current economy affordable housing is out of reach for many working families.

Graph 1: Growth In Households and Housing Units



Comparison of the Growth in Households and Housing Units in Colorado Regions from 1990-2001
Source: Department of Local Affairs Demography Section
Households
Housing Units

According to the Rocky Mountain Office of Policy Development and Research at HUD, Colorado median incomes increased 24 percent between 1996 and 2001, while the House Price Index increased 52 percent according to the Office of Federal Housing Enterprise Oversight (OFHEO).[2] The median price of a single-family home in the state rose 22.3 percent between 2000 and 2001 — from $140,047 to $171,310, or an average of 5.6 percent per quarter. In 2002, the median price statewide stood at $192,121 for the second quarter of the year, an average increase of 6.1 percent per quarter.[3]

The rate of price increase in the metro Denver area has slowed during the past year to 4.3 percent. This is a significant change from the past four years when prices were rising at rates over ten percent. The House Price Index shows the appreciation rate in Colorado homes is decreasing. Colorado was ranked seventh in the nation for appreciation gains during the second quarter of 2001, and has dropped each quarter since. Colorado now ranks eighteenth as of the second quarter of 2002.[4] Some economists and real estate professionals predict that Colorado real estate prices will stabilize by the end of 2002 as the number of active listings grows and the number of homes under contract decreases.

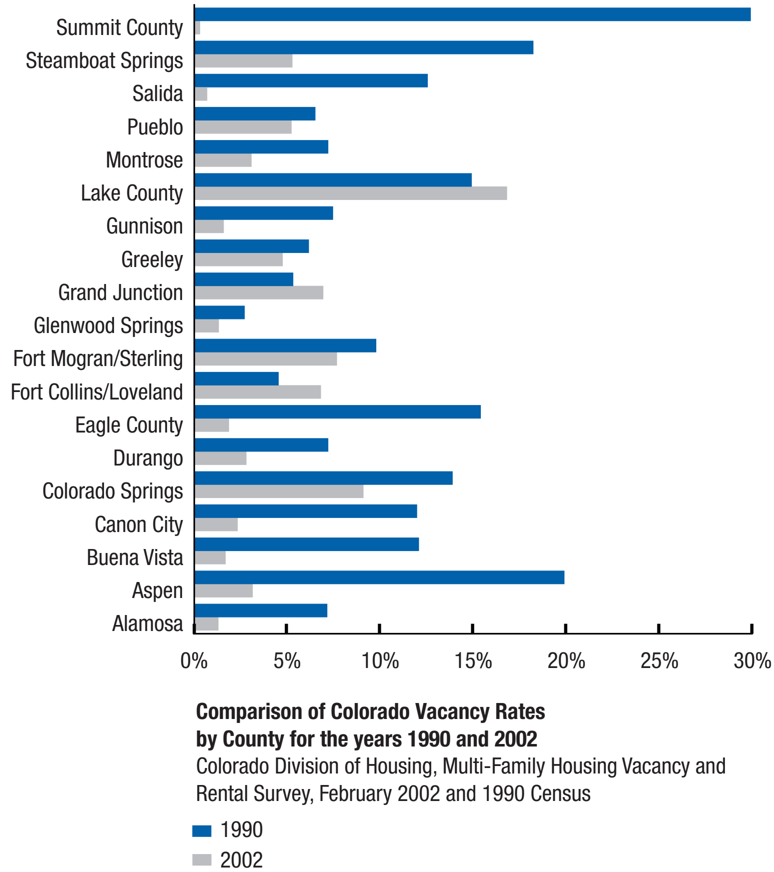
Rental prices are also stabilizing in many Colorado real estate markets. Unfortunately, renter incomes have not kept up with rent increases during the past decade and many households remain rent burdened. Low-income persons who have lost work during the past year's economic slump can afford even less for rent than they could when working.

Vacancy rates are on the rise, with overall vacancies in some markets at nine percent. Vacancies for affordable rentals, however, are still low in most markets. Many new high-priced rental units have been added to the rental stock in the past few years and high vacancy rates for these units are driving up overall vacancy rates. Table 1, which shows vacancy rates by rent range, shows that vacancy rates are higher for higher rent units.

Table 1: Affordable Unit Vacancy Rates Third Quarter 2002

0–30% RMI	2.7%
31–50% RMI	6.6%
51–60% RMI	3.7%
61–80% RMI	6.5%
81% RMI and above	9.3%

Graph 2: Colorado Vacancy Rates



Comparison of Colorado Vacancy Rates by County for the years 1990 and 2002
Colorado Division of Housing, Multi-Family Housing Vacancy and Rental Survey, February 2002 and 1990 Census

Affordable Housing — An Important Ingredient for Economic Development and Stability

Since the economic downturn of 2001, the housing industry has shown it is one of our nation's biggest economic engines. According to the National Association of Homebuilders, housing accounts for approximately 14 percent of the nation's Gross Domestic Product. Housing production remained a bright spot in the overall economy; growing during 2001 while other sectors experienced decline. The housing industry is vital to Colorado's state and local economies — creating jobs and generating taxes and wages.

Investing public dollars in housing activities pays off for local governments and the state. The National Association of Homebuilders estimates that "the construction of 1,000 multi-family homes generates: 1,030 jobs in construction and related industries, approximately $33.5 million in wages, and more than $17.8 million in federal, state and local tax revenues and fees."[5]

Affordable housing is also an important factor in attracting new businesses and jobs to Colorado. The National Association of Homebuilders quarterly housing opportunity index ranks major metropolitan areas in the country according to their housing affordability. The index tracks the share of homes on the market affordable to households earning the median family income in that city. The higher the score, the lower the home affordability in that area. As the following table illustrates, Colorado cities are less affordable than surrounding cities. As corporations scout for places to locate businesses and employees, housing cost is a major consideration. Unless affordable options exist in the market, new jobs may go elsewhere.

■ Table 2: Housing Opportunity Index: First Quarter 2002

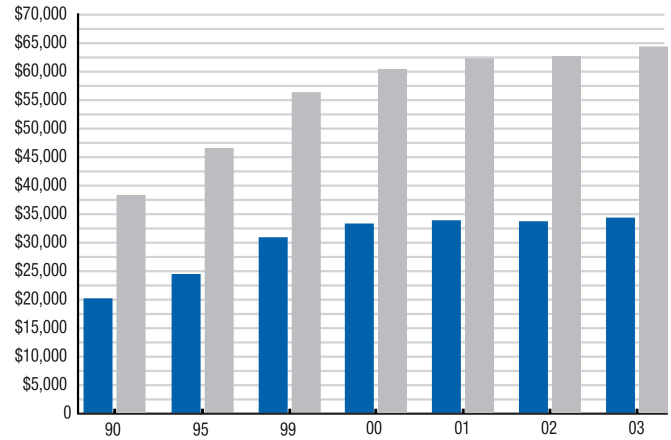
	% of Homes Affordable to Median Income Household	National Ranking
Kansas City	86%	13
Phoenix	75%	89
Salt Lake City	68%	117
Pueblo	64%	131
Boulder-Longmont	62%	137
Colorado Springs	60%	144
Denver	60%	146
Fort Collins-Loveland	57%	153
Greeley	41%	166

Measuring Housing Affordability

Renter households (including one person households) in Colorado have had to stretch their earnings to afford housing in the past decade. The median income for all households, including the Renter Median Income (RMI) decreased in 2002. To study the incomes of renters and owners separately, the Division of Housing contracts with the Center for Business and Economic Forecasting to prepare annual estimates of income for Colorado. These estimates are broken down between renters and owners. Graph 3 illustrates the increasing gap between median incomes of owners compared to renters. The Renter Median Income in Colorado is lower than either the HUD median income (used to determine rents and income levels for subsidized housing projects) or the homeowner median income.

To illustrate how Colorado households are faring in the housing market, the Division of Housing prepared an analysis of incomes and housing costs for five common job categories, and for a Supplemental Security Income (SSI) recipient. In the past year, as housing price increases slowed, income growth has reduced the gap between affordability levels and market prices for available units. Slowing rent increases and low interest rates have helped more households afford housing.

■ Graph 3: Change In Median Incomes



Change In Renter And Owner Household Median Income Over Time
Source: Estimates of Households by Income for Colorado and Its Regions 2002, Center for Business and Economic Forecasting for the Division of Housing

Renter Median
Owner Median

This trend is a positive development. However, many Colorado residents still experience large gaps between what they can afford and market priced housing.

Table 3 and graphs 4 and 5 (on the next page) show the elementary school teacher and patrol officer can afford the statewide average rent of $781.35. The others fall short. None can afford to purchase a home at the median price in the state. Note the huge discrepancy between affordable rent and purchase price for a person earning SSI and the statewide average rent and median priced home. These households and others on fixed incomes such as TANF (Temporary Assistance to Needy Families) need deeply subsidized housing and other assistance to live in our state.

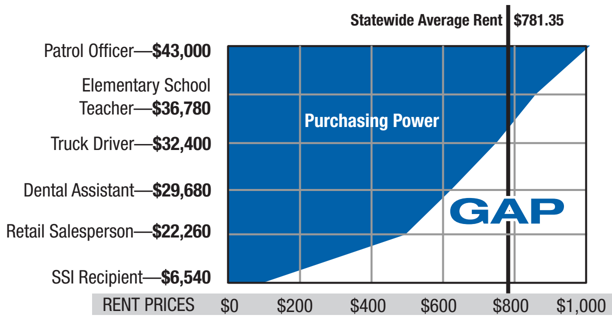
■ Table 3: Occupations and Affordable Prices

Occupation	Income	Monthly Housing Allowance	Affordable Purchase Price	% of Median Home Price	Affordable Rent	% of Avg Rent
SSI Recipient	$6,540	$164	$22,062	13%	$99	13%
Retail Salesperson	$22,260	$557	$75,092	44%	$492	63%
Dental Assistant	$29,680	$742	$100,122	59%	$677	87%
Truck Driver	$32,400	$810	$109,298	64%	$745	95%
Elementary School Teacher	$36,780	$920	$124,073	73%	$855	109%
Patrol Officer	$43,000	$1,075	$145,056	85%	$1,010	129%

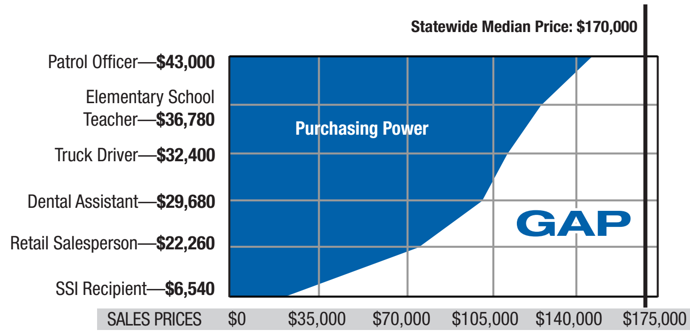
Estimate of Annual Housing Needs

There is a need for a continuum of housing choices for households with different incomes and for those needing housing accompanied by supportive services. While it remains a goal to make many Colorado renters into homeowners,

Graphs 4–5: The Affordability Gap



Colorado Affordability Gap 2002
Rent vs. Purchasing Power
$781.35 = Statewide Average Rent



Colorado Affordability Gap 2002
Price vs. Purchasing Power
$170,000 = Statewide Median Price

many lack the resources to do so. People with the lowest incomes benefit most from deeply subsidized rental housing and housing accompanied by supportive services like case management, child care, and group support. Some persons with severe disabilities do best living in group settings or in housing that is physically modified for their specific needs.

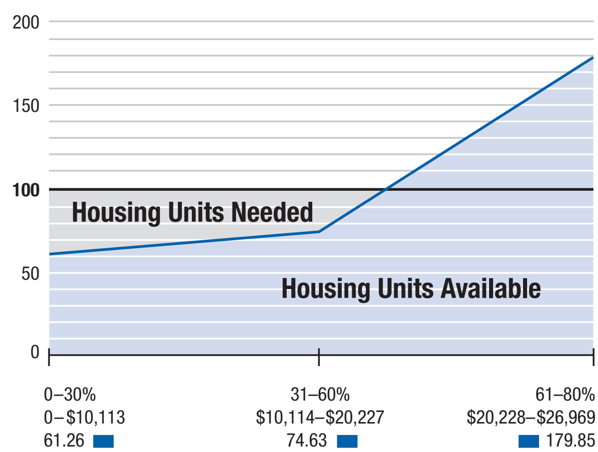
Homeless persons and families need shelter and can benefit from transitional housing opportunities providing free or deeply subsidized rent along with services to help them move into independent affordable or market rate housing. The following text outlines the need for a range of types of housing in Colorado. The Division of Housing estimated need for affordable rentals includes homeless beds, transitional housing, housing for people with mental and or physical disabilities and senior housing.

Rental Housing Mismatch Ratio

The Division of Housing estimates the number of housing units available for every 100 renter households in three income ranges. These ranges are derived from the overall renter median income for the state. The model does not determine where low income renter households are living, but gives the ratio between total rental units in Colorado affordable to households in these income ranges to the number of households with incomes in those ranges. This year, the Division of Housing was able to include 2000 census data for the mismatch ratio, trended to 2002. This data includes actual rents for all types of housing units in Colorado and is more accurate than past projections. Because of the availability of census data, the methodology used to create the mismatch ratio has been modified from past years.

In 2002, the number of rental units in Colorado was 61 per 100 renter households for households earning 30 percent or less of the Renter Median Income (RMI). This number is larger than previously estimated. There were 75 units per 100 households earning 31 to 60 percent of RMI, and 180 per 100 households earning 61 to 80 percent of RMI. As in the past, the number of units at the highest income level exceeds the number of households earning incomes in this range. Yet this does not mean every household in this income range can find a place to live. While households in the 60 percent to 80 percent of RMI income range have a surplus of units to choose from, lower income households still have difficulty affording what is in the market.

Graph 6: Colorado Renter Housing Mismatch: Affordable Rental Units Available Per 100 Renter Households



Colorado Renter Housing Mismatch 2002

Number of Rental Units Available Per 100 Renter Households

This model assumes each household occupies a unit in their affordability range. In reality, higher income households will occupy units affordable to households in lower income ranges to save on housing costs, while lower income households may be forced to occupy a unit too costly for them. The mismatch ratio is a method for assessing the scope of the affordability gap within Colorado's existing rental housing inventory.

HOUSING ECONOMIC IMPACT: IMPACT OF BUILDING 100 MULTI-FAMILY UNITS

The construction of rental housing and single family homes generates substantial economic benefits to local economies. The National Association of Homebuilders has developed a model that estimates the local benefits including income, jobs, and revenue for local governments in the average U.S. town.

IMPACT OF BUILDING 100 MULTI-FAMILY UNITS

	One Year Impact	Ongoing Effect after Occupancy
Local Resident Income	$5,315,000	$2,171,000
Local Business Owner's Income	$1,009,000	$463,000
Local Wages & Salaries	$4,306,000	$1,708,000
Local Taxes	$630,000	$384,000
Local Jobs Supported	112	47

Rental Housing Need

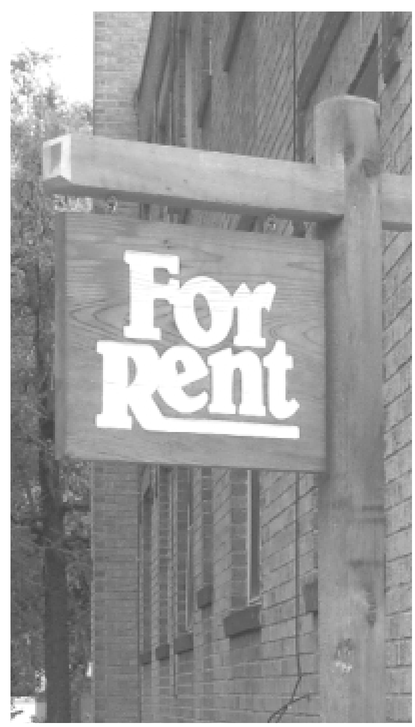
The Division of Housing prepares annual estimates of renter households in need of affordable rental units and new affordable rental units needed to meet annual demand. These annual demand estimates are important for state and local planning and budgeting processes. Rather than planning production strategies for the total, global need for affordable housing, it is best to strategize using an estimate based on annual demand, as not all households are in the market to move in one year.

The methodology estimating annual demand for new affordable rental units is illustrated in Table 6. First, the number of rent-burdened households is determined. This year the Division of Housing used 2000 U.S. Census data on the number of households paying more than 30 percent of income for housing and the *Estimates of Households by Income for Colorado and It's Regions* report to update census numbers. This new census information means that the Division of Housing no longer is assuming that households that earn a certain income live in a unit affordable to them. The census information tabulates exactly what percent of income each renter household in Colorado was paying for rent in 2000.

The number of rent burdened households in each income range is then multiplied by the average monthly turnover rate as reported in the *Denver Metro Apartment Vacancy and Rent Survey* for the second quarter 2002 and the *Colorado Division of Housing Multi-Family Housing Vacancy and Rental Survey* of February 2002. This turnover rate represents the level of market activity for rentals and indicates how many households are in the market looking for an affordable unit at any time.

The number of vacant affordable units is subtracted from the number of households likely to move. A vacancy rate for each range is calculated using the two rent surveys mentioned above. The rate is then applied to the total number of unsubsidized rental units in that range.

A monthly vacancy rate for subsidized rental units is based on a sampling of properties financed by the Colorado Housing and Finance Authority. The number of vacant affordable units is then subtracted from the number of low-income households in the market for a rental unit. This number is multiplied by 12 (months) to determine the annual demand for new affordable rental units in Colorado.



■ Table 4: Annual Demand for Affordable Units

Annual Demand for Affordable Rentals — Households Earning 0–30% Renter Median Income

Rent Burdened Households		49,289
Turnover Rate	0.0557	2,749
Vacant Units Affordable		1,796
Likely to Remain Rent Burdened		953
UNITS NEEDED IN 2003*		**11,437**

Annual Demand for Affordable Rentals — Households Earning 31–60% Renter Median Income

Rent Burdened Households		72,414
Turnover Rate	0.0557	4,038
Vacant Units Affordable		1,950
Likely to Remain Rent Burdened		2,089
UNITS NEEDED IN 2003*		**25,065**

*Based upon 2002 data projection

The number of rent burdened households earning 0 to 60 percent of RMI increased this year — to 121,703. The primary reason for this increase is the availability of 2000 census data. The Division of Housing calculated the number of rent-burdened households in the state in 2002 by using the actual number that were rent burdened in 2000. Improved data combined with the fact that household income has decreased in Colorado during the past year have increased the number of rent-burdened households.

The number of rent-burdened households earning 0 to 30 percent RMI is similar to last year, with 49,289 households paying in excess of 30 percent of their wages for housing expenses. The largest increase in rent-burdened households occurred in the 31 to 60 percent RMI category. Over 70,000 households earning 31 to 60 percent of renter median income were rent burdened in 2002. This is substantially larger than the 2001 estimate of 18,881, for the reasons stated above.

The total annual need for rental units in 2003 has also grown, though the percent increase is less than that of rent-burdened households. While the number of households looking for units has increased, so have vacant affordable units — especially in the 31 to 60 percent RMI category. In 2001, 692 affordable rental units were available; that number jumped to 1,950 in 2002.

Though Colorado's rental market has softened, the 2003 need for affordable rental units has risen to 36,502. Even though rents are stabilizing and vacancy rates have increased, there are still many households who need new affordable rental opportunities.

THE ECONOMIC IMPACT OF RENT SAVINGS IN COLORADO'S ECONOMY

In Colorado, the economic impacts of government investment in affordable housing can be calculated using Division of Housing information on the rent savings of households in affordable rental units. Rent savings has an economic impact on our state and local economies as it is spent on other household necessities.

ECONOMIC IMPACT OF INCREASED HOUSEHOLD SPENDING FROM 100 HOUSEHOLDS

Average Annual Rent Savings Per Household	$2,460
Direct and Indirect Economic Impact	$3,705,000[9]

What can $2,460 pay for?

- Monthly health insurance premiums for an entire family for a year
- One half a year's groceries for a family of four
- Utility bills for an entire year
- A car payment to transport a parent to and from work
- Half the down payment necessary to purchase a $160,000 home with 3% down

Homeownership

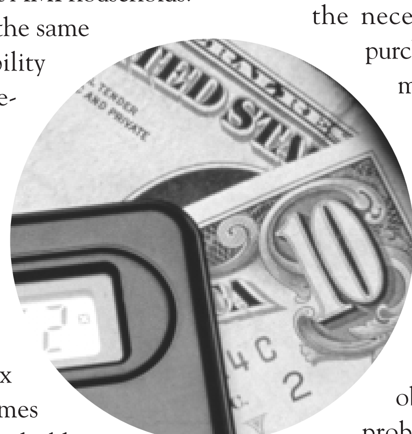
With a steady work history and good credit, many renters could become homeowners. However, a shortage of affordable houses keeps many from making the move to homeownership. Even with a slowing real estate market, prices in Colorado are not falling. The rate of price increase has slowed during the past year. However, offsetting these price increases is the reduction in mortgage rates, which have dropped to levels not seen since the 1960s.

Homebuyer purchasing power in Colorado has remained steady for the past few years. Since 1999, households earning the median income in the metro Denver area can afford approximately 93 percent of the median priced home in the area. Interest rate reductions have offset price increases thus stabilizing purchasing power. In the next year, purchasing power could increase if prices stabilize or drop, incomes rise and interest rates remain low. If the inventory of units in all price ranges increases, it may also become easier for low and moderate income renters to find a unit in their price range. However, the homeownership rate may not rise with these conditions if renters lose income or fear job loss.

Colorado's for sale housing market is slowing, and some in the industry fear a large price adjustment. Listings in the metro Denver area have jumped over 50 percent and homes are staying on the market longer. Still, the median home price rose 22.3 percent between 2000 and 2001. By June 2002, that median price had risen to $192,121.[6] Statewide, construction of new housing is slowing, with permits for single-family homes in the Denver and Colorado Springs areas down 11.0 percent and 9.2 percent between June 2001 and 2002.[7]

Purchasing power for renter households wishing homeownership earning 60 to 80 percent of HUD's Colorado median income increased from 2001 to 2002. In 2001, the affordability gap was $46,903 for 60 percent AMI households. The 2002 affordability gap is $36,808 for the same income households. In 2001, the affordability gap was $9,789 for 60 percent AMI households. The 2002 affordability gap is $4,423 for the same income households.

The Division of Housing contracts with ValueWest, Inc. to determine the cost of the "benchmark house" in Colorado. This benchmark house is a typical, modest home with 1,300 square feet, three bedrooms and two bathrooms. Tax assessor values and sales prices for all homes sold in 2001 were used in the analysis. Households at 80 percent AMI who qualified for a downpayment assistance or closing cost loan could now afford to purchase the benchmark home.



In 2002, 71,787 renter households earn between 60 and 80 percent of HUD's Colorado median income. The Division of Housing estimates that 59 percent of these households — or 42,354 households — would like to become homeowners if they were able to do so. This percent is based upon the 2001 Fannie Mae National Housing Survey. These households are most likely to be the group assisted by public subsidy homeownership programs.

■ Table 5: Homeownership Opportunities

HUD Income	30% of Income	Affordable Price	Benchmark House	Median Home Price	Affordable Homes Available
Renters at 60% of Median Income					
$39,600	$11,880	$133,586	$170,394	$192,121	3,525
Renters at 80% of Median Income					
$49,200	$14,760	$165,971	$170,394	$192,121	7,516

Table 5 quantifies the price households can afford for a home and the inventory of affordable homes listed for sale in Colorado. The list of affordable homes includes all listings, no matter the size or condition of the unit.

Inventory increased throughout the state, including homes priced in the affordable range. Yet the number of affordable homes is still too small to accommodate all households desiring homeownership. In August 2002, there were only 7,516 homes available for the 42,354 households earning 60 to 80 percent of HUD median income that could purchase a home.[8]

Though inventory has increased, other obstacles to homeownership remain for Colorado renters. Many struggle to save the necessary down payment and closing costs to purchase a home. Others have credit problems that must be cleared up before they will qualify for a mortgage. According to the Fannie Mae National Housing Survey, the percent of potential homebuyers that anticipate making the downpayment on a home, a major barrier to homeownership, increased from 24 percent in 2001 to 32 percent in 2002. Twenty-three percent responded in 2002 that their credit rating would be a major obstacle. Across the country, those with credit problems are increasingly turning to "subprime" lenders. These lenders make loans to renters with credit problems, but charge much higher interest rates. Many purchasers find themselves unable to pay the high cost of these loans over time, or pay much more than they should for a home. Nationally and in Colorado, the subprime housing market and its effects on low- and moderate-income buyers is being analyzed.

For low and moderate households in Colorado, there is a great need for a range of affordable housing options — from homeless assistance and service enriched housing to rental subsidies and downpayment assistance loans. The economic impact of a shortage of affordable housing in Colorado is great. Lost business opportunities, taxes, wages and the social cost of this shortage drive the need to expand opportunities so all Colorado households have a decent, safe, affordable place to live. The following section will provide an overview of local production spanning the entire housing continuum.

1 Colorado Office of State Planning and Budgeting, June 2002 Revenue Forecast.
2 "Selected Housing Trends in Rocky Mountain States," Rocky Mountain Office of Policy Development and Research, U.S. Department of Housing and Urban Development. March 14, 2002.
3 Colorado Association of Realtors, State of Colorado Housing Statistics.
4 Office of Federal Housing Enterprise Oversight, House Price Index Second Quarter 2002, September 3, 2002.
5 "Housing: The Key to Economic Recovery," National Association of Home Builders.
6 Colorado Association of Realtors, State of Colorado Housing Statistics.
7 "Rocky Mountain Economic Indicator," Rocky Mountain Office of Policy Development and Research, U.S. Department of Housing and Urban Development. August 23, 2002.
8 "What is 'Affordable Housing' in Your Area?", Colorado Division of Housing, August 2002. Cost of Housing, 2002, prepared for the Colorado Division of Housing by ValueWest, Inc. July 2002.
9 Unpublished data, Economic and Planning Systems, Inc.

The Collective Effort

2001/2002 was a year of progress in increasing the supply of affordable housing opportunities in the state. The Division of Housing works closely with other agencies to produce and track new affordable housing units. These units are separated into two categories: rental housing assistance and homeownership assistance. Overall, the Division of Housing and its funding partners, who include the Colorado Housing Finance Authority, the Federal Home Loan Bank, HUD, USDA Rural Development and local governments, funded the acquisition or development of 4,154 rental units and provided homeownership assistance to 5,130 households in the past year.

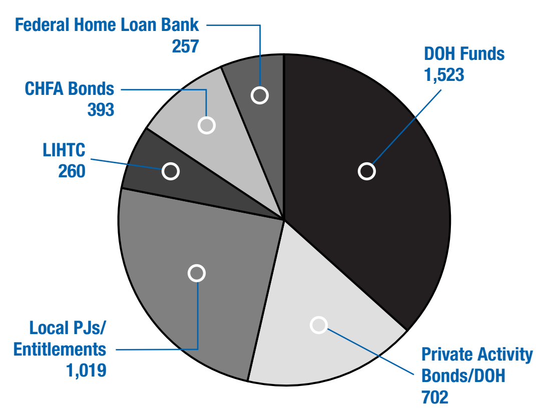
Rental Production

Adequate, affordable rental housing is very important to our statewide economy. Job growth in the service sectors far outpaces growth in higher wage categories. Teachers, retail workers and office staff need affordable housing located close to job centers. The disabled, elderly, and special populations also need affordable rental housing to maintain healthy and whole lives. Some families need affordable housing temporarily until they complete their education or increase their income. Although chasing the American dream of homeownership is a driving force for many people in our state, many people do not want or cannot afford to own a home. Over 31percent of all households in Colorado rent rather than own a home.[1]

Graph 7 illustrates how the Division of Housing and its funding partners produced 4,154 rental-housing units this past year. To avoid double counting units, any unit produced with state funding is counted only as a Division of Housing unit. Overall production increased ten percent compared to last year. The Division of Housing uses federal and state resources to provide capital for privately produced housing.

In the past year, 37 percent of new affordable rental units received Division of Housing funding. This is a ten percent increase from last year and illustrates the increased capacity of the Division to produce affordable housing. Increased funding for affordable housing grants supported by the State Legislature and approved by the Governor has expanded opportunities for all affordable housing producers in the state.

Graph 7: Rental Production in Colorado



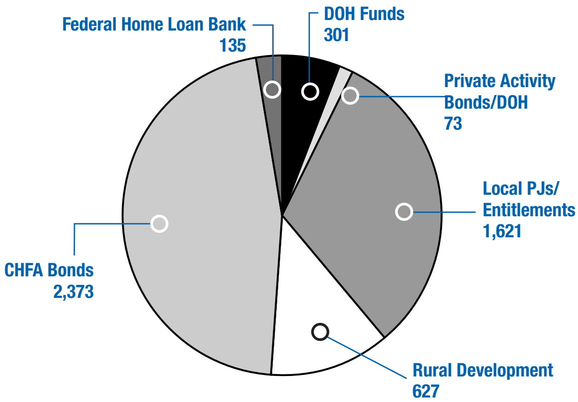
2001 Rental Production in Colorado divided among funding sources

Homeownership

The Division of Housing and its funding partners assisted over 5,130 households to purchase a home in the past year. This is an increase of 827 households when compared to last year.

As Graph 8 illustrates, CHFA private activity bonds make up the largest percentage of homeownership funding.

■ Graph 8: Homeownership Assistance in Colorado



2001 Homeownership Assistance in Colorado divided among funding sources

To assist low-income families (those between 60 and 80 percent of area median income) to purchase a home, downpayment assistance and loans or grants for closing costs are provided. Typically, qualifying households enroll in homeownership education courses and work with local agencies to assemble a financing package to fit within the family budget. Because downpayment and closing cost loans are below market rate, the families can qualify for larger conventional loans. This gives families more purchase options in the real estate market, while not increasing the overall loan payment. The dramatic 19 percent increase in assistance to homeowners can largely be attributed to favorable interest rates.

Housing Continuum

These two broad categories (rental and homeownership) include a continuum of housing types, from homeless shelters to transitional housing to affordable rental housing to homeownership. Each of these housing categories serves a real and pervasive local need within our state. It is important to view affordable housing needs broadly so as not to omit any particular group or locality.

Homeless Shelters

Local housing providers estimate a need for 1,804 new shelter beds in 2002 based on applications submitted to HUD for Supportive Housing funding. Another study estimates that Denver alone has approximately 7,600 homeless persons residing within its borders.

This past year, the Division of Housing provided funding to the Grand Junction Housing Authority to acquire and convert the Knights of Columbus meeting hall into an 87-bed homeless shelter. The current facility has only 20 beds and cannot accommodate women and children. This project is an excellent example of community support for affordable housing. The City of Grand Junction is committing CDBG funds, the Knights of Columbus have discounted the sale price of the building, and legal services have been provided at a reduced rate. The City of Grand Junction, Mesa County, the County Department of Human Services and local churches will provide operational funding for the shelter.

The total project cost is estimated to be over $790,000. The Division was able to give the housing authority a $400,000 grant from state funds and an $187,000 bridge loan. This is an example of how state funds have been used to fund a strong community project.

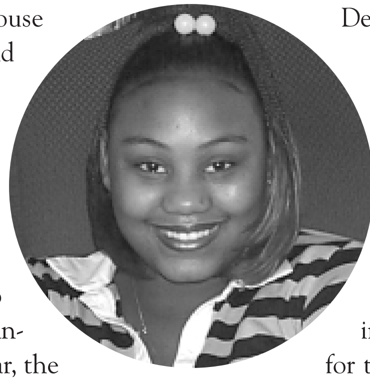
Transitional Housing

Individuals become homeless due to economic strife, mental illness and substance abuse. Many arrive at shelters because they have exhausted all other housing alternatives. Because homeless shelters have limited capacity, transitional housing is critical for people to move from the instability of homelessness to build the foundations for a more secure future.

Based on applications submitted to HUD for Supportive Housing, 4,617 transitional housing units are needed in 2002. Transitional housing is rental housing provided to homeless families or individuals at 30 percent of their income for a set period of time — usually two years. While living in transitional housing, adults are required to work with case managers to increase their education, find employment, receive mental health or other services and develop a plan for moving into independent housing.

Transitional housing frequently includes other life-support services and often tailors programs to meet specific needs within the population. LaTonya Dixon learned that transitional housing was a timely blessing. LaTonya is a seventeen-year-old mother with a two-year-old boy. She and her son were living with her mother until they were evicted from their apartment. Lacking other options, LaTonya took her son to the Brandon Shelter, where she stayed until finding a room at Ogden House, owned by the Uptown Partnership. Ogden House was purchased in 2001 with funds which included a $175,000 grant from the Division of Housing.

The Ogden House is a program serving teenage mothers. LaTonya receives $207 per months in TANF assistance in addition to food stamps and childcare. She receives case management assistance from Human Services, Inc. Her housing choices on the open market are extremely limited. However, at Ogden House her rent was $118 per month. The low rent combined with child care subsidies and food stamps allowed LaTonya to continue her education. She enrolled in GED classes at Ogden House with plans to continue her high school education this fall. The Ogden House provided LaTonya with stability and support when she truly needed help. LaTonya's mother recently obtained a Section 8 voucher, and the entire family has been reunited in an affordable apartment.


LaTonya Dixon

The Uptown Partnership is one of many local agencies seeking to serve very low-income people with transitional housing. During the past year, the Division of Housing provided a $750,000 grant to the Colorado Coalition for the Homeless to construct the Renaissance at Lowry project. This project will provide 120 units of housing — including 39 units of transitional housing. Overall, the project will cost over $14 million to complete. Other funding sources include HUD, the Lowry Redevelopment Authority, Low Income Housing Tax Credits and the City of Denver.

Housing for People with Physical or Mental Disabilities

People with mental and physical disabilities face significant hurdles finding and maintaining affordable and appropriate housing. According to the 2000 U.S. Census, there were 406,742 noninstitutionalized persons between the ages of 21 and 64 with disabilities in Colorado. Of course, not all persons with a disability have low incomes or need any sort of subsidized housing for their specific disability.[2] In 2000, 252,180 of those with disabilities age 21 to 64 years were employed.[3]

One way to measure the housing need for persons with disabilities is to quantify the number receiving Supplemental Security Income (SSI) benefits. A total of 44,756 blind or disabled persons received SSI in Colorado in 2000.[4] SSI is a program for low-income elderly, blind or disabled persons. A 2000 study of the unmet needs for affordable rental housing for persons with disabilities estimated between 15,931 and 19,388 non-elderly, low income households with at least one physically disabled family member were still in need of an affordable, accessible rental unit. This study used Division of Housing, HUD, Social Security Administration, Colorado Department of Human Services and other data to arrive at this estimate.[5]

The Colorado Developmental Disabilities Services Division of the Colorado Department of Human Services has 2,413 persons on the waiting list for residential services. Many of these people are living with parents or other caregivers who are aging and will not be able to provide the level of service needed by their disabled family member.

A January 2002 report sponsored by the Colorado Department of Human Services Mental Health Services Division estimates there are 115,681 persons age 18 or older in Colorado with a severe mental disability.[6] Although the exact need number for this population is hard to pinpoint, the need is significant.

As shown previously, an individual receiving SSI can only afford to pay for 13 percent of Colorado's average rent. The monthly SSI benefit of $6,540 equates to 19 percent of Colorado's renter median income, and only 11 percent of HUD's median income for the state. A national publication estimated in 2000, it would take 91.6 percent of the SSI benefits of one person to rent an efficiency apartment in the state or 106.2 percent to rent a one-bedroom apartment.[7] Low-income persons on fixed incomes such as SSI have suffered greatly as Colorado's rental prices have increased over the past decade.

Many people with special needs can live productive lives if they can find appropriate housing. Elizabeth Hutchison knows affordable housing is the foundation for a healthy lifestyle. While driving around in her car, Elizabeth does not appear to have a care in the world. However, when she pulls up to the parking lot at Pikes Peak Community College and retrieves her wheelchair from the back seat, it becomes clear that this woman is no average student.

Elizabeth lives on less than $10,000 annually in Supplemental Security Disability Income. With a Section 8 voucher provided by the Independent Living Center in Colorado Springs, her monthly rent payment and utility expenses total approximately $250. She shares her apartment with a live-in attendant. Her previous studio apartment cost $420 per month. Access to affordable housing has freed up money in her budget for a car payment. Owning a car provides Elizabeth with increased freedom to attend school full time. In addition to attending classes, Elizabeth serves on the access committee at her community college. Overall, Elizabeth feels her life has been enhanced by her improved housing situation.


Elizabeth Hutchison

The Division of Housing has supported the construction and renovation of special needs housing as an important component of the affordable housing continuum. In the past year, the Division funded The Uptown Partnership's purchase and rehabilitation of an apartment building for mentally ill homeless people. The Anchor Community project will provide 16 housing units for people receiving services from the

St. Francis Center. HUD, the Federal Home Loan Bank and the City of Denver will also provide funding for this project.

Housing for Low-Income Elderly

Colorado has many low-income seniors. The median income of seniors renting in Colorado was $19,458 in 2002. This income is 58 percent of the renter median income and 32 percent of HUD's median income for the state. The lowest income seniors — those earning $10,000 or less a year, rely heavily on Social Security income. Almost 70 percent of all income earned by these low-income seniors came from social security. Twelve percent came from other forms of public assistance.[8]

Low-income seniors renting homes face similar challenges as those with disabilities. It is difficult to live on a fixed income as real estate prices rise. Those owning homes struggle to pay for maintenance and upkeep. As seniors age and become frail, many seek housing options to meet their changing needs. Some seniors choose to sell their homes and move into independent rental housing with services. Others may need more comprehensive service offered in congregate care or assisted living housing. All of these options can cost more than low-income seniors can afford unless the costs are subsidized.

Low-income seniors make up 14.8 percent of the renter households earning 0 to 60 percent of RMI in Colorado in 2002. Assuming the portion of seniors still needing an affordable unit is the same as for any other type of household, the Division estimates 18,012 senior renter households have a housing need in 2002; the corresponding need for new senior rental opportunities in 2003 is 5,402 units.

To serve the needs of frail elderly, the Division of Housing provided $350,000 to construct at 29-bed assisted living facility in Rocky Ford. Local commitments to the project include land donation, sewer and water tap fee waivers and grants. This project will provide housing options for Medicaid recipients as well as private pay customers. In the past year the Division funded the development of 40 affordable senior housing units in two projects. These included independent living apartments and assisted living units that include services and meals.

Affordable Rental Housing

Plentiful, affordable rental housing is critical to establishing economic stability in our state. It provides a stepping-stone for gaining economic self-sufficiency within lower paid job types while also providing the foundation for the working poor. Many occupational categories do not command high enough wages to purchase a home or even pay market-rate rents.

As discussed in the previous section, 36,502 new rental units will be needed in 2003. This number includes the need for new transitional housing units, rental or group home units for persons with mental or physical disabilities, housing for low-income elderly persons, and other affordable rental housing.

Because of this market failure, people are forced to live far from employment centers and businesses cannot fill vacant positions. For example, a recent article in the Denver Post reported that hospitals and labs throughout the state were having difficulty hiring medical technicians. Colorado HealthOne Alliance estimates the average job vacancy rates for medical technicians is 13 percent per hospital.[9] One hurdle to filling these positions is that the average wage is $29,500. This wage provides only enough purchasing power to live in an apartment with a $673 monthly rent. However, the average statewide rent is actually $781. This means that workers must spend a larger percentage of their income on housing, which puts pressure on other components of their budget.

William Hill

Real life examples of the working poor struggling to afford housing abound. William Hill of Pueblo is one such example. William's difficulties began when his son developed severe asthma. Without health insurance, the bills began to accumulate quickly. After enduring an eviction and weathering a bankruptcy filing, William became connected with Posada. Posada is a local non-profit agency providing homeless, transitional and rental housing services in Pueblo County. William and his sons were able to move into an apartment owned by Posada.

Now the $22,132 annual salary William earns as a sales technician at Sam's Club seems to stretch a bit farther. He can afford his $400 monthly rent, transportation expenses as well as food for the seemingly insatiable appetites of his sons. Although William still cannot afford health insurance, his life has become more stable and he says he "can see the light at the end of the tunnel."

Recognizing the need for affordable rental housing, the Division of Housing provided $300,000 funding to the Housing Authority of the City of Pueblo for the rehabilitation of historic properties to affordable rentals. The Santa Fe Crossing project will provide 30 additional low-income rental units. The City of Pueblo, Minnequa Bank and the State Historic Society have also committed funding to this project.

Rental Assistance

Increasing the supply of affordable rental units is very important. Equally important is the provision of rental assistance to qualifying households. The Section 8 Voucher program allows households to pay only 30 percent of their income for rent. The program then pays the balance of the rent to landlords up to a threshold called the Fair Market Rent. This is the most significant program serving very low-income households in the state. Currently 26,620 vouchers are distributed in Colorado. The Division of Housing administers 2,123 of these vouchers for 47 counties in the state. The Section 8 Vouchers represent the largest federal contribution toward affordable housing in Colorado.

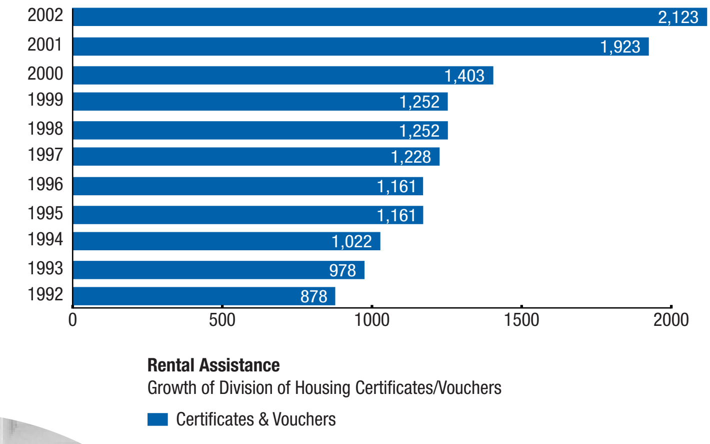
Jeannine Andasola-Valdez and her two boys benefit from the Section 8 program. Jeannine, like many other single parents, struggled to make ends meet when her husband left eight years ago. Jeannine now receives rental assistance (a Section 8 voucher) through the Commerce City Housing Authority. Jeannine works in the billing department at Brown and Ferris Industries making $25,000 annually. Her rent is $536 per month. Because her rent is capped at 30 percent of her income, she is able to afford health insurance and a reliable car. She has a better job, has reduced their household debt and participates more frequently in her children's school activities since living in affordable housing.

Jeannine Andasola-Valdez & son George

Table 6: Housing Savings

	Actual Housing Cost	Market Rent In Area	Family Savings	Actual Housing Cost As % Of Budget	Market Rate Housing As % Of Budget
Dixon	$118	$819	$701	57%	395.6%
Hutchison	$247	$809	$562	31%	101.5%
Hill	$465	$507	$42	25.2%	27.5%
Andasola-Valdez	$671	$771	$100	37.7%	43.3%

Graph 9: Rental Assistance



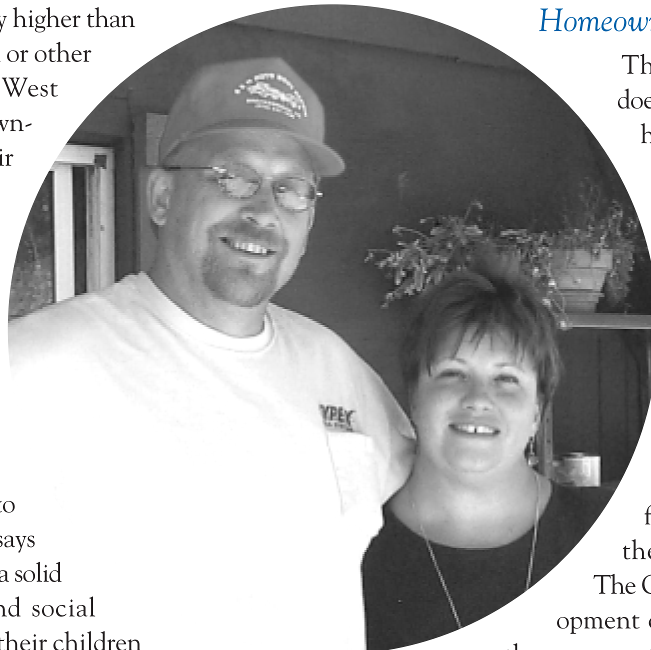
Homeownership

As discussed previously, 5,130 households received some form of homeownership assistance in 2001. The Division of Housing provided funding for approximately 374 of these families. While homeownership is not for everyone, the most significant barrier to owning a home for many families is the lack of savings for a downpayment. By providing qualifying families with low interest loans or grants for downpayment and closing costs, families can embrace the American dream without undue financial burden.

The Division has identified 42,354 households earning 60 to 80 percent of HUD median income that are poised to become homeowners if affordable homes can be found and financing secured.

Stacey and Debra West live in Silverthorne with their three children. Between them, they make approximately $60,000 annually. Although Stacey owns a successful drywall business and Debra works as a massage therapist and office manager, they were unable to save money for a downpayment on a home. They moved from a rental house in the Willowbrook neighborhood into the self described "smallest A-frame in Summit County." They negotiated a lease with an option to buy with the owner. After living in the house for seven months, they were connected with the Summit Housing Authority. The Housing Authority gave the West family a $6,000 downpayment assistance loan allowing the family to finally purchase their A-frame home.

In many mountain communities, even families making stable incomes lack the financial resources to purchase a home as real estate prices are significantly higher than incomes in the metro Denver area or other rural areas in the state. For the West family, the advantages of homeownership are tangible. Although their housing payment has increased slightly since purchasing their home, they have discovered that becoming homeowners has more firmly rooted the family within the community. With a fixed mortgage rate, they have the security of knowing their housing costs will remain stable over time. Stacey's parents were never able to purchase their own home. Stacey says that owning a home has given him a solid foundation — their business and social relationships have improved, and their children are proud that their parents own their house.



Stacey & Debra West

The Division of Housing works in two ways to develop homeownership opportunities. To increase the supply of affordable homes, the Division assists affordable housing developers to build new homeownership units. To increase financing opportunities for families, the Division provides funding to agencies with downpayment assistance programs.

In 2002, the Division supported a new housing development in Estes Park. The Dry Gulch/Vista Ridge project will provide 78 affordable homeownership units combined with rental and market rate units. The affordable homeownership units will be deed restricted for 99 years. This ensures the units will be available for families earning below 80 percent of the area median income far into the future. The Estes Park Housing Authority will oversee construction and record deed restrictions on the homes. The Division of Housing, Federal Low Income Housing Tax Credits, Federal Home Loan Bank, Housing Assistance Council, the Bank of Colorado and the Town of Estes Park will fund project construction.

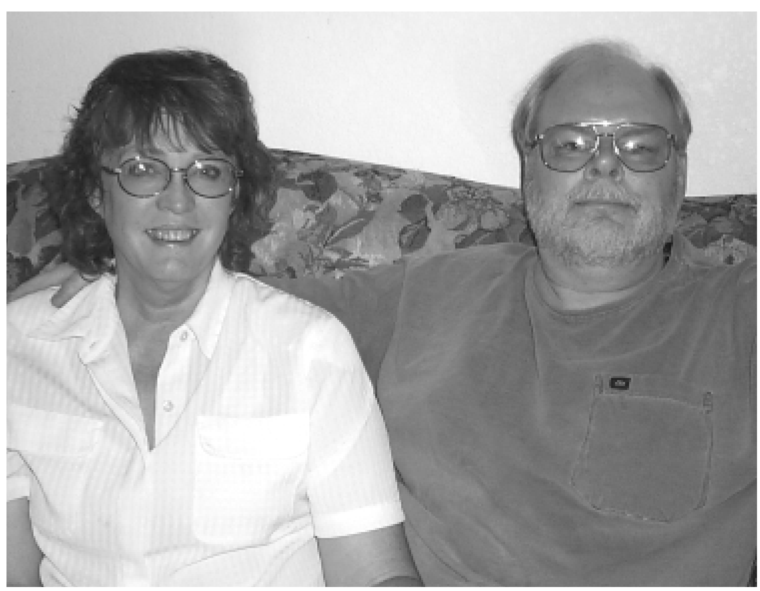
The Division also provided the Summit Housing Authority with a $378,000 grant to support its down payment assistance program. Approximately 50 households will be assisted with this state funding. The Division funds many regional homebuyer assistance programs across the state. These programs provide second position low interest loans to low and moderate home purchasers that cover a portion of their downpayment and closing costs.

Homeownership Counseling

The housing needs continuum does not end once homeownership has been achieved. There is no guarantee that economic or social circumstances will remain stagnant throughout the term of a mortgage. In difficult economic times, individuals lose their jobs and subsequently cannot afford their house payments.

Leroy and Christine Casterline of Fort Collins are facing difficult choices due to the recent economic recession. The Casterlines own a software development company. They have operated the company from their home for the past 20 years. At one point, they refinanced their house to pay for additional business expenses. In 2000 their annual income was $200,000; in 2001 it was $20,000; in 2002 it is $0. Although they had several large contracts in the works, the clients failed to pay the Casterlines for work completed. This has left the Casterlines with no income and grim prospects for the immediate future.

The Casterlines have worked with Neighbor to Neighbor in Fort Collins. Neighbor to Neighbor provides homeownership counseling to homeowners trying to purchase a home or retain an existing home. Division of Housing funding is used in Larimer County for down payment and closing cost assistance loans. For those threatened with losing their home,



Leroy & Christine Casterline

counseling can put homeowners in touch with lenders to make up for missed payments or to refinance existing mortgages.

Because they have no income, the Casterline's choices are limited and foreclosure appears imminent. Unfortunately, the Casterline's are not alone in their predicament. Foreclosure rates have risen 63 percent since the last quarter. From January through June 2002, over 3,000 foreclosures have been started in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties.[10] Nationwide, delinquency rates rose to 4.77 percent in the second quarter of 2002, and foreclosures rates were 0.40 percent.[11]

Single-Family Owner-Occupied Rehabilitation

At times paying the mortgage is the easy part — finding money for maintenance or improvements is more difficult. Household situations change as do people's housing needs. Wheelchair ramps, accessible kitchen and bathroom components, new water heaters, windows or roofs can all be costly house projects. For those households needing weatherization upgrades, the Division of Housing works with the Governor's Office of Energy Management and Conservation, Energy $aving Partners Program. For those needed accessibility upgrades the Division of Housing provides funding to local agencies for loan pools used to provide low-interest loans to individual households. Often in the case of elderly clients, the term of the loan is due upon sale. The Division of Housing funds 13 home rehabilitation programs across the state.

Conclusion

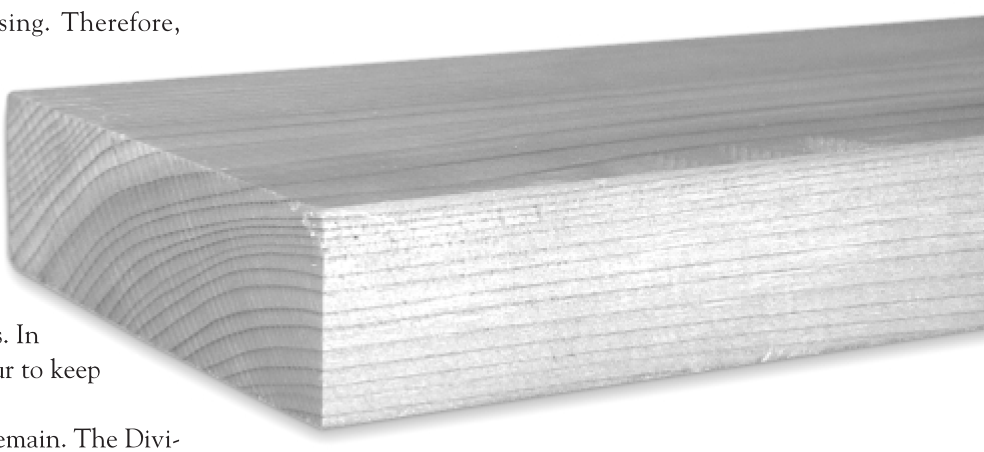
The continuum of housing is a ladder — households need different types of housing over the course of a lifetime. The families featured in this report all agree — affordable housing is the cornerstone to building a stable future. The Division is committed to providing resources for every housing type and service. However, after carefully analyzing the housing need, it becomes apparent the most critical need is for very low-income rental housing. Therefore, the Division has devoted a significant portion of its resources toward this need.

An examination of the income threshold for meeting basic household needs (housing, child care, food, transportation and health care) was published in 2001. This study determined that a single parent with one child must earn a wage of $14.76 to pay for family expenses. In 2002, the parent must earn $15.17 per hour to keep pace with inflation.[12]

The need for affordable housing will remain. The Division of Housing and its funding partners have demonstrated that additional production can be accomplished with increased resources. In this past year, the housing need has grown as median incomes have decreased. To combat this growth in need, production of affordable housing has increased by 10 percent in the past year. This incremental gain will continue if every resource is used to its maximum potential — every dollar must be stretched to make the most of our public contribution to housing development.

Production capacity is heavily dependent on the regulatory environment. The following section will discuss regulatory trends as they impact affordable housing development.

1 "Estimates of Households by Income Range for Colorado and its Regions," Colorado Division of Housing, August 2002.
2 Age by Types of Disability for the Civilian Noninstitutionalized Population 5 Years and Over with Disability – Table P41, U.S. Census Bureau, 2000 Census.
3 Disability Status by Sex: 2000 – Table QT-P21, U.S. Census Bureau, 2000 Census.
4 SSI Recipients by State and County, Social Security Administration, December 2000.
5 "Analysis of the Gap in Affordable Rental Housing for Extremely Low-Income Populations in Colorado," Colorado Department of Human Services, December 2000.
6 Population in Need of Mental Health Services and Public Agencies' Service Use in Colorado, Colorado Mental Health Services, January 7, 2002.
7 "Priced Out in 2000: The Crisis Continues," Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force, 2000.
8 "Estimates of Households by Income Range for Colorado and its Regions," Colorado Division of Housing, August 2002.
9 "Rural Areas Struggle to Hire Lab Personnel," The Denver Post. July 29, 2002.
10 "Home Seizures on Rise in Colorado," The Denver Post. July 12, 2002.
11 'Foreclosures hit 50-year high," The Rocky Mountain News, September 10, 2002.
12 "The Self-Sufficiency Standard for Colorado: A Family Needs Budget," August 2001. Prepared for the Colorado Fiscal Policy Institute. (Wage calculated for 2002 using inflation factors from Colorado Legislative Council).



Affordable Housing Barriers

Given that state and municipal budgets are constrained by the loss of tax revenue, it will be harder than ever for Colorado to meet the estimated need of 36,502 affordable rentals in 2003. Revenue shortfalls may inhibit local governments' ability to donate raw land, contribute cash, or offset fees for affordable housing projects proposed in their communities. Raising impact fees may be a temptation in many locales, but impact fees and other regulatory measures are often viewed as a two-edged sword in the eyes of local communities.

Regulatory barriers are defined as

> *"… either a deliberate or de facto action that prohibits or discourages the construction of affordable housing without sound reasons directly related to public health and safety; a federal, state, or local statute, ordinance, policy, custom, practice, or procedure that excessively increases the cost of new or rehabilitated housing, either by improperly restricting the location of housing, or by imposing unjustified restrictions on housing development with little or no demonstrated compensating benefit."*

The array of housing development regulations and fees are both daunting and expensive. Regulations may dictate front-, rear- and side- yard set-backs, minimum or maximum lot size, street and sidewalk width, the size and number of street trees, the types of building materials used, the number of lots per acre (density), the height of buildings, the type of use (single- or multi-family residential, business or commercial, mixed-use), the type of buildings allowed or required (historically compatible, wooden or brick frame, modular, apartment, high rise), off-street parking required, accessory buildings and their use. The list of things that can be, and often are, regulated is extensive.

Each regulation presents a cost incurred by the development. The more regulations, the higher the development cost. Ultimately, all development costs are passed on to the consumer, whether renter or homeowner, as a higher cost per square foot. The higher the cost per square foot, the less affordable is the unit.

Local governments charge administrative fees to recoup costs associated with providing services. Typical administrative fees include plan submittal fees (may be charged at each of several stages in the development process), subdivision fees, zoning change fees, plat recordation fees, special or conditional use permit fees, building permit fees and plan check fees.

Impact fees are becoming more commonplace in Colorado communities and may include water and sewer system improvement fees (plant investment fees), storm drainage assessment fees, and fees for parks and recreation, open space, trails, schools, public facilities (libraries, cultural facilities, town halls, museums, fire and police stations) and mass transit facilities. Affordable housing developers often seek waivers, offsets or fee deferrals to decrease the cost per square foot.

For the past five years, the Division of Housing has surveyed the development fees of twenty municipalities and their corresponding county or special districts. This past year a number of communities approved minor fee increases, while some substantially increased development fees. Fee increases are generally limited to paying infrastructure costs — not administrative costs of building inspections and plan reviews. Exhibit B lists the types and amounts for each of these jurisdictions. Table 7 on the following page compares changes in development fees over the last five years.

Several municipalities increased fees this past year. The City of Loveland increased fees across the board, with the largest increase in sanitary sewer and storm drainage systems. The City of Greeley and the Town of La Junta substantially increased water and sewer tap fees to pay for systems development improvements. Greeley increased parks and recreation fees. The City of Montrose began charging $488 on a single-family residence as a payment in lieu of land dedication for schools.

Development fees remained fairly stable in Colorado counties. Larimer County, however, began charging a traffic impact fee to pay for road development. Water districts reported few fee increases in 2002, but many report rates may change dramatically because of drought conditions.

Table 7 on the following page compares the changes from 1998 to 2002 and provides a summary of this year's findings. Fees are calculated for a single-family home with a value of $100,000. This ensures that fees are computed using the same assumptions for all jurisdictions.

Development fees for urban and rural counties include county fees and special district fees. In unincorporated areas, special districts provide water and sewer services. In some areas water and sewer services are provided by one special district. In other areas, each service has a distinct special district. The actual fees are noted in our summary information Exhibit A.

Comprehensive Local Government Planning

Local comprehensive land use and capital construction plans solidify a community's long-term vision. In the face of tremendous growth, planning ensures a community can handle new business opportunities and accommodate future residential development. In times of slower growth, planning

Table 7: Change in Development Fees 1998–2002 *(Numbers = $)*

Urban Communities

Community	1998	2002	Net Change	Fee Revision
Adams Co.[1]	9,138	14,355	5,217	Increased Water & Sewer
Arapahoe Co.[2]	17,458	18,313	855	Increased Water Fee
Arvada	13,824	23,867	10,043	New Fees for Transportation, Open Space & Schools
Aurora	12,776	15,825	3,049	Overall Increase in Fees
Boulder	16,495	22,245	5,750	Increased Sewer & Water
Boulder Co.[3]	14,790	10,492	4,478	Decrease in Water & Sewer Fees
Colo. Springs	9,164	12,821	3,657	Overall Fee Revision
Denver	7,205	17,120	9,915	Increases in Water & Sewer Fees
Douglas Co.[4]	15,346	17,884	2,538	Increased Water/ Sewer/Building
El Paso Co.[5]	12,337	12,566	229	Increase in Building permit
Grand Junction	6,345	8,170	1,825	Increase in Road/ School/Sewer
Greeley	8,353	16,498	8,145	Increase in Water/ Sewer Fees
Jefferson Co.[6]	8,469	8,869	400	Increased Traffic/ Building
Lakewood	10,735	11,868	1,133	Increased Building Permit
Larimer Co.[7]	6,145	8,759	2,614	Traffic & School Impact Fees
Longmont	15,912	20,629	4,717	Overall Increase in Fees
Loveland	12,836	22,059	9,223	Largest Increases: Sanitary Sewer, Storm Drainage, and Park & Rec.
Mesa Co.[8]	4,728	10,364	5,636	Increase in Water/ Building Permit
Pueblo	5,515	7,277	1,762	Increased Park/ Open Space/Use
Pueblo Co.[9]	4,075	6,575	2,500	Increase in Water
Weld Co.[10]	15,194	18,124	2,930	Increase in Water & Sewer Fees
Westminster	15,808	19,000	3,192	Increased Water/ Sewer/Parks/School
Urban Mean	**$11,052**	**$14,712**	**$4,082**	**7.4% Annual Increase**

Rural Communities

Community	1998	2002	Net Change	Fee Revision
Alamosa	6,123	6,123	0	
Canon City	6,617	7,942	1,325	Fee Increase for Building Permits & New Fee for Plan Check & Review
Durango	9,266	9,685	419	Increased Traffic Impact/School
La Plata Co.[11]	7,552	9,232	1,680	Increase in Spec. District Sewer Fee
Eagle	10,043	10,463	420	Increase in Bldg./ Plan Ck Fee
Eagle Co.[12]	13,391	20,197	6,806	Increase in Water/ Sewer/Bldg.
Fort Morgan	7,735	9,004	1,269	Increase in Water Tap Fee
Kiowa	6,893	9,339	2,446	Storm Drainage, Building Permit
La Junta	2,925	5,020	2,095	Increase in Water/ Sewer/Bldg.
Las Animas Co.[13]	7,144	8,894	1,750	Increased Water Fees
Montrose	6,950	7,648	698	Increase in Building/ School
Montrose Co.[14]	7,187	8,587	1,400	Increase in Water
Morgan Co.[15]	7,065	8,950	1,885	Increase in Water District Fee
Trinidad	7,139	6,343	796	Reduction in Building Permits
Rural Mean	**$7,574**	**$8,708**	**$1,134**	**3.0% Annual Increase**

1. Adams County – South Adams Water & Sewer
2. Arapahoe County – Cherry Creek Valley Water & Sewer
3. Boulder County – Hoover Hill Water & Sewer
4. Douglas County – Pinery Water & Wastewater
5. El Paso County – Academy Water & Sewer
6. Jefferson County – West Jefferson
7. Larimer County – Spring Canyon Water & Sewer
8. Mesa County – City of Grand Junction/Ute Water Conservancy District, Fruitvale Sewer
9. Pueblo County – Avondale Water & Sewer
10. Weld County – Dacono Water & Sewer
11. La Plata County, El Rancho Florida Metro District
12. Eagle County – Eagle River Valley Water & Sewer
13. Las Animas County – City of Trinidad
14. Montrose County – Tri County Water & West Montrose Sanitation
15. Morgan County – Morgan County Quality Water & Municipal Sewer

enables local jurisdictions to allocate scarce resources in an efficient and consistent manner.

To pay for many residential services, local governments find they must operate more like businesses and charge for the services they provide. Growth can strain the local capacity of water and sewer plants, police departments, fire stations, schools, libraries, open space, recreation centers, and streets. Since residents are reluctant to approve tax increases, local governments must find other ways to generate revenue. One of the most obvious tools available to produce needed capital is to institute a "pay-as-you-go" plan to recoup service and infrastructure costs. Hence, counties, municipalities and special districts across Colorado are charging development fees (including fees in lieu of payment, impact fees, administrative processing fees and plant investment fees) to pay for service enhancements resulting from economic and residential expansion taking place in their communities. In this environment, comprehensive planning becomes even more critical.

Strategic plans identify development patterns and corresponding infrastructure requirements. A framework for regulations, policies and procedures is established by code and policy to ensure consistency. Local governments often view development fees as a means to recoup service costs and meet community goals. The use of standards, regulations and fees, however, should weigh the cost of infrastructure improvements against the need to assist economic growth and affordable housing for residents.

To better understand the nature and impact of planning across the state, the Colorado Division of Housing surveys municipalities and counties annually to determine which communities have comprehensive land use plans and to identify plan elements. Exhibit B summarizes the results of this survey.

The Division received 128 surveys from municipalities and 25 surveys for counties. By tracking prior year survey results and adding the twelve new jurisdictions that have completed comprehensive land use plans, we know that at least 160 jurisdictions now have comprehensive plans. The most prevalent features include:

Plan Element	Number of Municipalities	Number of Counties
Parks & Recreation	95	17
Transportation	89	21
Housing	83	18
Public Facilities	73	11
Water Supply	72	13
Growth Management	71	14

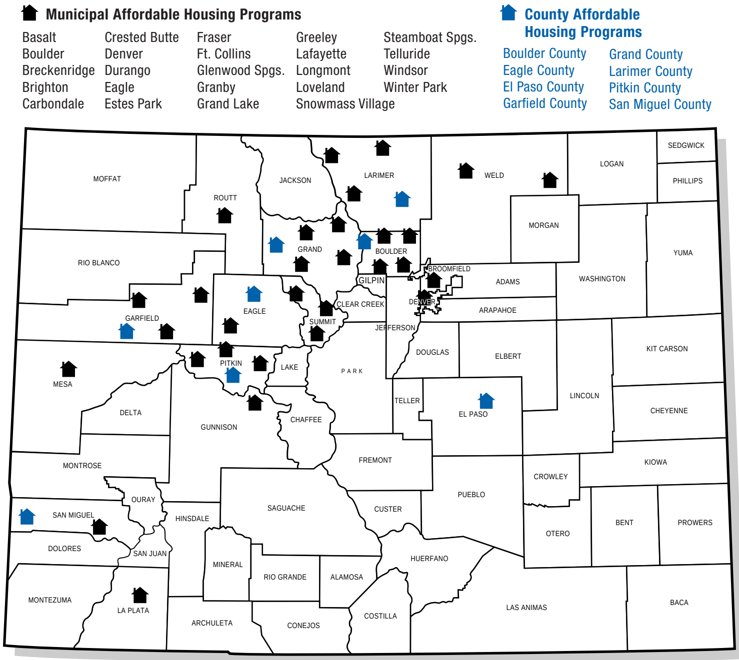
The housing elements of most comprehensive plans address location, density, affordable housing criteria, waiver or fee-reduction policies, affordable housing subsidies and general guidance. Only one community uses forecasts of new housing starts as part of the budgeting process. Yet, new units will have a significant impact on infrastructure and services. By conducting an analysis based on job creation projections and corresponding housing needs, jurisdictions gain an understanding of future housing demands. The adoption of affordable housing policies prepares communities to increase the affordable housing supply.

At least 40 communities have adopted affordable housing policies. Many communities have attracted new housing development in the last year. Others have policies to preserve existing affordable housing. These include waiver or rebate of development fees, inclusionary zoning, and expedited review and permitting processes. They may also include local financial investment.

Division Efforts to Assist Communities to Develop Affordable Housing

The Division of Housing conducts many activities to educate and encourage local governments to create affordable housing. Communities desiring to assess regulatory costs and impacts on affordable housing can benefit from the Division's publication, *Reducing Housing Costs through Regulatory Reform: A Handbook for Colorado Communities*. This publication is available on the DOH website (http://www.dola.state.co.us/Doh/Documents/ReducingCosts.htm).

DOH regularly provides training opportunities to local governments and the development community. *The Developer's Toolkit* is an interactive course designed to walk novice developers, community leaders and nonprofit developers through the development process. The Division also provides information and one-on-one training for elected and appointed officials using the publication, *Housing Colorado: A Guide for Local Officials*. This guide summarizes housing supply and demand, local government roles in creating affordable housing, strategies for achieving local housing goals, housing needs assessments, housing partnerships and manufactured housing. The Division also encourages local governments to create programs promoting affordable housing and decreasing regulatory barriers. The map on the following page identifies communities with affordable housing programs.



Affordable Housing Programs

The map illustrates that most Colorado communities with affordable housing programs are in high-cost, tight market areas of the state where a jobs/housing imbalance exists. The following examples demonstrate the diversity of existing programs in large and small communities.

- **El Paso County Housing Trust Fund:** Provides loans and grants to local nonprofit agencies to finance hard costs associated with the development or acquisition of affordable housing.
- **Garfield County Affordable Housing Program:** Requires all new developments to make 10 percent of units affordable to families with incomes equal to or less than 80 percent of the county median income. The program is voluntary at this time.
- **Longmont Affordable Housing Fund:** Requires affordable housing set-asides or in lieu of payments for new development on land annexed into the City.
- **City of Loveland Affordable Housing Incentives:** Includes fast tracking of development review, modification of development standards, a use tax credit, and density bonuses for qualified projects.
- **Town of Breckenridge Fee Waiver Program:** Waives all city-generated fees for qualified affordable housing projects. Fees eligible for waiver include building and permit fees, planning review fees, water tap fees, and any annexation surcharge. Both multi- and single-family affordable housing projects are eligible.

Making the Most of State Investments

The Division of Housing approved funding for 32 multifamily rental projects this past year. These projects (located in both urban and rural housing markets) included acquisition, rehabilitation, and construction of new rental housing. The Division also invested in regional single-family housing rehabilitation and down payment assistance for first-time homebuyers.

Multi-family rental properties face the greatest scrutiny within local regulatory structures. The following analysis will highlight Division efforts to form partnerships with local communities to solve complex financial and regulatory problems relating to affordable multifamily housing.

Underwriting

The Division of Housing underwriting process minimizes the public subsidy (loans, grants, letters of credit) required for project feasibility. Several factors are examined to reduce the public subsidy level: development cost, return on investment, operating expenses, and regulatory cost. Division staff members negotiate with developers and local government staff to lower regulatory cost and increase local government financial support. Negotiations are made with housing developers on hard and soft development costs, financing cost and return on investment.

The greatest cost flexibility is often found in land cost and local government fees. These costs can often make or break a project. If overall costs are reduced, tenants will be charged lower rents. Efforts to reduce overall project cost typically yield a $2,500 per unit annual rent savings to individual households.

Comparing State and Local Government Investments

Exhibit C summarizes 32 multifamily rental projects funded by the Division of Housing this past fiscal year. The following tables and charts compare local fees, local government investment, and the Division's investment.

The Division investment totaled $4,729,949 for 13 rental acquisition and rehabilitation properties. The local government investment was $4,405,574 and local fees totaled $564. Most local fees are applied to new construction projects rather than to renovation of existing buildings. In most cases, existing properties are subject to building permits fees — however, these fees are often waived or rebated.

Graph 10 illustrates public investment sources used to acquire and rehabilitate rental properties. Building permits issued for rehabilitation generated the smallest amount of local fees. Table 8 summarizes data from the past four years regarding project cost, state and local public subsidy, and local

Graph 10: Aquisition/Rehab: Subsidies & Fees

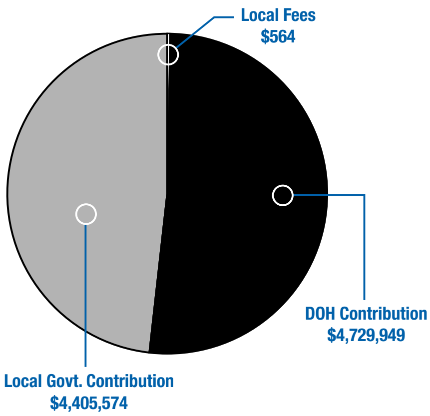


Table 8: Acquisition with Rehab *(Statewide)*

	1998	1999	2000	2001	2002
Number of Projects	10	18	17	18	13
Total Project Cost	$27,423,016	$53,328,876	$47,433,638	$41,263,334	$33,455,918
DOH Subsidy	$894,000	$2,860,430	$3,753,728	$4,411,900	$4,729,949
Local Gov't Contribution	$1,253,820	$3,754,852	$4,948,494	$4,129,440	$4,405,574
Cost of Local Fees	$101,868	$256,958	$2,594	$45,888	$564

fees. The local government contribution of $4,405,574 is greater than last year.

Rural Construction

The number of rural construction projects increased substantially this year. Over the past four years, the Division financed construction of 38 rental projects in rural communities. However, the Division is cautious not to saturate the housing rental market in the state's smaller towns. The rural housing strategy includes an aggressive single-family rehabilitation program and first-time homebuyer assistance.

Graph 11 below illustrates the increasing local government commitment to affordable housing. In rural mountain and resort communities, local governments are finding that land contributions and increasing density requirements are the most effective ways to produce affordable housing. Two projects identified in the graph below include significant property donations by local governments.

Table 9 below shows an increase in local investment in the last five years. Local contributions offset the cost of local fees and reduce overall project cost. For projects to succeed in high cost rural markets, land must be donated or leased at a nominal rate by local governments.

Graph 11: Rural/New Construction

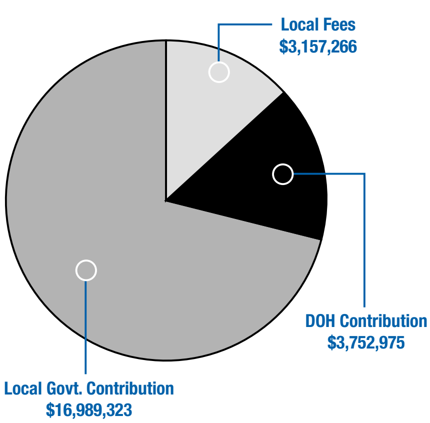


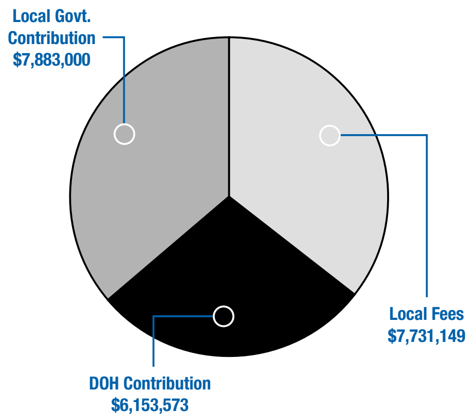
Table 9: Rural Development/New Construction 1998–2002

	1998	1999	2000	2001	2002
Number of Projects	10	13	5	3	7
Total Project Cost	$23,559,703	$23,027,054	$15,305,163	$19,035,997	$92,229,770
DOH Subsidy	$3,492,700	$3,511,590	$1,634,000	$1,425,000	$3,752,975
Local Gov't Contribution	$402,455	$1,555,352	$1,198,597	$3,248,448	$16,989,323
Cost of Local Fees	$425,279	$728,422	$754,375	$630,528	$3,157,266

Urban Construction

The Division of Housing approved funding for 1,005 new urban rental units. These rental units included housing for families, assisted living and independent living apartments for seniors, and housing for developmentally disabled persons. Affordable housing for persons with special needs is a growing demand throughout the state, especially in urban communities. Specialized housing increases overall project cost and requires greater public subsidy to produce.

■ Graph 12: Urban/New Construction



The cost of new urban construction this year totals almost $132 million. Local government contributions exceed the state's investment by more than $1.7 million. Local government contributions also exceed local fees. Fees account for 5.9 percent of total costs. In 1998, local fees comprised 5.1 percent of total costs; in 1999, 4.6 percent; in 2000, 3.8 percent.

■ Table 10: Urban Development/New Construction 1998–2002

	1998	1999	2000	2001	2002
Number of Projects	11	4	11	10	12
Total Project Cost	$24,166,357	$15,628,668	$51,834,379	$79,226,645	$132,025,392
DOH Subsidy	$1,401,500	$715,000	$2,862,600	$3,270,886	$6,153,573
Local Gov't Contribution	$2,181,820	$1,411,000	$3,960,820	$2,984,500	$7,883,000
Cost of Local Fees	$1,238,073	$715,125	$1,974,656	$7,479,375	$7,731,149

NIMBY

The reactive "not in my backyard" attitudes add cost and delay to affordable housing projects. Community fear over negative effects of affordable housing can play out in nasty public meetings and even in formal picketing of development sites. Many people have outdated notions regarding the design and function of modern affordable housing.

Opponents of new developments characterize new residents as somehow being undesirable to the surrounding community. Oftentimes affordable housing opponents don't understand the types of people who are in need of adequate housing. They fail to associate potential new neighbors as the same workers who help them at the bank or the teachers who coach their children's soccer team.

Other opponents focus on infrastructure and school carrying capacity. Concerns regarding school and road overcrowding can often be overcome if education is provided early in the permitting process. The National Multi Housing Council has conducted a unit-by-unit comparison of single-family homes to apartments and found that houses introduce more school age children than apartments to local schools.[1] Some communities use revenue sharing plans to reduce the desire of local governments to zone for only commercial or high-end residential development to recoup the greatest tax windfall from development.

Private housing providers such as Realtors, bankers and development organizations have a unique role to play in changing the negative attitudes characterized as NIMBY. Education and community outreach can make a difference in the overall cost and success rate of local projects. Time is money in the development process and if bitter planning and zoning battles have to be won before permits are issued, often the end cost of the housing produced puts it out of reach to the local workforce. The added costs, both in carrying expenses and project improvements, negate the desired community benefit — housing affordable to local wage earners.

Summary

The Colorado Division of Housing works diligently to reduce regulatory burdens and fees in two ways: using a strict underwriting process to reduce overall project costs and encouraging the reduction and/or offset of development fees through local government contributions.

During times of economic recession, it becomes critical for state and local governments to provide housing opportunities for all income levels as a means to encourage new employment. Employment and housing are inextricably joined together. Across Colorado, more communities are acknowledging the linkage.

1 "NIMBY Myth about Rental Housing and School Aged Children Rebuffed," The NIMBY Report. National Low Income Housing Coalition. February 2002.

Conclusion

The Division of Housing estimates that 36,502 rental units will be needed in 2003. Over 42,000 households in Colorado could become homeowners if they can find units in their price range and can benefit from homebuyer assistance programs.

While production of affordable housing in both rental and homeownership markets increased during 2002, it will become difficult to sustain these increases given state and local budget challenges. This past year, 4,154 new rental units were produced in Colorado and 5,130 households became homeowners. This is due to the collective effort of the Division of Housing, local governments, finance agencies, and local developers.

The stories of Colorado families provide hope and guidance for the future. Affordable housing provides stability and rent savings to many households struggling to work and raise families. The Division estimates its efforts to reduce new project cost typically yield rent savings of $2,460 per unit per year. Until wages increase to keep pace with housing costs, affordable housing needs will remain.

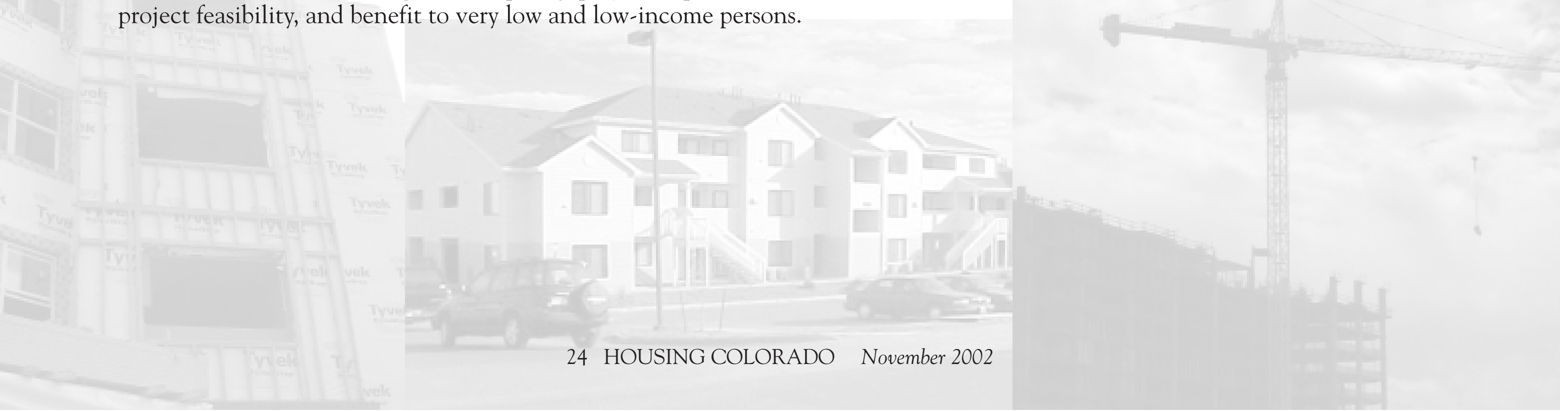
Municipalities continue to play a critical role in overcoming regulatory burdens that inhibit the creation of affordable housing. While some municipalities have raised fees to pay for community services, many waive these fees for affordable housing. Furthermore, local financial contributions to projects are keeping pace with state assistance. In urban markets, local contributions exceeded the state investment by over $1.7 million.

While Colorado has increased its affordable housing production in the past year, the need for low-income housing continues to grow. Unfortunately, there is not enough affordable capital to meet the overarching housing needs in the state. Regulations prohibiting modest housing or multi-family development limit the ability of the private marketplace to build affordable housing. Finally, many in the state are unaware of the benefits of affordable housing and oppose the development of new low-income units based on outdated notions.

Appendix A: Housing Colorado: Funding Sources for Affordable Housing

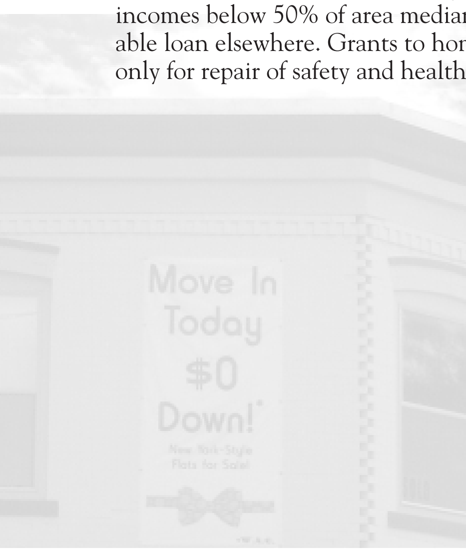
*All Figures listed are the current funding year.

Program Name and Description	Administering Agency	Funding Allocation, FY02
Emergency Shelter Grants (ESG): Provides grants on a formula basis to states and local governments for operating costs, essential services, and homeless prevention activities. Includes financial assistance to families who have received eviction notices or notices of termination of utility service. The states can distribute ESG assistance directly to private nonprofit organizations, if local governments certify the project. Homeless day shelters and drop-in centers are also eligible for funding.	Colorado Division of Housing City of Colorado Springs City of Denver	$953,000 $111,000 $408,000
HOME Investment Partnership Program: Provides competitive funding to local government, non-profit, and private developers for acquisition, rehabilitation, new construction, and tenant-based rental assistance. All activities require a 25% non-federal match. Ninety percent of rental units produced must benefit families with incomes at 60% or below area median income. One hundred percent of funds invested in homebuyer programs must benefit families with incomes equal to or less than 80% of area median income. There is a 15% set-aside for Community Development Housing Organization (CHDO) activities. These activities include acquisition, construction and rehabilitation in which the CHDO is the owner, developer or sponsor; as well as project-specific technical assistance, site control loans, and predevelopment loans.	Colorado Division of Housing Aurora, Boulder, Colorado Springs, Denver, Ft. Collins, Greeley, Lakewood, Pueblo, Pueblo County, Adams County, Arapahoe County and Jefferson County	$7,613,000 $12,194,000
Community Development Block Grant (CDBG): Provides funding by competitive application process to eligible local governments for acquisition, rehabilitation, new construction, homebuyer assistance, public services and facilities, and related administration costs. Local entitlement funds are awarded to non-profits and/or local municipalities.	Colorado Division of Housing Arvada, Aurora, Boulder, Colorado Springs, Denver, Ft. Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Westminister, Pueblo County, Adams County, Arapahoe County and Jefferson County	$3,746,434 $30,548,000
Colorado Division of Housing Grant Program (DOH Grants): Provides funds for acquisition, rehabilitation, and new construction through a competitive application process. The State Housing Board reviews applications monthly. A $1 per $1 match is required. Applications are reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low-income persons.	Colorado Division of Housing	$0 (FY03)

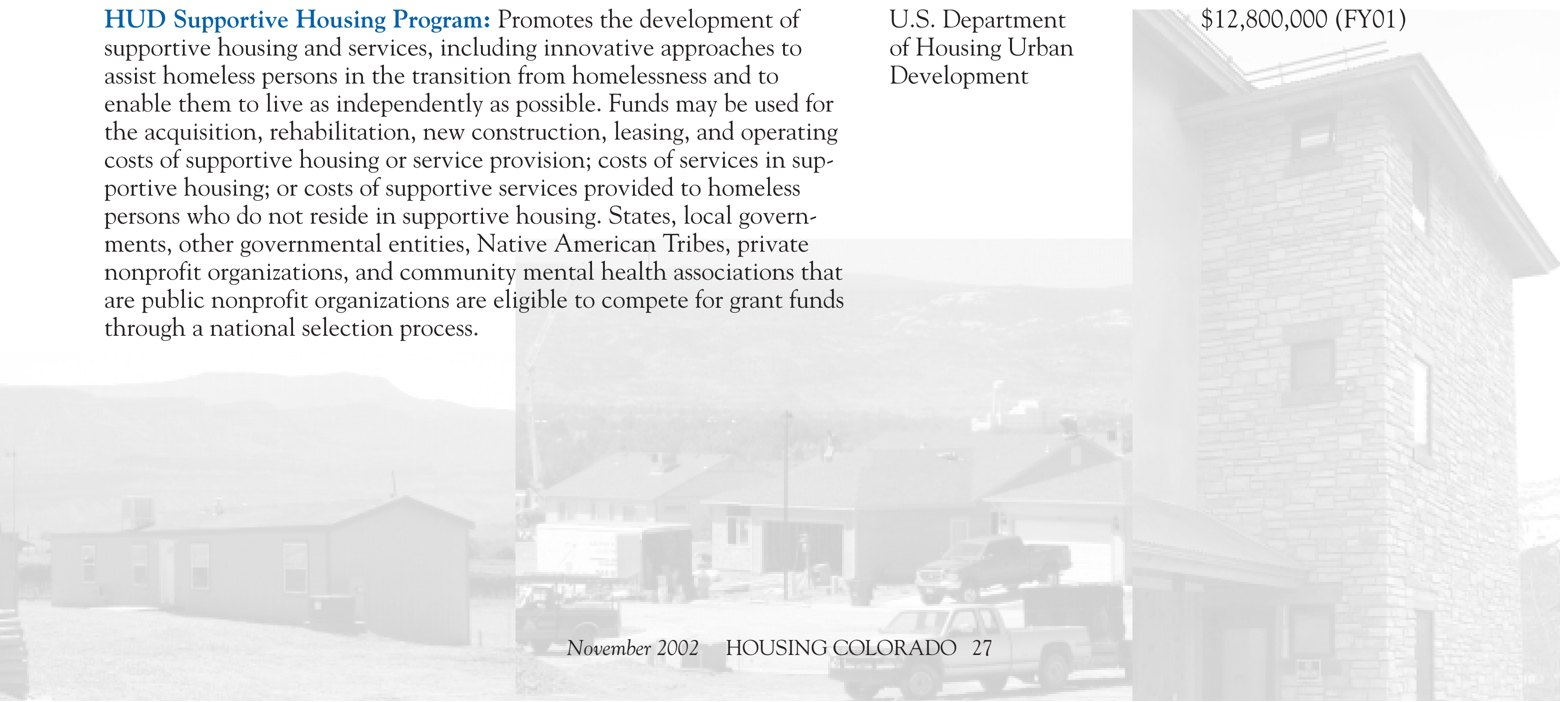


Program Name and Description	Administering Agency	Funding Allocation, FY02
Colorado Division of Housing administers a short-term loan fund called the **HOME Investment Trust Fund (HITF)**. The primary use of these funds is to provide short-term loans to assist public housing authorities, non-profit corporations and local governments in developing housing for low and moderate-income persons. These loan funds can be used for land acquisition, professional fees, materials and/or labor associated with rehabilitation or new construction. Currently, the fund is capitalized at 1.9 million. The HITF is funded with state general fund dollars and also exists to provide federal matching fund requirements for Title II of the National Affordable Housing Act.	Colorado Division of Housing	$2,200,000
Private Activity Bond Program: Uses proceeds of tax-exempt bond issues to fund construction and permanent loans to construct or acquire/rehabilitate rental housing for low income households, mortgage revenue bonds, mortgage credit certificates, industrial development bonds and other non-housing related uses. It is generally required that loans be insured or guaranteed by a third party such as FHA or FNMA. Applications are taken by local municipal, county housing or finance offices, the Colorado Housing and Finance Authority or the Department of Local Affairs. Before a project may proceed, official action must be taken by the local elected governing body to allocate bond issuing authority for the loan. Actions are taken by the CHFA Board monthly and by local issuers more frequently. These bonds are leveraged with taxable bonds as well.	Colorado Department of Local Affairs	$331,328,550
HomeStart Program: By issuing taxable bonds, CHFA is able to offer competitive interest rates and up to 2% cash assistance to qualified moderate income borrowers to assist in making homeownership a reality. This program is available to borrowers who meet the eligibility requirements of first time homeownership and limitations in income. There are no maximum purchase price requirements. Funds are released monthly, on a first-come, first-served basis for use by participating lenders.	Colorado Housing Finance Authority	$290,736,098
CHFA HomeStart Plus Program: This program has the same guidelines as the HomeStart program, but serves households with higher incomes.	Colorado Housing Finance Authority	$92,936,000
Housing Opportunity Fund Program: This program provides long-term financing for housing facilities for households with very low incomes and/or special needs who need non-traditionally designed housing or services in addition to housing. Such households include the frail elderly, developmentally or physically disabled, chronically mentally ill, homeless families, troubled children, and victims of domestic violence. CHFA financing is available primarily to nonprofit corporations and local public housing agencies. Funds are also used provide to homeownership loans to households with very low incomes and/or special needs.	Colorado Housing Finance Authority	$6,000,000

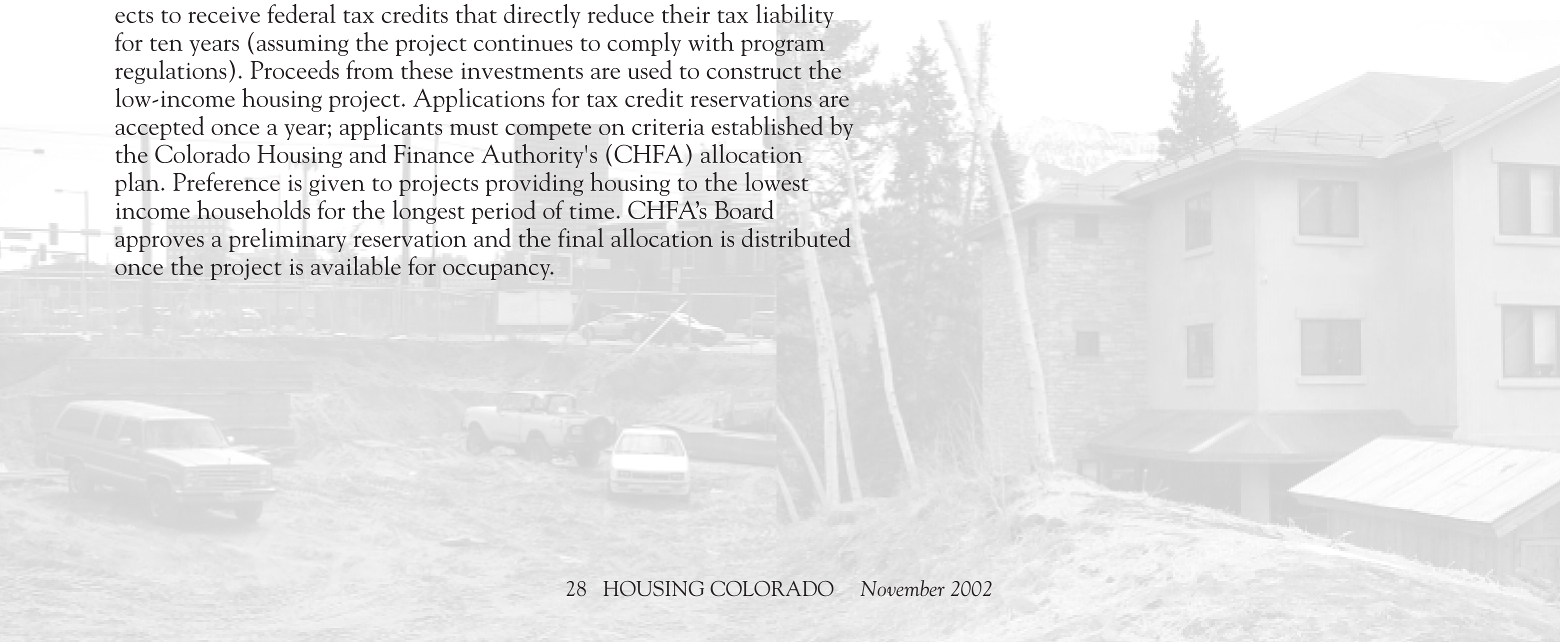
Program Name and Description	Administering Agency	Funding Allocation, FY02
501(c)(3) Bond Program: To offer construction and permanent financing for private and public nonprofit organizations providing housing to meet a wide variety of rental housing needs. CHFA requires a minimum of 25% to 45% low- and very-low-income occupancy for the term of the loan. The program generally serves the need for small loans (e.g. $100,000 to $1,000,000).	Colorado Housing Finance Authority	$7,742,000
Small Affordable Rental Transactions (SMART) Program: Provides permanent financing of $1 million or less for rental housing developments. The program will finance acquisition or new construction, for either profit motivated or not-for-profit developers. The housing must offer at least 20% low-income units. The intent is to provide a streamlined financing vehicle at a moderate cost for small properties.	Colorado Housing Finance Authority	$10,000,000
Federal Home Loan Bank Board Affordable Housing Program: Provides loans to finance the purchase, construction or rehabilitation of rental and single family housing in which at least 20% of the units will be occupied and affordable for very low-income households for term of loan. Priority is given for using existing HUD/RTC or other government-owned properties and for the involvement of nonprofit organizations and/or housing authorities or other government entities.	Federal Home Loan Bank	$4,100,563
RD Direct Home Ownership Loan Program (502): Provides individuals or families with direct financial assistance from the Rural Housing Service in the form of an affordable interest rate home loan. Most loans are made to families with incomes less than 80% of the median county income. Direct loans can be used to purchase an existing home or construct a new home.	U.S.D.A. Rural Development	$6,230,000
RD Home Ownership Loan Guarantee Program (502): Guarantees loans made by private lenders should the borrower default on the loan. An individual or family may borrow up to 100% of the appraised value of the home—eliminating the need for a down payment.	U.S.D.A. Rural Development	$21,500,000
RD Very Low Income Housing Repair Loans and Grants (504): Provides loans of $15,000 and grant of up to $5,000 to very low-income homeowners for repairs, improvements to modernize their dwelling or removal of health and/or safety hazards. Homeowners must have incomes below 50% of area median and be unable to obtain an affordable loan elsewhere. Grants to homeowners 62 or older may be used only for repair of safety and health hazards.	U.S.D.A. Rural Development	$700,761



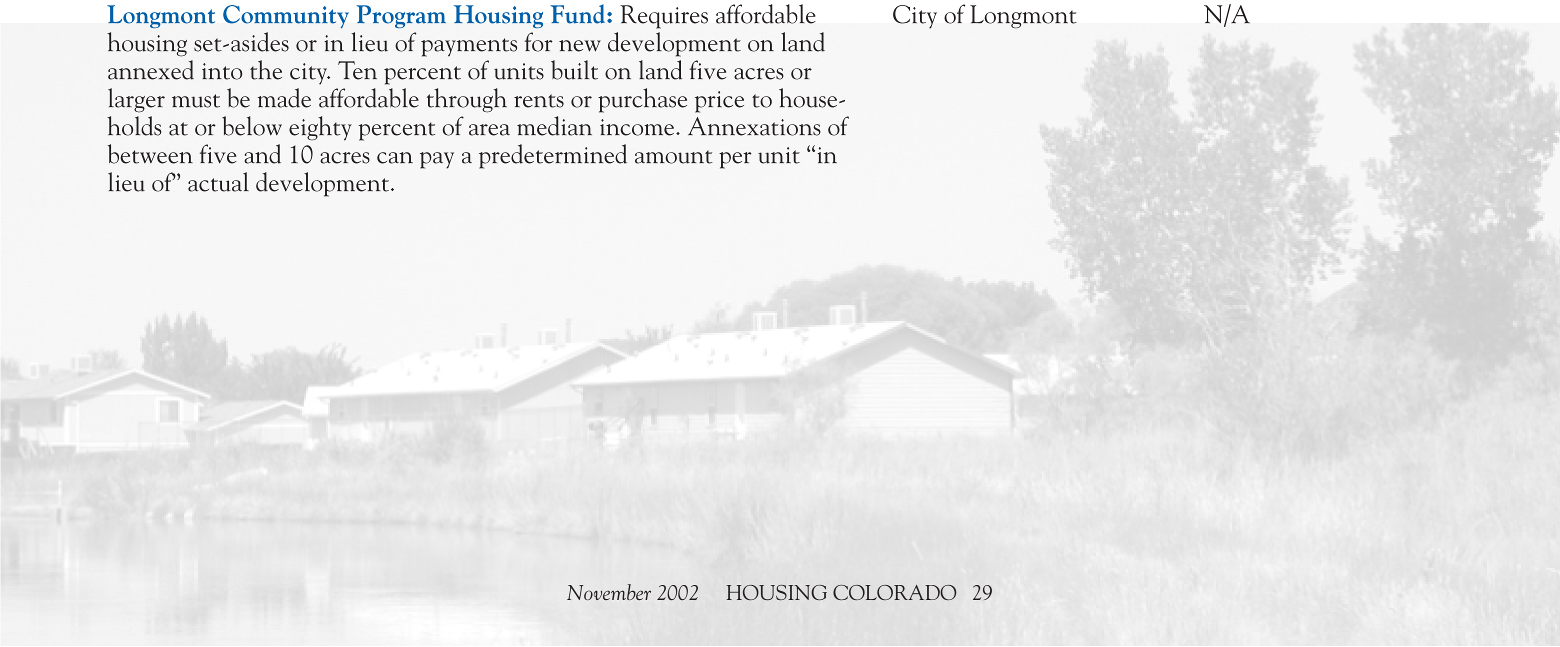

Program Name and Description	Administering Agency	Funding Allocation, FY02
RD Farm Labor Housing Loans and Grants (514/516): Provides loans/grants to build, buy, improve or repair housing for farm laborers, including persons whose income is earned in agriculture. Funds can be used to purchase or lease a site; to construct housing; to pay fees; to purchase durable household furnishing; and to pay for construction loan interest. Farmers, farm associations, family farm corporations, Indian tribes, non-profit, public agencies and associations of farm workers are eligible for these loans/grants. Loan terms are 33 years at 1% interest. Grant may be obtained for up to 90% of development costs. The remaining 10% is usually covered through a Section 514 loan.	U.S.D.A. Rural Development	$6,000,000
RD Rural Rental and Cooperative Housing Loans (515): Provides direct loans to finance rental or cooperatively owned housing designed for very low, low and moderate income families, the elderly, and disabled. Funds may be used to construct new housing or to purchase and rehabilitate existing structures for rental purposes. Congregate housing for the elderly, disabled, and group homes for developmentally disabled are authorized. Funds may also be used to purchase or improve land. This program enables low-income families or individuals to reside in RD rural rental, cooperative or farm labor housing without paying over 30% of their income for rent. RD pays the difference between the tenant's contribution and the monthly rental rate, including utilities and services. Rental contracts between RD and the owner are for five years and are renewable. In new projects, 95% of those assisted must have very low incomes. In existing projects, 75% of those assisted must be very low income.	U.S.D.A. Rural Development	$0
RD Self-Help Technical Assistance Grants (523): Provides administrative funding to organizations sponsoring self-help housing development. Under self-help, a group of families jointly contribute labor to build their own homes, which are financed under Section 502. Applicants must show that their organization has the ability to supervise a project or that they will receive assistance from a group having this ability. Contracts are normally for two years.	U.S.D.A. Rural Development	$1,400,000
HUD Supportive Housing Program: Promotes the development of supportive housing and services, including innovative approaches to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. Funds may be used for the acquisition, rehabilitation, new construction, leasing, and operating costs of supportive housing or service provision; costs of services in supportive housing; or costs of supportive services provided to homeless persons who do not reside in supportive housing. States, local governments, other governmental entities, Native American Tribes, private nonprofit organizations, and community mental health associations that are public nonprofit organizations are eligible to compete for grant funds through a national selection process.	U.S. Department of Housing Urban Development	$12,800,000 (FY01)



Program Name and Description	Administering Agency	Funding Allocation, FY02
Section 8 Certificates and Vouchers: Provides tenant-based subsidies for rents paid by low and very low income households. Tenant payments are based upon income. Section 8 rental subsidies cover the difference between tenant payments and the unit's market rent.	Colorado Division of Housing/Other Housing Authorities	$150,178,317
Housing Opportunities for Persons with AIDS (HOPWA): Provides resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons and their families with acquired immunodeficiency syndrome (AIDS) or related diseases. The program authorizes grants for a range of housing assistance and supportive services for low-income persons with AIDS or related diseases.	City of Denver Colorado Division of Housing (balance of state)	$1,374,000 $1,370,000
HUD Supportive Housing for Elderly Persons (Section 202): Funds capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income elderly persons 62 years of age or older for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and resident payments. New construction, rehabilitation, and acquisition for group homes and independent living facilities are all eligible activities.	U.S. Department of Housing Urban Development	$0
HUD Supportive Housing for Persons with Disabilities (Section 811): Funds capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income persons with disabilities for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30% of the resident's adjusted income. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and independent living facilities.	U.S. Department of Housing Urban Development	$0
Low Income Housing Tax Credits (LIHTC): Allows individuals and corporations who invest in qualifying low-income rental housing projects to receive federal tax credits that directly reduce their tax liability for ten years (assuming the project continues to comply with program regulations). Proceeds from these investments are used to construct the low-income housing project. Applications for tax credit reservations are accepted once a year; applicants must compete on criteria established by the Colorado Housing and Finance Authority's (CHFA) allocation plan. Preference is given to projects providing housing to the lowest income households for the longest period of time. CHFA's Board approves a preliminary reservation and the final allocation is distributed once the project is available for occupancy.	Colorado Housing and Finance Authority	$8,607,456

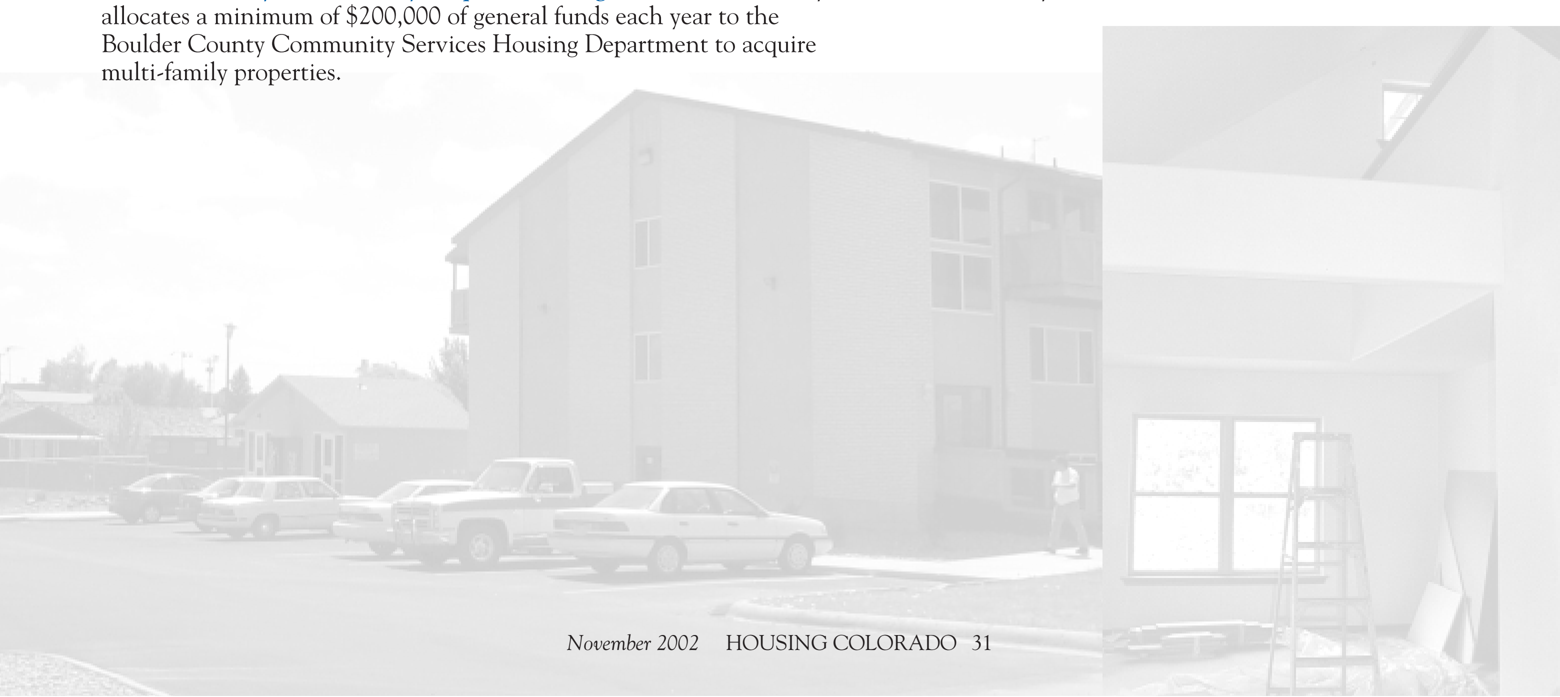


Program Name and Description	Administering Agency	Funding Allocation, FY02
State Low Income Housing Tax Credits (LIHTC): Allows individuals and corporations who invest in qualifying low-income rental housing projects to receive state tax credits that directly reduce their tax liability for ten years (assuming the project continues to comply with program regulations for the 15 year term). Proceeds from these investments are used to construct the low-income housing project. Applications for tax credit reservations are accepted once a year; applicants must compete on criteria established in the Colorado Housing and Finance Authority's (CHFA) allocation plan. Preference is given to projects providing housing to the lowest income households for the longest period of time. CHFA's Board approves a preliminary reservation and the final allocation is distributed once the project is available for occupancy.	Colorado Housing and Finance Authority	$5,000,000
El Paso County Housing Trust Fund: Provides loans and grants to local non-profit agencies to finance hard costs associated with the development or acquisition of affordable housing.	El Paso County Office of Economic Development and Public Finance	$4,500,000
Garfield County Affordable Housing Program: Requires all new developments to make 10% of units affordable to families with incomes equal to or less than 80% of county median income. The program is voluntary at this time.	Garfield County Housing Authority	N/A
Aspen/Pitkin Housing Fund: Provides funding for land acquisition, construction, redevelopment and renovation. The Aspen/Pitkin Housing Office is charged with eliminating the land cost component of development to the greatest extent possible, and developing deed restricted rental and ownership units for local residents and workers. The Fund is financed by a real estate transfer tax (1% of sales price) and by a 0.45 sales tax.	Aspen/Pitkin Housing Office	$14,000,000
Fort Collins Housing Trust Fund: City of Fort Collins general funds provide funding for affordable housing projects eligible under CDBG guidelines and a portion of the funds are used to purchase sites for future affordable housing projects.	City of Fort Collins	$2,286,000
Longmont Community Program Housing Fund: Requires affordable housing set-asides or in lieu of payments for new development on land annexed into the city. Ten percent of units built on land five acres or larger must be made affordable through rents or purchase price to households at or below eighty percent of area median income. Annexations of between five and 10 acres can pay a predetermined amount per unit "in lieu of" actual development.	City of Longmont	N/A



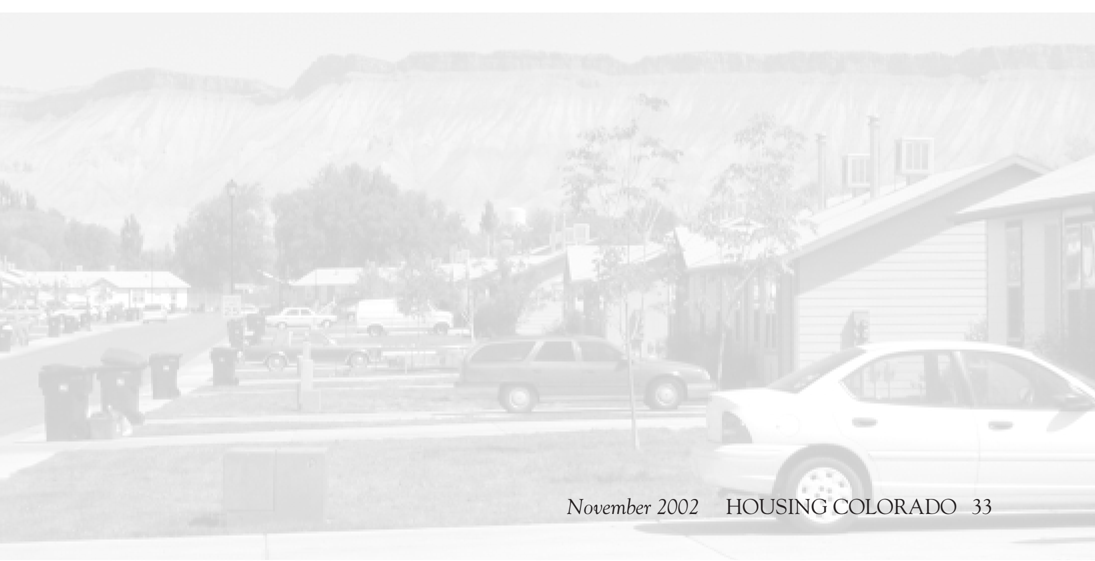
Program Name and Description	Administering Agency	Funding Allocation, FY02
Denver Skyline Trust Fund: Provides funding for down payment assistance loans. The fund was established in 1985 with $11 million in proceeds from land sales within the urban renewal district of the 16tth Street Mall. Activities funded must comply with CDBG guidelines.	City of Denver	$3,348,650
Mile High Housing Fund: Provides 5% interest rate pre-development loans, bridge loans and property acquisition and construction loans to non-profit developers in the metro Denver area. Loans may be used to develop home ownership or rental projects targeting low and moderate-income families.	City of Denver	$4,250,000
Winter Park Affordable Housing Program: The town of Winter Park assesses a $3.00/sq. ft. charge on each new development in the town. Proceeds go to support affordable housing within the town. Builders of single units can apply for exemptions from the Grand County Housing Authority. Developers of larger projects can work with the City Council to provide affordable units in lieu of the fee.	Town of Winter Park	$270,673
Frasier Affordable Housing Program: The town of Frasier assesses a fee on all habitable construction. The fee is used to mitigate the housing need created by the new development. Developers can also choose to enter into an agreement with the town to build affordable units within their development. Proceeds go to support affordable housing.	Town of Frasier	$58,000 (FY01)
Granby Affordable Housing Program: The Town of Granby requires that developers of housing in town develop a plan to provide affordable housing in the community.	Town of Granby	N/A
Grand Lake Affordable Housing Program: The town of Grand Lake assesses an estimated $1.00/sq. ft. charge on all new construction in the town. The fee is ratioed to the I.C.B.O. building valuation index. Proceeds go to support affordable housing. Single family residences that are 800 s.f. or less and multi-family residences of 400 s.f. or less are exempt.	Town of Grand Lake	$40,000
Grand County Affordable Housing Program: Grand County requires that developers of 5 or more housing units develop a plan along with the Grand County Housing Authority to address affordable housing either within their project or within the county at large. These efforts vary from project to project.	Grand County	N/A

Program Name and Description	Administering Agency	Funding Allocation, FY02
City of Boulder Housing Fund: The Boulder City Council has committed general funds for the next six years to support affordable housing initiatives.	City of Boulder	$490,000
Boulder Community Housing Assistance Program (CHAP): Provides funding for the creation of housing affordable to households earning between 30 and 60% of the area median income. Eligible activities include new construction, land banking, and acquisition and rehabilitation of current housing stock. To maintain long-term affordability, low-income housing covenants are placed on both home ownership and rental properties. These covenants cap incomes of future buyers or renters. The fund is capitalized through proceeds from a .8 mill levy property tax and the Housing Excise Tax on new commercial/industrial and residential development. Since 1992, CHAP funds have been allocated along with federal HOME and CDBG funds through the Boulder Housing Funding Program.	City of Boulder Division of Housing	$1,200,000
City of Boulder Inclusionary Zoning Program: The City of Boulder requires 20% of all new residential development to be permanently affordable. Developers have options including onsite development of affordable units, off-site development of affordable units, donations of land off site for affordable development, or payment of cash in lieu. It is anticipated that this program will result in the development of 60–100 permanently affordable units annually without a public subsidy investment.	City of Boulder	$700,000
Boulder Tax and Fee Waivers: The City of Boulder waives excise taxes for all projects that exceed the inclusionary zoning requirements. For every extra permanently affordable unit beyond the requirement, the tax is waived on two units. The City also exempts developers who provide at least 35% permanently affordable units or a mixed use development including residential units from their growth management system.	City of Boulder	N/A
Boulder County Multi-Family Acquisition Program: Boulder County allocates a minimum of $200,000 of general funds each year to the Boulder County Community Services Housing Department to acquire multi-family properties.	Boulder County	$200,000



Program Name and Description	Administering Agency	Funding Allocation, FY02
City of Loveland Affordable Housing Incentives: The City of Loveland offers a variety of incentives to developers and builders of affordable housing within Loveland. These include fast track development review for qualified projects, modification of the development standards, a use tax credit, and density bonuses for qualified projects.	City of Loveland	N/A
The City of Aspen Fee Waiver Program: The City of Aspen provides waivers of water tap fees, building permit fees and plan check fees for deed-restricted affordable housing properties. These include rental and ownership units restricted under agreement with the Aspen/Pitkin Housing office.	City of Aspen	N/A
The Town of Crested Butte Fee Reduction Program: The Town of Crested Butte has a reduced fee basis for water and sewer taps for deed-restricted affordable units. These include rental and ownership units restricted under agreement with the town or the Gunnison County Housing Authority.	Town of Crested Butte	N/A
The City of Durango Fee Waiver Program: The City of Durango reviews affordable deed-restricted rental and ownership projects which request fee waivers, according to established guidelines. Project review fees can be waived and water and sewer tap fees deferred until unit occupancy. Cash contribution may also be made based on availability of City funds.	City of Durango	N/A
The Town of Snowmass Fee Waiver Program: The Town of Snowmass Village provides waivers of water tap fees, building permit fees and plan check fees for deed-restricted affordable housing properties. These include rental and ownership units restricted under agreement with town or the Aspen/Pitkin Housing office.	Town of Snowmass Village	N/A
Snowmass Village Affordable Housing Program: The town of Snowmass Village has an ordinance that requires developers constructing buildings containing certain types of uses to partially mitigate the employee housing impacts of their development. Developers can develop affordable rentals and sell them to the town, own them themselves or sell units at an affordable price to local residents.	Town of Snowmass Village	N/A

Program Name and Description	Administering Agency	Funding Allocation, FY02
The City of Steamboat Springs Affordable Housing Guidelines: The City of Steamboat Springs reviews affordable deed-restricted rental and ownership projects which request concessions, according to established guidelines. Building permit fees can be waived or deferred until occupancy or initial sale, and water and sewer tap fees can be waived or deferred until unit occupancy or initial sale. Density bonus, code variance, fast track approval, and use tax waivers are also available under the guidelines.	City of Steamboat Springs	N/A
Breckenridge Fee Waiver Program: Breckenridge's Town Council has identified affordable housing as a community priority and supports affordable housing through waiver of all city-generated fees. These fees include building and permit fees, planning review fees, water tap fees, and any annexation surcharge. The sewer fee is not waived because the sanitation district charges that fee and it is a separate entity; however, Town Council has authorized Breckenridge to pay the costs of one-half of the sewer tap fee necessary for affordable development. Breckenridge identifies affordable housing as housing affordable to households up to 120% of Area Median Income. Both multi- and single-family affordable housing are eligible for these waivers.	Town of Breckenridge	N/A
Town of Eagle Inclusionary Zoning Program: The town of Eagle requires a 10% inclusionary set aside of affordable housing for those developments exceeding 10 units. There is no income qualification required to buy the deed-restricted units. Developers may not pay a fee in lieu of providing the units.	Town of Eagle	N/A
Town of Telluride Affordable Housing Program: The town of Telluride has an ordinance that requires developers constructing buildings containing certain types of uses to partially mitigate the employee housing impacts of their development. Developers can develop affordable rental or for sale units, or in some cases make payments in lieu of construction to the town.	Town of Telluride	N/A
City of Brighton Affordable Housing Program: The City of Brighton may choose to grant density bonuses for all new single-family and multi-family dwellings in residential developments. 10% of units must be set aside for seniors, be accessible, or be affordable.	City of Brighton	N/A



■ Exhibit B: Municipal/County Development Charges 2002

Single family residence, within the municipality where it applies, with Actual Construction Costs of $100,000

						Fee in Lieu of Land Dedication					Municipal/ County Use Tax on Construction Materials		
Community	Water $	Sewer $	Traffic Impact $	Storm Drainage $	Park/ Rec $	Park/ Open Space $	School $	Other $	Building Permit $	Plan Check $	%	$	Total $
Alamosa	1,500	1,000	0	0	0	1,875	0	0	499	249	2%	1,000	6,123
Arvada*	8,915	2,475	3,033	0-4, 181	1,000	4,000	3,020	0	969	470	3.21%	1,605	23,867
Aurora*	7,121	2,620	125	258	810	1,000	333	14	994	675	3.75%	1,875	15,825
Boulder*	6,750	1,292	1,634	1,582	1,852	0	1,425	4,594	1,029	257	3.26% .35%	1,830	22,245
Canon City	2,762	1,500	0	0	500	0	0	*	887	557	2-1.5%	1,750	7,942
Colo. Springs*	3,921	910	0	1,650	0	888	764	3076	562	0	2.10%	1,050	12,821
Denver	9,800	5,000	0	0	0	0	0	*	920	0	3.5%	1,750	17,120
Durango	4,326	1,535	922	0	0	300	322	0	990	0	2.5%	1,250	9,685
Eagle*	2,400	3,500	922	0	0	0	0	0	994	646	4%	2,000	10,463
Fort Morgan	5,744	1,200	0	0	0	0	0	0	560	0	3%	1,500	9,004
Grand Junction*	1,000	1,000	500	0	225	0	292	1,545	600	0	2.75% 2.00%	2,375	8,170
Greeley	8,000	2,350	720	500	2,000	200	0	488	640	100	3.0%	1,500	16,498
Kiowa*	3,200	3,000	0	800	0	0	500	250	994	645	0%	0	9,339
La Junta	1,500	500	0	0	0	0	0	0	895	0	3.25% 1%	2,125	5,020
Lakewood	5,290	2,870	0	0	750	0	1,133	0	803	522	1%	500	11,868
Longmont*	7,650	3,285	657	270	3,024	0	615	1,714	1,142	572	2.95% .40%	1,700	20,629
Loveland*	2,750	1,820	1,814	1,645	1,438	0	688	8,988	678	338	3% .8%	1,900	22,059
Montrose*	1,420	2,320	0	0	0	0	488	0	994	497	3% 1%	1,929	7,648
Pueblo*	2,527	640	0	0	0	1,600	0	0	655	49	3.5%	1,750	7,277
Trinidad*	1,601	1,500	0	0	0	0	0	0	994	248	4%	2,000	6,343
Westminster	9,562	2,418	0	0	1,518	1,381	876	*	982	638	3.25%	1,625	19,000
Adams	South Adams Water 8,058	South Adams Sewer 3,058	0	0	0	0	0	1,599	994	646	0	0	14,355
Arapahoe*	Cherry Creek Valley Water 11,000	Cherry Creek Valley Sewer 2,545	750	900	0	710	806	138	887	577	0	0	18,313
Boulder	Hoover Hill Water District 2,000	Hoover Hill Sewer District 2,000	0	0	0	No fee for SFR	No fee for SFR	5,150	1,167	0	.35%	175	10,492
Denver	See City of Denver												
Douglas	Special District (S.D.) 6,750	S.D. 4,429	0	S.D. 632	0	formula	formula	4,073	1500	0	.5%	500	17,884
Eagle	Eagle River W&S 8,445	Eagle River W&S 5,276	1,600	varies	varies	varies	varies	2,590	994	646	0	0	19,551

1. Arapahoe County — Uses urban averages
2. Arvada — Sewer, Arvada Tap Fee = $1100, Metro Wastewater Fee also collected $1375; Storm Drainage ranges from 0–$4181 depending on drainage basin; Plan Check Fees are 65% of building permit; Use Tax for one-half of valuation x.3.21%.
3. Aurora — assumes 6 housing units per acre; fee in lieu of park land: estimate 6% or 1,000; fee in lieu of land: estimate 2%, or $333, traffic impact: $600 per acre.
4. Boulder — Other Fees, Energy Code Calculation fee $28.75; Curb and sidewalk fee $80 assumes 75ft. running length; permit for ROW $30; Trench excavation $60, assumes 75 ft. running length; Street, parking or alley $90; Valve box and valve $60; Fitting $30; Electrical permit $44; Fee for electrical labor, installation and materials $44; mechanical permit $17.20; Plumbing fee $59.40; Land use regulation use review fee $1,350 Floodplain development permit $750; Development Excise Tax, $4594.

■ Exhibit B: Municipal/County Development Charges 2002 (continued)

Single family residence, within the municipality where it applies, with Actual Construction Costs of $100,000

Community	Water $	Sewer $	Traffic Impact $	Storm Drainage $	Park/ Rec $	Fee in Lieu of Land Dedication: Park/ Open Space $	Fee in Lieu of Land Dedication: School $	Other $	Building Permit $	Plan Check $	Municipal/ County Use Tax on Construction Materials %	Municipal/ County Use Tax on Construction Materials $	Total $
Elbert (No report)	Special District, municipality or well	Special District, municipality or septic	0	0	0	0	0	55	727	470	0	0	1,252
El Paso (No report)	Academy W&S 4,000	Academy W&S 5,000	0	183 to 1,232	No fee for SFR	No fee for SFR	102–169	1,057+	608	0	1%	500	12,566
Jefferson	Special District 2,500	Special District 2,575	1,426	0	0	formula	formula	1,124+	994+	0	.5%	250	8,869
La Plata	El Rancho Florida Metro District 6,673	El Rancho Florida Metro District lagoons 1,680	0	0	0	0	60–150	180+	639	0	0	0	9,232
Larimer	Spring Canyon Water 4,000	Spring Canyon Sewer 1,500	1,913	Municipal Rate	0	320	701	0	varies w/project	0	.65%	325	8,759
Las Animas (No report)	Special District 4,400	City of Trinidad 3,000	pending	0	0	0	varies on area	*	994	0	1%	500	8,894
Mesa	City of Grand Junction 1,000 Ute Water Conservancy District 5,000	Fruitvale Sewer Dist. 1,000	0	0	0	0	0	1,928+	436	0	2%	1,000	10,364
Montrose	Tri-County Water 3,700	West Montrose Sanitation District 2,000	860	0	part of fee in lieu	27	53	393	639	415	1%	500	8,587
Morgan	Morgan Co. Quality Water District 5,385	Municipal Sewer 1,200	BOCC	0	0	0	0	2,265	100	0	0	0	8,950
Pueblo	Avondale Water District 3,500	Avondale Sewer District 1,500	0	0	No fee for SFR	No fee for SFR	No fee for SFR	895	655	25	0	0	6,575
Weld	Dacono 10,000	Dacono Special District 4,070	0	0	0	0	0	2,879+	887	288	0	0	18,124

5. Colorado Springs — Engineering Fees $45, Subdivision Inspection Fee, $45; Scenario from municipality's documentation, $2,559 Total Other: $3,076.
6. Grand Junction — Traffic Impact – $500 per lot; Added School fee in Lieu of Land,; Building permit charge $600, based on 1200 square feet. Other fees: site plan review $100; preliminary plan $600, final plan $740, utilities composite, $25; off-site improvements $40, final inspection, $40.
7. Kiowa — Added Storm Drainage Fee, $800; Added Building Permit, $994 and Plan Check, $645.
8. Longmont — Water, Assumes 8,000 sq. ft. Lot, Formula is $3360 +$.41 per sq. ft of lot + $970 surcharge., Added Traffic Impact Fee, increased Use Tax.
9. Loveland — All fees are reviewed annually; Water fee , $2520 + Raw Water, $1,000; traffic impact (low density)$2229; Parks and recreation includes parks, $1,436, recreation, $799 and trails $24; building permit fee includes structural permit, electrical permit; mechanical permit, plumbing permit; other development fees: PIF electrical $150; CDF fire protection, $403, CDF law enforcement, 136; library, $228; museum, $223 general government, $485.
10. Mesa County — now charges a building permit fee of $436.
11. Montrose — Use Tax decreased by .5%
12. Pueblo (City) — Use Tax on Construction Materials: City now collecting an additional 1% for County.
13. Trinidad — Use Tax is 1% for the County and .5% for the City.
14. Eagle County — Eagle River Water & Sanitation District: Water $2.70 x 1200 sq. ft. (assumed) =$3,240; Sanitation 1.59 x 1,200 sq. ft. (assumed) = $1,908.

■ Exhibit C: Summary of DOH Funded Projects (FY02)

New Construction Projects Statewide

Project Name	Total Cost	No. of Units	Per Unit Cost						
			Land Cost	Hard Cost	Soft Cost	Interim Financing Cost	Public Fees	Local Gov't Contribution	+/-
Park Ave. West Residences	$20,869,323	122	$15,735	$139,242	$31,818	$3,380	$2,500	$7,951	+$55,451
Greccio The Cedars (New Construction)	$891,749	7	$6,429	$104,109	$23,284	$4,034	$3,337	$25,000	+21,663
Harvest Gold Loveland H.A.	$6,725,501	56	$7,321	$104,293	$18,184	$3,325	$9,821	$7,142	-$2,679
Plaza del Sol Greeley	$4,552,458	42	$7,762	$91,401	$16,990	$595	$5,714	$15,000	+$9,286
Brisben Waterford Place	$13,573,095	128	$4,688	$84,131	$18,003	$5,053	$11,093	$2,344	-$8,749
Colorado Blue Sky	$475,244	4	$1,250	$110,229	$8,583	$0	$8,775	$11,250	+$2,475
Family Crisis Services	$375,575	14	$3,536	$22,250	$1,041	$0	$1,207	$179	-$1,028
Fountain Ridge Apts.	$7,748,489	75	$5,600	$76,525	$26,778	$4,205	$652,240	$0	-$8,697
Hughes Station	$13,575,224	120	$8,333	$85,474	$27,653	$3,750	$9,485	$12,675	+$3,190
Prairie Creek	$1,898,950	24	0	N/A	$69,994	$9,129	$2,404	$6,250	+$9,249
VOA Montbello	$7,233,716	79	$7,861	$81,653	$9,913	$6,329	$2,423	$6,835	+$4,412
Corum Group Buffalo Ridge	$37,293,486	244	$1,600	$100,744	$31,606	$19,509	$5,304	$21,721	+$16,617
Quail East Longmont H.A.	$32,446,272	182	$10,769	$146,656	$31,620	$9,252	$12,000	$6,604	-$5,396
Renaissance at Lowry	$14,286,317	120	$8,167	$98,404	$20,655	$3,091	$4,892	$8,333	+3,441
Community Assisted Living	$2,129,848	29	$50,168	$51,782	$21,661	$63,600	$793	$6,202	+$5,409
Springtree Village Cordes Develop	$2,594,140	28	$10,000	$75,190	$17,458	$3,132	$4,665	$12,143	+$7,478
Dry Gulch & Wildfire	$16,513,465	152	$4,138	$107,846	$30,813	$3,563	$7,807	$2,362	-$5,445
Middle Creek Village	$31,424,306	142	$70,422	$188,014	$33,284	$13,818	$2,506	$74,261	+$71,755
1575 Kipling	$9,648,004	70	$5,714	$112,017	$20,097	$2,686	$6,160	$15,714	+$5,714

Rehabilitation Projects Statewide

Project Name	Total Cost	No. of Units	Per Unit Cost						
			Building Acquisition Cost	Hard Cost	Soft Cost	Interim Financing Cost	Public Fees	Local Gov't Contribution	+/-
Uptown Partnership 1135 Logan	$1,556,228	35	$42,286	$42,286	$2,178	$824	0	$9,760	+$9,760
Garfield Apartments Uptown Partnership	$1,431,500	36	$34,722	$37,280	$2,484	$110	0	$4,583	+$4,583
City of Pueblo H.A. Santa Fe	$5,019,675	30	$21,667	$146,680	$20,643	$60,000	0	$21,667	+$21,667
Garden Village Apartments (TEO)	$4,437,100	91	$32,967	$39,567	$9,192	$8,033	0	$2,198	+$2,198
Park Meadows Apartments (RMCLT)	$3,488,000	60	$51,667	$51,667	$7,283	0	0	$6,450	+$6,250
Neighbor to Neighbor	$833,076	12	$64,375	$66,958	$2,465	0	0	$16,667	+$16,667
Homeward Bound	$78,503	N/A	$15,600	$97	$113	$9,700	113	$9,700	+$9,588
Mercy Housing Bronze Tree	$4,500,000	171	$21,930	$21,944	$4,371	$43,000	0	$1,170	+$1,170
Grand Junction H.A.	$892,846	87	$9,195	$9,619	$643	0	0	$2,356	+$2,356
Anchor Communities 1555 Lafayette	$1,761,726	16	$62,500	$82,133	$27,975	$5,448	0	$21,277	+$21,277
Boulder Housing Partners (BHP)	$3,654,264	36	$95,000	$96,859	$4,649	0	0	$25,500	+$25,500
Sleepy Willow	$5,400,000	95	$55,263	$55,263	$1,759	0	0	$6,842	+$6,842
House of Hope (Family Resource Center)	$403,000	45	$8,770	$8,778	0	0	0	$2,222	+$2,222

Colorado Division of Housing

Housing Colorado: The Challenge for a Growing State

November 1, 2002

Supporting documents for this report may be obtained from:

Colorado Division of Housing
303-866-2033
1313 Sherman Street, Room 518
Denver, CO 80203

Included as attachments to this report are:

- Estimates of Income for Colorado Households
- Housing Needs Inventory and Analysis
- Cost of Housing Analysis for Colorado Counties
- What is Affordable in Your Community
- Surveys of Municipalities

The entire report and attachments are also available, along with other affordable housing information at the Division of Housing website: www.dola.state.co.us/doh/index.htm

Department of Local Affairs
Division of Housing
1313 Sherman Street, Room 518
Denver, Colorado 80203
303-866-2033

M# 320000511