

STATE OF COLORADO
FIVE-YEAR CONSOLIDATED PLAN
and
ANNUAL ACTION PLAN
2010 - 2015

Governor Bill Ritter, Jr.



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EXECUTIVE SUMMARY

Colorado Department of Local Affairs

Background on the Consolidated Plan

In 1995, the U.S. Department of Housing and Urban Development (HUD) began requiring states to prepare a Consolidated Plan in order to receive federal housing and community development funding. The Plan consolidates into a single document the previously separate planning and application requirements for Community Development Block Grants (CDBG), Emergency Shelter Grants (ESG), the HOME Investment Partnerships Program, and Housing Opportunities for People with AIDS (HOPWA). The State of Colorado, Department of Local Affairs (DOLA) must prepare a Consolidated Plan every three to five years, with updates on an annual basis.

The purpose of the Consolidated Plan is: (1) To identify a state's housing and community development (including neighborhood and economic development) needs, priorities, goals and strategies; and (2) To stipulate how funds will be allocated to housing and community development activities.

This report is the FY2010–2015 Five-year Consolidated Plan for the State of Colorado as a recipient of federal CDBG, HOME, ADDI, ESG and HOPWA funding. In addition to the Consolidated Plan, states receiving block grant funding must complete an annual Action Plan. The Action Plan designates how states propose to spend the federal block grant funds in a given program year.

A Consolidated Annual Performance and Evaluation Report (CAPER) is also required yearly. The CAPER reports on how funds were actually spent (versus proposed), the households that benefitted from the block grants and how well the State met its annual goals for housing and community development activities.

The State of Colorado FY2010–2015 Consolidated Plan was prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development's Consolidated Plan regulations.

In FY2010 the State expects to receive more than \$19.1 million in HUD block grants:

HUD Formula Funds Administered by the Department of Local Affairs	Estimated Amount
Home Investment Partnership Funds (HOME)	\$7,268,808
Emergency Shelter Grant (ESG)	\$946,933
Community Development Block Grant (CDBG)	\$10,546,315
Housing Opportunities for Persons with AIDS (HOPWA)	\$400,000

Lead and Participating Organizations:

The Colorado Department of Local Affairs (DOLA) is the lead organization in development of the Five Year Consolidated Plan and Annual Action Plan, along with two of its divisions: Division of Housing (DOH) and the Division of Local Government (DLG).

Evaluation of Past Performance

DOLA provided many tools during the past five years to create and preserve jobs, build or improve community development infrastructure and to newly construct or rehabilitate units of affordable housing in Colorado. These tools included workshops designed to build capacity and trainings to promote appropriate implementation of HUD regulation. This training enables grantees to maximize program effectiveness and direct funding to projects that meet our underwriting requirements.

Economic conditions and market fluctuations created challenges to which the State responded during that five-year cycle. Overall, the goals and objectives of the previous plan were successfully achieved and in many instances exceeded. For example, by the fourth-year mark, the State accomplished 119 percent of its goal to create housing for the homeless (Target: 358 units, achieved 425); the single-family owner occupied rehabilitation program achieved 116% of its goal (Target: 500 units, achieved 580). Because of excess units in many market areas, DOLA funded new construction only in areas highly impacted by growth or tight market conditions.

In 2008, DOLA used \$4,717,447 in CDBG funds for public facility projects including two child care centers, one domestic violence shelter, three health facilities, one human services building, two water projects, one wastewater project and one community center for a total of eleven facilities.

DOLA also funded six economic development projects, including four revolving loan fund programs and two infrastructure grants to promote job creation for businesses. The total spent on these activities was \$2,267,000. In 2009, DOLA funded seven revolving loan funds for a total of \$4.9 million dollars.

In funding housing projects, the department emphasized rehabilitation and refinancing of existing projects and opportunities to add existing market rate projects to the affordable housing inventory. In 2009, the DOH responded to the housing foreclosure issue by collaborating with financial institutions and foundations to create a toll-free statewide foreclosure hotline funded with private contributions. The State funded housing needs assessment for non-entitlement jurisdictions to enhance the ability of local communities to understand and respond to their housing market conditions.

The table below shows DOLA 2005-2009 performance by HUD objective.

Availability/Accessibility of Decent Housing (DH-1)						
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)
Permanent Supportive Housing for Special Needs (Excluding HIV/AIDS and Homelessness)	HOME CDBG CO-HDG	2005	Number of Units	79	77	19.5%
		2006		79	79	39.5%
		2007		79	0	39.5%
		2008		79	152	77.9%
		2009		79		%
FIVE-YEAR GOAL				395	308	77.9 %
Rental Assistance for Homeless, HIV/AIDS/Special Needs	HOME HOPWA	2005	Number of Households	225	251	17.6%
		2006		300	358	42.7%
		2007		300	334	51.3%
		2008		300	212	81.1%
		2009		300		%
FIVE-YEAR GOAL				1425	1155	81.1%

Single Family Owner Occupied Rehab	HOME CDBG	2005	Number of Units	125	144	28.8%
		2006		125	176	64.0%
		2007		125	107	85.4%
		2008		125	153	116 %
		2009		125	42	124 %
		FIVE-YEAR GOAL			500	622
Analysis of Impediments to Fair Housing	HOME CDBG CO-HDG	2005	Number of Organizations Participating	--	3	7.5%
		2006		10	5	20%
		2007		10	24	80 %
		2008		10	0	80 %
		2009		10		%
		FIVE-YEAR GOAL			40	32
Rental Rehabilitation only	HOME CDBG CO-HDG	2005	Number of Households	--	--	%
		2006		--	--	%
		2007		60	148	82.2%
		2008		60	62	117%
		2009		60		%
		FIVE-YEAR GOAL			180	210
Assist Urgent Community Needs in the Event of an Emergency	HOME CDBG CO-HDG	2005	Number of Households Assisted	--	--	%
		2006		8	8	25%
		2007		--	--	%
		2008		8	--	%
		2009		8		%
		FIVE-YEAR GOAL			32	8
CHDO Operating	HOME	2005	Number of Grants	5	6	24%
		2006		5	7	52%
		2007		5	6	76%
		2008		5	12	124%
		2009		5		%
		FIVE-YEAR GOAL			25	31
Affordability of Decent Housing (DH-2)						
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)
New Construction of Rental Units	HOME CO-HDG	2005	Number of Units Assisted	500	644	25.8%
		2006		500	667	52.4%
		2007		500	183	59.8%
		2008		500	475	78.8%
		2009		500		%
		FIVE-YEAR GOAL			2500	1969
Acquisition and Rehab of Rental Units	HOME CDBG CO-HDG	2005	Number of Units Assisted	350	243	13.9%
		2006		350	487	41.7%
		2007		350	427	66.1%
		2008		350	356	86.5%
		2009		350		%
		FIVE-YEAR GOAL			1750	1513
Homeownership Opportunities for Low-and Moderate-Income Households	HOME CDBG CO-HDG	2005	Number of Households Assisted	200	274	27.4%
		2006		200	245	51.9%
		2007		200	184	70.3 %
		2008		200	212	91.5%
		2009		200		%
		FIVE-YEAR GOAL			1000	915
Homeless Prevention	ESG CDBG HOPWA	2005	Number of Persons Avoiding Homelessness	600	6200	%
		2006		600	7334	%
		2007		600	2299	%
		2008		600	5687	%
		2009		600		%

		FIVE-YEAR GOAL		2400	*21520	%
Homeownership Development	HOME CO-HDG	2005 2006 2007 2008 2009	Number of Units Developed	10 10 10 10 10	0 0 79 60	0% 0% 158% 278% %
		FIVE-YEAR GOAL		50	139	278%
Land Trusts	HOME CO-HDG	2005 2006 2007 2008 2009	Number of Units	-- -- 8 8	-- -- 15 0	% % 37.5% % %
		FIVE-YEAR GOAL		40	15	37.5%
CHDO Pre-development	HOME	2005 2006 2007 2008 2009	Number of grants	-- -- 3 3	-- -- 1 --	% % 16.7% % 33.3%
		FIVE-YEAR GOAL		6	2	33.3%
Sustainability of Decent Housing (DH-3)						
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)
Foreclosure Prevention	CDBG	2005 2006 2007 2008 2009	Number of Households Assisted	10 10 1000 1000 1000	10 10 1000 4000	% % % % %
		FIVE-YEAR GOAL		3020	5020	%
Housing Needs Assessments	CDBG	2005 2006 2007 2008 2009	Number of Assessments	2 2 10 15 15	3 0 9 12	7% 7% 27.3% 54.5% %
		FIVE-YEAR GOAL		44	24	54.5%
Availability/Accessibility of Suitable Living Environment (SL-1)						
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)
Essential and Supportive Services	CDBG ESG HOPWA	2005 2006 2007 2008 2009	Number of homeless people receiving help	4000 4000 4000 4000 4000	15724 15322 15662 23823	% % % % %
		FIVE-YEAR GOAL		20000	*70531	%
Transitional or Shelter	HOME CDBG	2005 2006 2007 2008 2009	Number of homeless and transitional beds created	118 60 60 60 60	311 26 77 11	86.9% 94.1% 115.6% 119.0% %
		FIVE-YEAR GOAL		358	425	119.0%
Permanent Supportive Housing	HOME CDBG	2005 2006 2007 2008 2009	Number of supportive housing units created	5 5 8 8 8	5 0 0 152	14.7% % % 461% %

				FIVE-YEAR GOAL	34	157	461 %
Sustainability of Suitable Living Environment (SL-3)							
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)	
Construction or Reconstruction of Public Facilities that Primarily Benefit Low-Moderate Income Persons	CDBG	2005	Number of Facilities Constructed or Improved	8	17	42.5%	
		2006		8	7	60.0%	
		2007		8	11	87.5%	
		2008		8	11	115.0%	
		2009		8		%	
FIVE-YEAR GOAL				40	46	115.0%	
Availability/Accessibility of Economic Opportunity (EO-1)							
Specific Annual Objective	Source of Funds	Year	Performance Indicators	Expected Number	Actual Number	Percent Completed (of 5-Yr. Goal)	
Fund Economic Development Activities that Create or Sustain Jobs	CDBG	2005	Number of Jobs	200	239	23.9%	
		2006		200	137	37.6%	
		2007		200	235	61.1%	
		2008		200	57	66.8%	
		2009		200		%	
FIVE-YEAR GOAL				1000	668	66.8%	

- Numbers as reported by homeless shelters and service agencies, and include multiple counts of the same people. Efforts are underway to upgrade data collection so that unduplicated counts are possible.

Demographic and Economic Factors in the State of Colorado

Population Change. The U.S. Census Bureau estimates the State's 2008 population at 4,939,456 up from 4,842,770 in 2007, due to a natural increase of 44,258 and 52,393 in net migration. Colorado's population grew an average of 1.7 percent per year from 2005 to 2010, and is expected to grow at an average rate of 2.0 percent for the period of 2010-2015 (Source: Colorado Department of Local Affairs, Office of Demography, 2009).

Colorado's net migration is strongly related to job growth. Most of the recent and expected growth in Colorado is due to increases in energy-related businesses, tourism, and national/regional service industries, as well as retirees (Source: State Labor Supply Force and Demand Sheet, Office of Demography).

Aging Population

As a whole, the distribution of Colorado's age is older than in the 2000 Census. The estimated median age is 36.4 years for 2010; in 2000, the median age was 34.4 years.

According to the State Demographer, the largest single factor affecting demographic trends in Colorado is the aging of the "Baby Boomers" (those born between 1946 and 1964). Between 2000 and 2010, Colorado's population 55 - 64 has grown at 5.9 percent per year vs. 3.9 percent for this U.S. age group, increasing by over 75 percent

from 342,000 in 2000 to 607,000 in 2010. Between 2000 and 2030 the population over 65 is forecast to triple from 400,000 to 1.2 million.

“Baby Boomer” retirees are wealthier and healthier than any previous generation to retire, and as such will demand increased services. While many will remain in the labor force for longer periods of time than previous generations, we expect that between 2010 and 2015 the number of persons leaving the labor force will exceed those entering.

Between 2010-2015, the population aged 25 to 34 years old will increase by more than 14 percent, pushing housing demand higher through the formation of new households. The Colorado State Demographer estimates that by 2010 there will be 790,423 persons in this age group, most of whom will choose a life partner and establish a new residence. This event will likely spur a need for starter homes and apartments.

Household Composition

- ❖ Percent of single-parent households in Colorado = 14.1 percent versus 12.46 percent for the U.S.; In Colorado 69 percent of single-parent households were female-headed versus 73 percent in the U.S
- ❖ The percentage of children living in single parent families in Colorado is 27 percent versus 32 percent in the U.S.
- ❖ In Colorado, 43.6 percent of grandparents responsible for grandchildren versus 40.6 percent in the U.S.
- ❖ In Colorado, 33.7 percent of households had one or more people under 18 years compared to 34.3 percent in the U.S.
- ❖ Percent of household with one or more people 65 years and over = 10.2% in Colorado versus 12.6% in the U.S.

Education

Colorado’s population is highly educated (ACS 2008), with many workers employed in the high number of managerial and professional occupations. According to the Census, in 2000, 35 percent of the total population over 25 years of age had a bachelor’s degree or higher in Colorado versus a rate of 27.5 percent in the U.S.

Immigration

According to the ACS (2008), about ten percent of the State’s 2007 population was born outside of the U.S. Of those born outside the U.S., about 59 percent were born in Latin America and 20 percent were born in Asia.

Ethnicity

Projections on the ethnic makeup of Colorado’s population are available to 2020 (DOLA, 2008). The Non-Hispanic White share of the state’s population is projected to decline from 74.2 percent in 2005 to 71.2 percent in 2020. Total minority share is projected to increase from 25.8 percent in 2005 to 28.8 percent in 2020. Colorado’s Hispanic population will be the fastest growing ethnic group in annual average percent change from 2005 - 2020.

Economy

Like much of the country, Colorado has experienced an economic downturn. The recession that officially began in the U.S. at the end of 2007 didn’t hit Colorado until the third quarter of 2008. The effects of the recession on Colorado have generally not

been as severe as in many other states, for example unemployment in the state has leveled off at around 7.5%, while the rest of the country has averaged 10%.

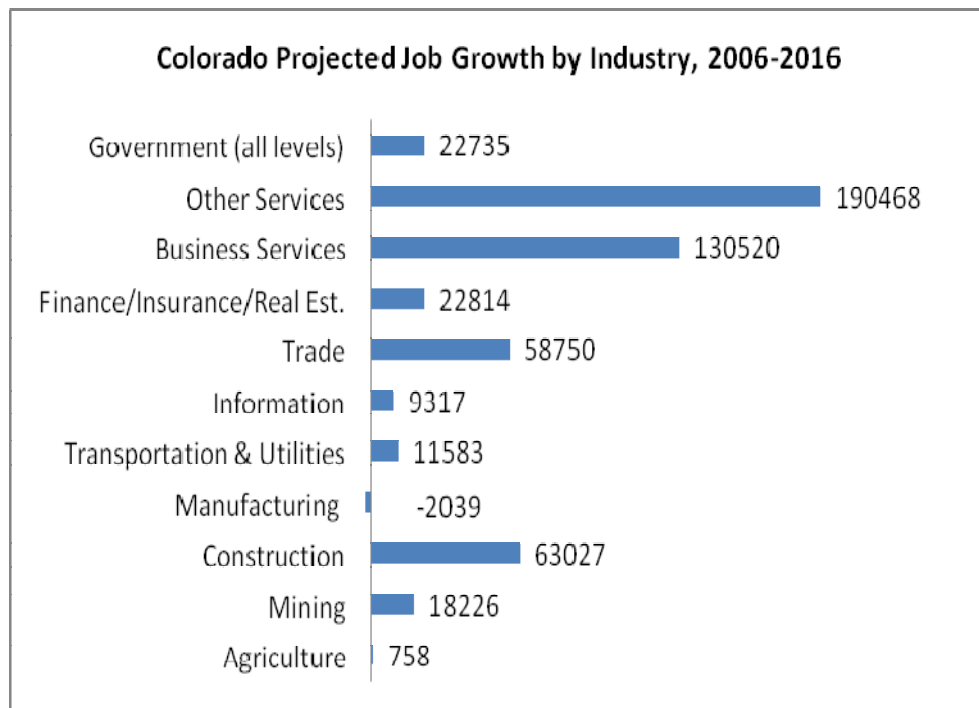
Colorado median family income is \$71,000 for 2009 according to HUD. Median family income in Colorado grew 29.3 percent from 2000 to 2009, slightly better than the US as a whole, which posted a 27.5 percent growth rate over the decade.

Colorado still has a lower unemployment rate than the US as a whole. For 2009, Colorado is expected to average 7.2 percent unemployment compared to the US average of 9.4 percent.

The Governor's Office of Economic Development and International Trade (OEDIT) has determined that the following five industries have the most potential for growth. Some are not well suited for growth in rural areas, although that may change over time.

- ❖ Tourism
- ❖ Information Technology
- ❖ Aerospace
- ❖ BioScience
- ❖ Renewable energy

The service and trade industries continue to be the largest employment sectors in the state. These two industries are projected to grow more than any other between 2006 and 2016. The Colorado Department of Labor and Employment expects approximately 57 percent of new jobs to be in the services sector.



Department of Local Affairs, 2009

Incomes

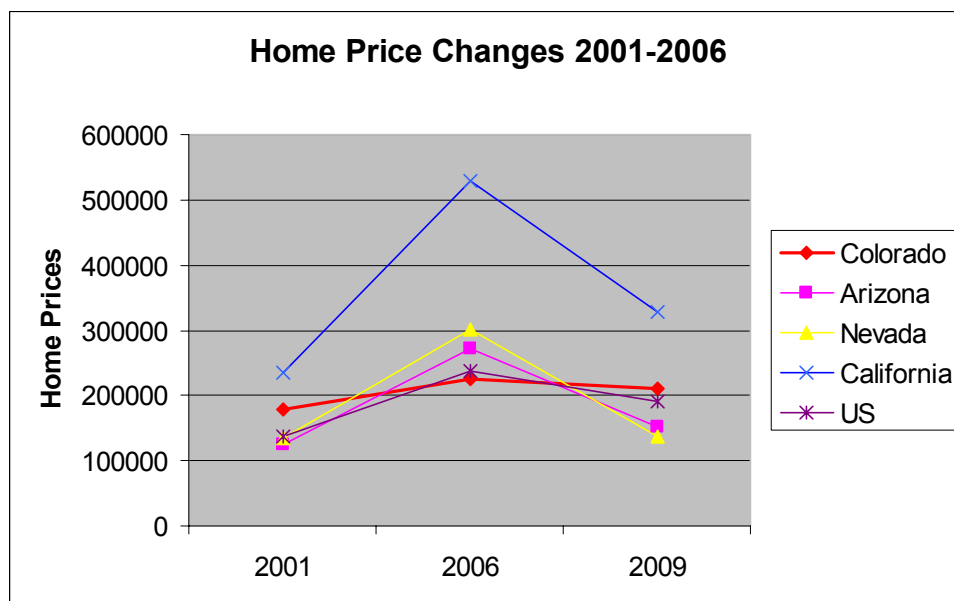
Median incomes vary by region in Colorado. The Northern Mountain Region, which includes most of the state's largest ski areas, had the highest median incomes of any

region of the state. The major metropolitan areas along the Front Range also had relatively high incomes, with medians near or above \$60,000. Although median incomes in many rural areas are close to \$40,000, housing and other costs are generally lower in these areas as well.

Owner households have a higher median income than renters. As of January 1, 2009, the Center for Business and Economic Forecasting found that median owner income in Colorado was \$72,905, while the median renter income was \$36,310.

Housing Market

As illustrated in the graph below, housing markets in Colorado avoided the rapid run-up in prices experienced by some other western states, and thus also largely escaped the plummeting values of the past couple of years. It is important to note, however, that household income is still static, (see Exhibit 22) and housing remains expensive for those with the lowest incomes.



Source: www.zillow.com, Real Estate Market Reports

Sustainability

Working with the U.S. Department of Urban Development, Colorado Department of Transportation, state and local jurisdictions, councils of government and economic development entities, DOLA will encourage sustainable patterns of development in urban and rural areas of the State, including transit oriented development, efficient land use, natural resource conservation, economic development and downtown revitalization, historic and cultural preservation, job creation and preserving community identity.

DOLA's Seven Principles of Sustainability

- ❖ Increase economic competitiveness
 - Invest in education and training, attract and position employment centers near housing and transit, expand business access and promote rural economic development that preserves and enhances community identity
- ❖ Promote equitable, affordable housing

- Identify, encourage and invest in quality, energy efficient, affordable housing near jobs, shopping and recreation amenities
- ❖ Support existing communities
 - Strategically optimize goal driven infrastructure funding to maximize investment, support long term viability and revitalize communities
- ❖ Provide more transportation choices
 - Improve safe, reliable and affordable transportation choices to reduce traffic congestion and improve air quality; create transit-oriented neighborhoods with biking and walking opportunities
- ❖ Conserve, responsibly utilize and protect valuable resources
 - Protect clean water, land and air; focus on investments in energy efficiency and renewables
- ❖ Value healthy communities and neighborhoods
 - Support unique community characteristics by investing in healthy, safe, walkable neighborhoods, quality schools and prosperous, sustainable neighborhoods
 - Provide more transportation choices
 - downtowns
- ❖ Enhance integrated planning and investment

Two of DOLA's divisions, Housing (DOH) and Local Government (DLG), collaborate with the Governor's Office of Economic Development and International Trade to plan actions to enhance the housing, community and economic well-being of Colorado's communities. Together they collaboratively create Consolidated Plan Strategies.

Citizen Participation Process

The DOLA Strategic Plan is the overarching framework from which the State's housing, community and economic development goals derive.

DOLA combined internal and external expertise to create a draft framework for its Five-Year Consolidated Plan. Consultation with other State agencies and stakeholder groups occurred from August to November 2009. During the process, each division consulted with non-entitlement local governments and nonprofit organizations about the proposed method of distribution of funds. In September and October 2009, the State held focus groups to discuss the housing and community development needs of specific populations, including HIV/AIDS providers, homeless service agencies, financial institutions, the disability community, faith-based organizations, local jurisdictions and economic development districts.

DOLA provided an online survey for local, State and federal government officials, councils of government, self-employed individuals, housing authorities, nonprofit organizations, advocacy groups, private consulting firms, businesses and private citizens.

Respondent category	Number of Respondents
State government	7
Federal government	5
Local governments	54
Self-employed individuals	35
Non-Profit Organizations	89
Private consul	11
Business	10
Other	30
Advocacy groups	2
Citizens	26

Source: DOLA October 2009

DOLA held two public hearings in December 2009 to present the plan to the public, with copies of the draft plan available on the internet and in hard-copy format. Testimony from 28 people has been considered and incorporated into the final plan. Public hearing presentations incorporated internet technology to encourage citizen participation. The State posted the final plan on its website at www.dola.colorado.gov for thirty days and received written input. The public's comments were recorded and incorporated into DOLA's final document.

Prioritizing Goals and Setting Benchmarks

In prioritizing our goals and setting annual benchmarks for the consolidated plan, the Division of Housing considered several factors:

- ❖ the survey results (below),
- ❖ the most recent available data on housing inventory and markets,
- ❖ the amount of available funding,
- ❖ the best use of that funding to provide the greatest long-term benefit to those most in need, including sustainability considerations
- ❖ the history, for each project type, of applications received, number of units produced and the cost of each type of unit.

The Division of Local Government estimates its benchmarks for the use of CDBG funds based on historical data of projects funded and the number of persons the project served in the previous consolidated plan period.

Top Housing and Community Development Needs from Survey:

In October 2009, DOLA conducted an online survey of local, State and federal government officials, self-employed individuals, housing authorities, nonprofit organizations, advocacy groups, private consulting firms, businesses and private citizens. Two hundred and fifty eight (258) persons responded from urban and rural areas.

Survey participants identified the top five needs (most often selected) of their communities as follows:

1. Affordable Housing 185 (16%)
2. Transportation 120 (11%)
3. Economic Assistance for Small Business Development/Business Retention 105 (9%) tie
3. Homeless Services/Shelters 106 (9%) tie
4. Neighborhood Renewal or Revitalization 101 (9%)
5. Public Facility/Capital Improvements 67 (6%)

To further refine the priority of needs for affordable housing, the survey asked that respondents rank housing rental and homeowner needs. Responses follow:

Type of Rental Housing Activity	High Need	Moderate Need	Low Need
High Need			
Rental Assistance	66%	26%	8%
Energy Efficiency Improvements	54%	38%	7%
Transitional Housing for the Homeless	44%	30%	26%
Moderate Need			
Rental Housing for Small families (2 to	33%	55%	12%
Handicapped Accessible Housing	29%	55%	17%
Rental Housing for the Elderly	31%	54%	15%
Acquisition of Existing Units	28%	49%	23%
Rental Housing for Large Families (5 or	39%	48%	13%
Rehabilitation of Existing Units	41%	45%	14%
Low Need			
New Construction	28%	39%	36%
Rental Housing for Migrant Workers	6%	28%	66%
Type of Homeownership Activity	High Need	Moderate Need	Low Need
High Need			
Foreclosure Prevention	65%	28%	7%
Energy Efficiency Improvements	50%	41%	9%
Down Payment/Closing Cost Assistance	44%	44%	12%
Pre-purchase Homebuyer Counseling	44%	43%	13%%
Moderate Need			
Handicap Modifications	20%	59%	21%
Rehabilitation	34%	54%	17%

Source: Department of Local Affairs Consolidated Plan Survey, October 2009

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Strategic Plan

DOLA'S VISION STATEMENT

The Colorado Department of Local Affairs (DOLA) strengthens communities and enhances livability in Colorado. Using reliable and objective assessment methods, DOLA bridges the gap between localities and State government, partnering with local leadership to solve a wide range of problems and address a broad spectrum of issues and challenges. Through responsive action, flexibility and unparalleled customer service, DOLA helps to ensure safety, equity, and vitality throughout the state.

DOLA, in partnership with local governments and the public and private sector, strategically links each of its programs to improve peoples' lives in five areas: jobs, housing, transportation, education and environment. Statewide, DOLA accomplishes this by leveraging program dollars and staff consultation for our partners and stakeholders, as well as by strengthening coordination of services and funding resources from other State agencies. Housing, Local Government, and the Office of Economic Development and International Trade collaboratively create goals and strategies to assist Colorado's communities. Each division of DOLA has developed vision statements.

DOLA'S HOUSING VISION STATEMENT

With stakeholders, create a strategic direction for the Division of Housing to improve the State's impact on affordable housing.

DOLA'S ECONOMIC DEVELOPMENT VISION STATEMENT

The Office of Economic Development and International Trade expands economic opportunity and sustainability for individuals and businesses throughout Colorado's rural communities.

DOLA'S LOCAL GOVERNMENT VISION STATEMENT

The Division of Local Government strengthens Colorado communities by assuring that local governments and their citizens receive the resources they need to achieve their goals in order to provide a suitable living environment.

HUD NATIONAL PRIORITIES

The programs, activities and strategies developed for this Consolidated Plan must address three overall priorities established for the HUD formula grant programs. These national goals which primarily target low-to-moderate-income persons, households or neighborhoods are to provide a suitable living environment, provide decent housing and create economic opportunity.

HUD PRIORITIES

Provide a Suitable Living Environment

Provide Decent Housing

Create Economic Opportunity

Department of Local Affairs Strategies

Provide financial assistance to rural communities to implement community development and capital improvement activities

Increase the capacity of local governments to administer federal grants that facilitate the development of sustainability activities

Preserve the existing supply of affordable rental or homeownership housing

Increase the supply of affordable workforce rental and homeownership opportunities in areas of greatest need

Increase statewide pre-purchase homeownership counseling for low/moderate income and minority households

Prevent and eliminate homelessness through appropriate housing and services

Increase supply of housing for persons with special needs coupled with services that increase or maintain independence

Increase the capacity and stability of local housing and service providers

Provide rental subsidies statewide for low-income households who would otherwise pay more than 30 percent of their household income for housing

Assist statewide energy-efficiency efforts that improve housing affordability and community sustainability

Insure the statewide safety and habitability of factory/manufactured structures

Assist communities with installation of public infrastructure that will benefit businesses that create or retain jobs

Enhance the Economic Vitality of the State through Financial assistance to small businesses



DOLA'S HOUSING STRATEGIES

DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Preserve the existing statewide supply of affordable rental or home-ownership housing.	Rental – High Home-ownership Low	Decent Housing	Availability	Accessibility for the purpose of providing decent housing	<u># units of existing affordable rental housing preserved</u> Benchmark: 348 <u># units of homeownership preserved</u> Benchmark:140
Increase the statewide supply of affordable "workforce" rental housing and home-ownership in high need areas.	Rental – Medium Home-ownership - Low	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># rental units created</u> Benchmark: 425 <u># homeownership opportunities created for high-need areas</u> Benchmark: 190
Increase the capacity and stability of local housing and service providers statewide.	Medium	Decent Housing	Sustainability	Sustainability for the purpose of providing decent housing	<u>Provide CHDO operating funding equal to 5% of HOME allocation</u> Benchmark: 100%
Increase statewide pre-purchase homeownership counseling for low/moderate income and minority households.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># pre-purchase homeownership counseling programs supported</u> for low/moderate income and minority households Benchmark: 10 programs
Meet community needs for the homeless through supportive services and appropriate housing.	High	Suitable Living Environment	Availability	Accessibility to provide a suitable living environment	<u># homeless and transitional housing beds</u> Benchmark: 10
Increase statewide supply of housing for persons with special needs coupled with services that increase or maintain independence.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># of special needs units coupled with services</u> Benchmark: 95 units <u># of persons with HIV/AIDS maintaining housing stability</u> Benchmark: 90
Provide rental subsidies statewide for low-income households who would otherwise have to pay more than 30% of their household income for housing.	Medium	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># rental subsidies provided for low-income households</u> Benchmark: 140 households
Assist low-income renters and owners with energy-efficiency upgrades.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># energy efficiency upgrades assisted</u> Benchmark: 250 households
Ensure the statewide safety and habitability of factory/manufactured structures through program services that are efficient and effective.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u>Reduce residential plan review turn-around time (days)</u> Benchmark: 15 days <u>Reduce commercial plan review turn-around time (days)</u> Benchmark: 20 days <u>Meet manufacturer plant inspection request dates</u> Benchmark: 100%

DOLA'S ECONOMIC DEVELOPMENT STRATEGIES					
DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Provide assistance to qualified small businesses to start or expand their operations, and partner with local banks to fill gaps in financing packages, so that 51% of jobs are created or retained by persons of low-to moderate-income.	High	Economic Opportunity	Sustainability	Sustainability for the purpose of creating economic opportunities	# of jobs created or retained Benchmark: 100
Assist communities with the installation of public infrastructure that will benefit start-up and expanding businesses that create or retain jobs, at least 51% of which will be or are filled by persons of low- to moderate income.	High	Economic Opportunity	Sustainability	Sustainability for the purpose of creating economic opportunities	# of jobs created or retained Benchmark:100
DOLA'S COMMUNITY DEVELOPMENT STRATEGIES					
DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Provide financial assistance to rural communities to implement community development and capital improvement activities.	High	Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	Number of persons served as a result of the public facility improvements or construction Benchmark: 400
Increase the capacity of local governments to administer federal grants that facilitate the development of sustainability activities.	High	Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	Number of persons benefitting from increased local government capacity to administer federal grants. Benchmark: 400

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STATE OF COLORADO

2010-2015 CONSOLIDATED PLAN AND ANNUAL ACTION PLAN

SECTION 1. GENERAL INFORMATION

On an annual basis, the Colorado Department of Local Affairs (DOLA) is eligible to receive approximately \$19.1 million in federal formula funding through the U. S. Department of Housing and Urban Development (HUD). These funds provide a tool to further the Department’s long-standing efforts of working with local Colorado jurisdictions to create vibrant, affordable and sustainable communities. In order to apply, the State must complete a strategic planning document called the “Consolidated Plan.”

The purpose of the Consolidated Plan is:

- ❖ To identify the State’s housing, economic and community development needs, priorities, goals and strategies; and
- ❖ To stipulate how funds will be allocated to housing and community development activities.

DOLA estimates its formula funds for FY2010 to be as follows:

HUD FORMULA FUNDS ADMINISTERED BY DOLA	ESTIMATED AMOUNT
HOME Investment Partnership Funds	\$ 7,268,808
Emergency Shelter Grant Funds	\$ 946,933
Community Development Block Grant	\$10,546,315
Housing Opportunities for Persons with AIDS	\$ 400,000

The State will conduct its Analysis of Impediments to Fair Housing in FY 2010-2011.

Federal law requires the State to follow CFR 24 Sec.91.300 – 91.330, primarily benefit low- and moderate-income persons and follow specific HUD goals:

- ❖ **Providing Decent Housing,**
- ❖ **Creating a Suitable Living Environment, and**
- ❖ **Providing Expanded Economic Opportunities**

ORGANIZATION OF THE PLAN

- Section 1. Introduction and Vision
- Section 2. Required General Information
- Section 3. Colorado Demographic and Economic Profile
- Section 4. Colorado’s Households
- Section 5. Colorado’s Housing Markets
- Section 6. Colorado’s Economy
- Section 7. Colorado’s Incomes
- Section 8. Colorado’s Housing and Homeless Needs
- First Year Action Plan
- Appendices

Lead Agency

The Department of Local Affairs (DOLA) is a cabinet-level State agency that serves as the link between the State and local communities and leads the development of the Consolidated Plan. The Division of Local Government (DLG) is the lead CDBG agency and it shares CDBG funding with the Office of Economic Development and International Trade (OEDIT) and the Division of Housing (DOH). DOH administers the HOME Investment Partnership Program (HOME); Emergency Shelter Grant (ESG); Housing Opportunities for Persons with AIDS (HOPWA); Homeless Prevention and Rapid Re-housing Program (HPRP); and, Neighborhood Stabilization Program (NSP1).

Geographic Areas of Focus

Colorado provides direct assistance to all geographic areas of the State, prioritizing housing for those with incomes at or below 50% of Area Median income.

Consultation Process and Development of Plan

DOLA invited internal and external expertise to create a framework for its Five-Year Consolidated Plan. Consultation with other State agencies and stakeholder groups occurred from August through November 2009. In September and October, the State held focus groups to discuss the housing and community development needs of specific populations, including HIV/AIDS providers, homeless service agencies, financial institutions, the disability community, and faith-based organizations. The Department consulted with other State and local agencies:

Administrators, State Business Loan Funds
Atlantis Community
Collaborative Partners for Neighborhood Stabilization
Colorado AIDS Project and Stakeholders
Colorado Civil Rights Division
Colorado Coalition for the Homeless (CCH)
Colorado Continua of Care

- Balance of State
- Homeward Pikes Peak
- Metropolitan Denver Homeless Initiative

Colorado and Community Interagency Council on Homelessness
Colorado Council of Churches
Colorado Counties Incorporated
Colorado Cross Disabilities Coalition
Colorado Department of Education
Colorado Department of Health and Environment
State Housing Board

Colorado Department of Human Services (CDHS)

- Supportive Housing and Homeless Programs (SHHP)
- Area Agency on Aging
- Disabilities Division

Colorado Foreclosure Hotline
Colorado Housing and Finance Authority
Colorado Municipalities
Colorado Municipal League
Colorado Office of Energy Conservation
Colorado Rural Economic Development Council
Governor's Energy Office
Homeless Providers
Housing Colorado
Independent Living Centers
Lead-Based Paint Coalition
Metropolitan -Denver Black Church Initiative
18 Public Housing Authorities
USDA Rural Development
State PHA Plans

The State analyzed demographic and economic trends and forecasts to glean information about the housing, economic and community development conditions of the State; identified the unmet needs of targeted populations; and designed, strategies, goals, activities and outcomes that align with HUD and departmental objectives.

DOLA'S VISION STATEMENT

The Colorado Department of Local Affairs (DOLA) strengthens communities and enhances livability in Colorado. Using reliable and objective assessment methods, DOLA bridges the gap between localities and State government, partnering with local leadership to solve a wide range of problems and address a broad spectrum of issues and challenges. Through responsive action, flexibility and unparalleled customer service, DOLA helps to ensure safety, equity, and vitality throughout the state.

Sustainability Focus

DOLA integrates planning and investment by partnering with other local, state and federal agencies to strengthen Colorado Communities. DOLA's approach centers on seven basic sustainable community development principles. Adapted from the federal sustainability principles agreed upon by the Departments of Transportation and Housing and Urban Development and the Environmental Protection Agency, DOLA tailored them to fit Colorado

DOLA's Seven Principles of Sustainability

- ❖ Increase economic competitiveness
 - Invest in education and training, attract and position employment centers near housing and transit, expand business access and promote rural economic development that preserves and enhances community identity
- ❖ Promote equitable, affordable housing
 - Identify, encourage and invest in quality, energy efficient, affordable housing near jobs, shopping and recreation amenities
- ❖ Support existing communities
 - Strategically optimize goal driven infrastructure funding to maximize investment, support long term viability and revitalize communities
- ❖ Provide more transportation choices
 - Improve safe, reliable and affordable transportation choices to reduce traffic congestion and improve air quality; create transit-oriented neighborhoods with biking and walking opportunities
- ❖ Conserve, responsibly utilize and protect valuable resources
 - Protect clean water, land and air; focus on investments in energy efficiency and renewables
- ❖ Value healthy communities and neighborhoods
 - Support unique community characteristics by investing in healthy, safe, walkable neighborhoods, quality schools and prosperous, sustainable Provide more transportation choices
 - downtowns
- ❖ Enhance integrated planning and investment

Two of DOLA's divisions, Housing (DOH) and Local Government (DLG), collaborate with the Governor's Office of Economic Development and International Trade to plan actions to enhance the housing, community and economic well-being of Colorado's communities. Together they collaboratively create Consolidated Plan Strategies.

VISION STATEMENTS FOR DIVISIONS

DOLA HOUSING VISION

The Division of Housing expands and preserves decent, affordable and energy-efficient housing choices for low-income people of all ages, races, ethnicities and abilities to increase mobility and lower the cost of housing.

Because safe and affordable housing is fundamental to the ultimate success of all Colorado communities, DOH will pursue the following strategies with the greatest emphasis on providing housing to those earning less than 50 percent of the Area Median Income.

DOLA Housing Strategies

- ❖ Preserve the existing statewide supply of affordable rental or home-ownership housing.
- ❖ Increase the statewide supply of affordable "workforce" rental housing and home-ownership opportunities.
- ❖ Increase the capacity and stability of local housing and service providers statewide.
- ❖ Increase statewide pre-purchase homeownership counseling for low/moderate income and minority households.
- ❖ Meet community needs for the homeless through supportive services and appropriate housing.
- ❖ Increase statewide supply of housing for persons with special needs coupled with services that increase or maintain independence.
- ❖ Provide rental subsidies statewide for low-income households who would otherwise have to pay more than 30 percent of their household income for housing.
- ❖ Assist statewide energy-efficiency efforts that improve housing affordability and community sustainability.
- ❖ Ensure the statewide safety and habitability of factory/manufactured structures through program services that are efficient and effective.

DOLA ECONOMIC DEVELOPMENT VISION

The Office of Economic Development and International Trade expands economic opportunity and sustainability for individuals and businesses throughout Colorado's rural communities.

Economic Development Strategies

- ❖ Provide through regional Business Loan Funds, financial assistance to qualified small businesses to start or expand their operations, and partner with local banks to fill gaps in financing packages, to create or retain jobs, so that at least 51 percent will be or are filled by persons of low- to moderate-income.

- ❖ Assist communities, through targeted grants, with the installation of public infrastructure that will benefit start-up and expanding businesses who will be creating or retaining jobs, so that at least 51 percent will be or are filled by persons of low- to moderate income.

DOLA LOCAL GOVERNMENT VISION

The Division of Local Government strengthens Colorado communities by assuring that local governments and their citizens receive the resources they need to achieve their goals in order to provide a suitable living environment.

Local Government Strategies

- ❖ Provide financial assistance to rural communities to implement community development and capital improvement activities.

- ❖ Increase the capacity of local governments to administer federal grants that facilitate the development of sustainability activities.

A summary of Strategic Plan Strategies, Goals, and Objectives is available on page 55 in the Action Plan section of this document.

SECTION 2. COLORADO DEMOGRAPHIC PROFILE

The Profile section of the Consolidated Plan presents a socioeconomic summary of the State of Colorado.

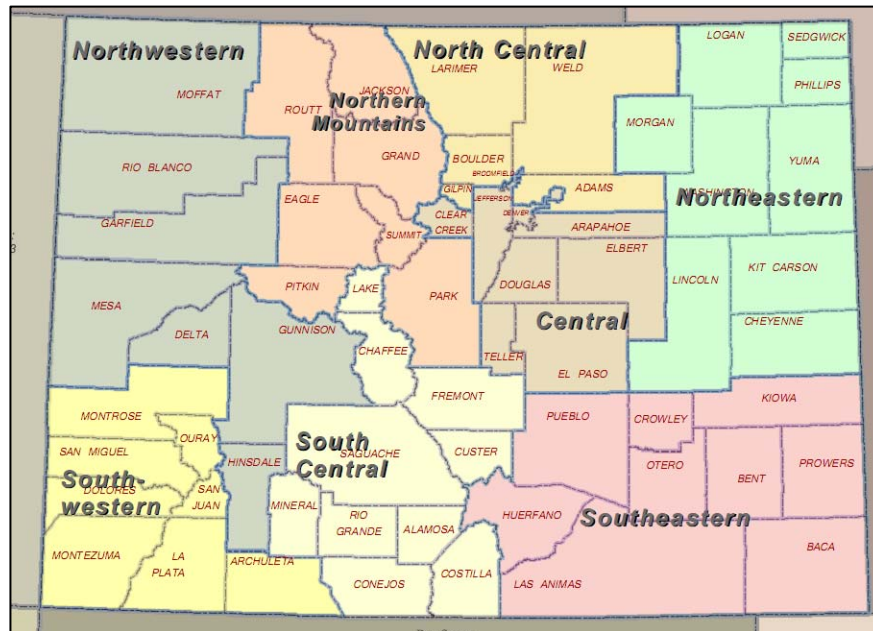
Geography of Colorado

Encompassing 104,247 square miles, Colorado is the eighth largest state in the country and is also the highest, with an average altitude of 6,800 feet. While best known for its ski and outdoor sport industry, Colorado is home to many small farming and ranching communities, large urban areas and small towns that have a history rooted in mining. Colorado - or "colored red" in Spanish - has a landscape of plains, snow capped mountain peaks, and desert mesas. Its mountain ranges create economic opportunities, but may also create barriers in the transportation of goods, services and even internet connectivity.

Geographic Regions for Planning

The state is comprised of 64 counties *grouped into eight distinct geographic regions* for housing, economic development and infrastructure needs for purposes of this plan.

Exhibit 1. Geographic Regions for the Consolidated Plan



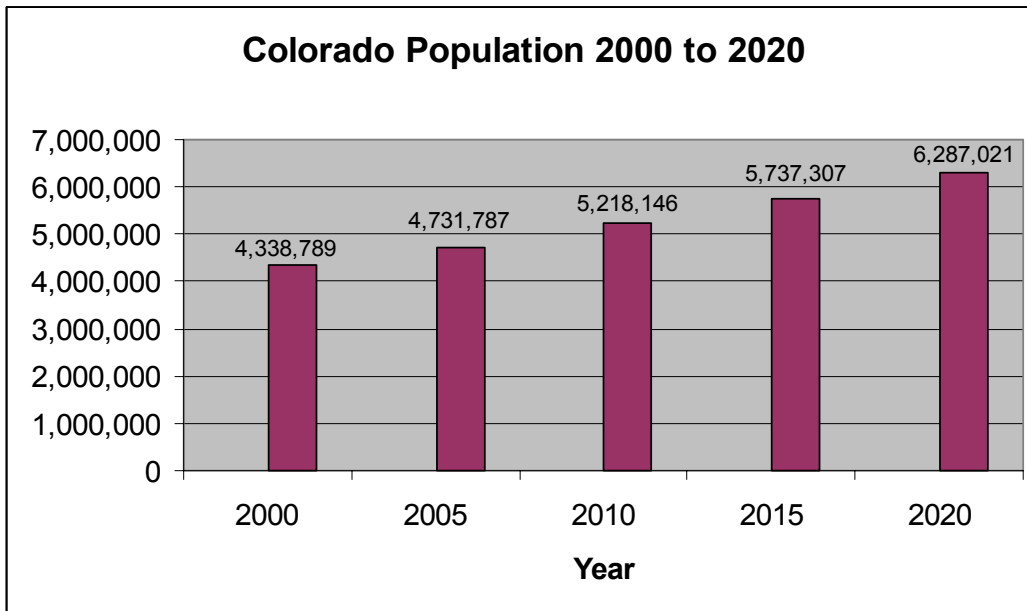
DEMOGRAPHIC FACTS

Population Growth

According to the U.S. Census Bureau State Population Rankings (July 2008), Colorado is ranked 22nd in the nation for total population with an estimated 4,939,456 persons that includes a gain of 96,686 persons resulting from a natural increase of 44,258 and 52,393 in net migration.

Colorado's population grew an average annual rate of 1.7 percent from 2000 to 2005, 2 percent from 2005 to 2010 and is expected to grow at an average rate of 1.8 percent from 2010 to 2020 (Source: Colorado Department of Local Affairs [DOLA] Office of Demography, 2008).

Exhibit 2. Colorado Population 2000 to 2020



Source: Colorado Division of Local Government, Office of Demography, 2008

Denver is the largest city in Colorado with an estimated population of 598,707 in 2008, and the seven-county metro Denver area comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties has a population of 2,745,804 for the same year.

The entire Denver Metropolitan area is forecast to grow to 2.8 million by 2010 and 3.3 million by 2020, an annual average growth rate of 1.6 percent, slightly lower than the growth rate expected statewide. The Metro area is home to high tech industry, three major colleges and universities, six major league sports teams, and a thriving downtown area.

Other major cities in Colorado include Aurora, Boulder, Colorado Springs, Fort Collins, Grand Junction, Greeley, Lakewood and Pueblo.

The Western Slope continues to be the fastest growing region in the state with an annual growth rate averaging 2.8 percent between 2005 and 2010. This is compared to the 2.0 percent growth rate expected statewide.

The North Front Range and Central Mountains are also expected to have above average growth rates, while the Eastern Plains and San Luis Valley are expected to continue growing at rates near 1 percent (similar to the Nation).

In 2000, Colorado had an average of 41.5 persons per square mile while the density of the United States was 79.6 persons per square mile. The Census Bureau estimated Colorado's 2008 density at 48 persons per square mile versus 86 persons per square mile for the United States.

SECTION 3. COLORADO'S HOUSEHOLDS



Who Lives in the State?

In 2008, the overall number of households in Colorado increased by 12.2 percent as compared to the number of households in 2000. Female-headed households increased by 13.9 percent, male-headed households increased by 22.9 percent and non-family households increased by 16.1 percent for the same time period (U.S. Census Bureau, 2006-2008 American Community Survey [ACS] 3-Year Estimates, Colorado Selected Social Characteristics).

Exhibit 3. Household Characteristics, State of Colorado 2000 and 2008

	Number of Households			% Change
	2000	2008	Difference	
<u>Family Households</u>				
Married couple families	858,671	937,164	78,373	9.1%
Female-headed households	158,979	181,440	22,083	13.9%
Male-headed households	66,811	81,829	15,320	22.9%
Subtotal	1,084,461	1,200,238	115,776	10.7%
<u>Non-family Households</u>				
Subtotal	573,777	666,188	92,606	16.1%
Total	1,658,238	1,866,621	201,727	12.2%

Source: 2008 American Community Survey, Colorado Selected Social Characteristics

Other Household Facts from 2008 ACS:

- ❖ Number of single-parent households in Colorado = 160,059; of these 72 percent were female-headed
- ❖ Number of grandparents responsible for grandchildren = 36,769
- ❖ Households with one or more people under 18 years = 628,776
- ❖ Number of households with one or more people 65 years and over = 34,2980

Population Change

Colorado's population grew an average of 1.7 percent from 2005 to 2010, and is expected to grow at an average rate of 2.0 percent for the period 2010 to 2015 (DOLA, 2008).

Colorado's net migration is strongly related to job growth. Most of the recent and expected growth in Colorado is due to increases in oil and gas, tourism, retirees, and national/regional service industries (2008).

Aging Population

As a whole, Colorado's median age is getting older, with an estimated median age of 36.4 years in 2010; in 2000, the median age of the state's population was 34.4 years (2008).

According to the State Demographer, the largest single factor affecting the demographic trends in Colorado is the aging of the "Baby Boomers" (those born between 1946 and

1964). Between 2000 and 2010, Colorado's estimated population 55 to 64 grew at 5.9 percent per year vs. 3.9 percent for this U.S. age group, and 1.8 percent for Colorado's total population, increasing by over 75 percent from 342,000 in 2000 to 607,000 in 2010. Between 2000 and 2030 the population over 65 is forecast to triple from 400,000 to 1.2 million. "Baby Boomer" retirees will be wealthier and healthier than any other previous generation to retire and as such will demand increased services. While many will remain in the labor force for longer periods of time than previous generations, we expect the number of persons leaving the labor force between 2010 and 2015 will exceed those entering.

The Colorado Department of Human Services, Aging and Adult Services Division projects that for the period of 2008-2018, there will be an 82.5 percent increase in older adults over 85 years of age, including older adults of advanced age living alone, older women, unmarried older adults with no family, minority elders and the socially isolated.

New Household Formation

By 2015, the population aged 25 to 34 years old will increase by more than 14 percent over 2010, pushing the housing demand higher through the formation of new households (DOLA, 2008). Estimates are that by 2010 there will be 790,423 persons in this age group, most of whom will choose a life partner and establish a new residence (2008). This trend will likely spur a need for starter homes and apartments.

Exhibit 4. Age of Colorado Population

Age Group	2005		2010			2015		
	2005 Persons	% of Total	2010 Persons	% of Total	Change 05-10	2015 Persons	% of Total	Change 10-15
0 to 4	346,393	7.32%	371,888	7.13%	7.36%	407,912	7.11%	9.69%
5 to 9	317,840	6.72%	370,551	7.10%	16.58%	396,402	6.91%	6.98%
10 to 14	324,414	6.86%	335,888	6.44%	3.54%	388,574	6.77%	15.69%
15 to 19	348,625	7.37%	364,312	6.98%	4.50%	376,058	6.55%	3.22%
20 to 24	348,022	7.35%	395,727	7.58%	13.71%	412,852	7.20%	4.33%
25 to 29	308,843	6.53%	354,991	6.80%	14.94%	404,739	7.05%	14.01%
30 to 34	356,531	7.53%	337,274	6.46%	-5.40%	385,684	6.72%	14.35%
35 to 39	353,263	7.47%	381,588	7.31%	8.02%	363,327	6.33%	-4.79%
40 to 44	380,495	8.04%	370,245	7.10%	-2.69%	397,869	6.93%	7.46%
45 to 49	378,693	8.00%	389,357	7.46%	2.82%	377,519	6.58%	-3.04%
50 to 54	338,720	7.16%	382,250	7.33%	12.85%	390,474	6.81%	2.15%
55 to 59	280,340	5.92%	338,982	6.50%	20.92%	379,496	6.61%	11.95%
60 to 64	190,595	4.03%	277,952	5.33%	45.83%	333,002	5.80%	19.81%
65 to 69	134,311	2.84%	171,375	3.28%	27.60%	269,049	4.69%	56.99%
70 to 74	116,096	2.45%	130,256	2.50%	12.20%	163,396	2.85%	25.44%
75 to 79	94,666	2.00%	106,201	2.04%	12.18%	118,912	2.07%	11.97%
80 to 84	61,107	1.29%	76,188	1.46%	24.68%	89,385	1.56%	17.32%
85 to 89	34,532	0.73%	42,413	0.81%	22.82%	55,996	0.98%	32.03%
90 to 94	18,301	0.39%	20,708	0.40%	13.15%	26,661	0.46%	28.75%
TOTAL	4,731,787	100.00%	5,218,146	100.00%	10.28%	5,737,307	100.00%	9.95%

Source: Colorado Department of Local Affairs, Office of Demography, 2008

Education

Colorado's population is highly educated (ACS, 2008), with many workers employed in the high number of managerial and professional occupations. According to the 2000 Census, 35 percent of the total population over 25 years of age had a bachelor's degree or higher.

Gender

In 2010, According to the Office of State Demography (2008), the gender distribution is 50.4% male and 49.6% female.

Commuting Patterns

The ACS (2008) estimated that nearly 75 percent of the workforce drove to work alone, 3.3 percent took public transportation and 6 percent worked at home. The number of workers who worked outside of their county of residence was 32.7 percent.

Immigration

According to the ACS (2008), about ten percent of the State's population was born outside of the U.S. Of those born outside the U.S., about 58 percent were born in Latin America and 20 percent were born in Asia.

Ethnicity

Projections on the ethnic makeup of Colorado's population are available to 2020 (DOLA, 2008). The Non-Hispanic White share of the state's population is projected to decline from 74.2 percent in 2005 to 71.2 percent in 2020. Total minority share is projected to increase from 25.8 percent in 2005 to 28.8 percent in 2020. Colorado's Hispanic population will be the fastest growing ethnic group in annual average percent change from 2005 - 2020.

Exhibit 5. Colorado Ethnic Makeup, 2005 – 2020

	Total Population			Share of Total Population			Average Annual Growth	Avg. Annual Chg in Pop.
	2005	2015	2020	2005	2015	2020	2005 - 2020	2005- 2020
Non-Hispanic White	3,508,700	4,041,000	4,407,500	74.2%	71.7%	71.2%	59,920	1.65%
Hispanic	858,100	1,135,000	1,272,000	18.12%	20.2%	20.6%	27,593	2.8%
Black	190,600	238,600	266,900	4.0%	4.2%	4.3%	5,087	2.45%
Asian/Pacific Islander	127,200	158,800	175,300	2.7%	2.8%	2.8%	3,207	2.3%
Native American	47,200	58,600	64,400	1.0%	1.0%	1.0%	1,147	2.2%
TOTAL	4,731,300	5,632,100	6,186,200	100.0%	100.0%	100.0%	96,993	2.00%

Source: Colorado Department of Local Affairs, Office of Demography, 2008

SECTION 4. COLORADO'S HOUSING MARKET

This section of the Plan contains information on vacancy rates, rents, tenure of households (renters vs. owners), condition of the housing stock, and housing production on both a statewide and market area level as required by HUD.

Housing Supply

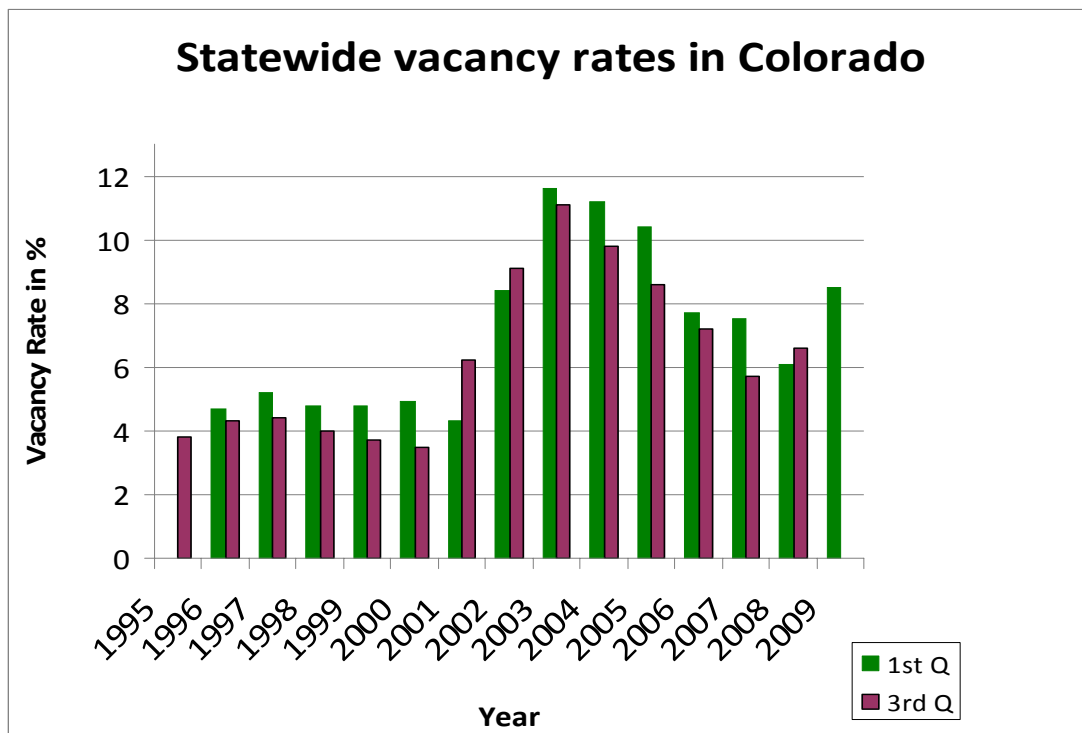
The ACS (2008) estimates that Colorado had 2,152,040 housing units in 2008, a 1.2 percent increase from 2007. Of these, 1,897,835 (88.2%) were occupied and 254,205 (11.8%) were vacant.

Rental Vacancy Rates

The Colorado Department of Local Affairs, Division of Housing (DOLA), Apartment Realty Advisors and Pierce-Eislen sponsor the "Rental Market Vacancy and Rent Survey" as a service to the multi-family housing industry in Colorado to gain a more accurate picture of housing in 22 urban and rural housing markets. The survey provides residents, owners and managers of rental property, local and State government officials, and investors and developers with accurate and up-to-date information on the multi-family rental housing industry. The survey reports averages so there may be significant differences in vacancy and rental rates by market area, size and location of multi-family buildings.

A vacancy survey is a snapshot in time of the rental conditions by market area and includes average and median rents, turnover and vacancy rates. The overall composite Colorado state vacancy rate for the market areas surveyed and the metro Denver area increased to 8.5 percent for March 2009, compared to 6.1 percent for March 2008. A 5.0 percent vacancy rate is considered to be an equilibrium rate. Vacancy rates vary across the state in relation to national, state and local conditions. The increase in vacancy rates in the first quarter of 2009 reflects a greater supply of units available.

Exhibit 6. Statewide Vacancy Rates in Colorado

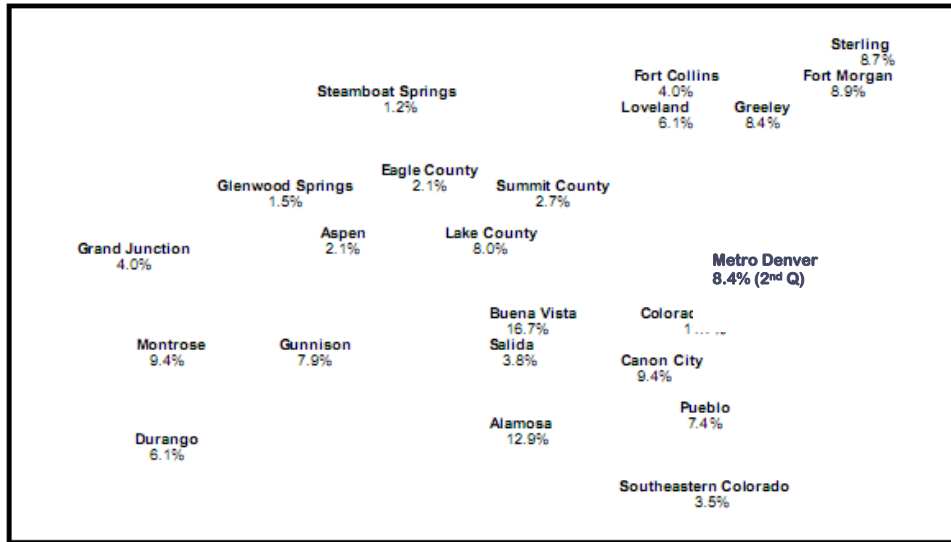


Source: Colorado Department of Local Affairs, Division of Housing, March 2009

Exhibit 7 shows vacancy rates for the 1st Quarter 2009. Local market dynamics including employment, construction, and in-migration affect the demand for rental units.

Exhibit 7.

**STATE OF COLORADO
VACANCY RATES BY MARKET AREA**



Source: Colorado Department of Local Affairs. Division of Housing. March. 2009

Tenure and Type of Units

In 2008, the ACS estimates Sixty-seven percent of Colorado’s housing units were owner-occupied and thirty-three percent were renter-occupied. The estimated ownership vacancy rate was 2.5 percent, the rental occupancy rate 7.5 percent, and 1.2 percent of vacant units were not assigned and are assumed to be seasonal units. Exhibit 8 shows the tenure by type of unit.

Exhibit 8. Colorado Tenure by Units in Structure

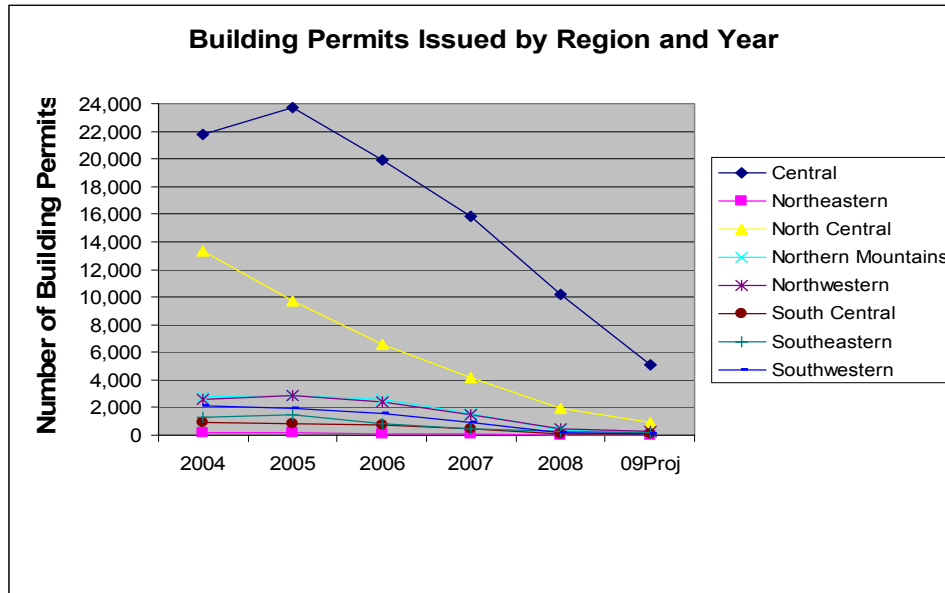
Number and Type of Housing Units	Total	Owner occupied		Renter-Occupied	
		Estimated Number	Percentage of Unit Type	Estimated Number	Percentage of Unit Type
1, detached	1,235,629	1,056,523	86%	179,106	14%
1, attached	128,981	84,728	66%	44,253	34%
2	29,356	3,852	13%	25,504	87%
3 or 4	63,992	14,961	23%	49,031	77%
5 or more units	355,696	60,330	17%	295,366	83%
Mobile home	82,898	60,036	72%	22,862	28%
Boat, RV, van, etc.	1,283	384	30%	899	70%
Total Occupied Housing Units:	1,897,835	1,280,814	67%	617,021	33%

Source: U.S. Census Bureau, 2008 American Community Survey

Building Permits

The number of new building permits issued in Colorado has declined annually since 2005, reflecting a decrease in a demand for new units. Exhibit 9 highlights the trends in the eight Division of Local Government field areas between 2004 and 2008 (with 2009 projected). Particularly noticeable are the declines in permits issued in the Central and North Central areas which include metropolitan Denver. The Division of Housing believes foreclosures and tightening credit markets contributed to declines in the residential construction industry.

Exhibit 9. Building Permits by Region

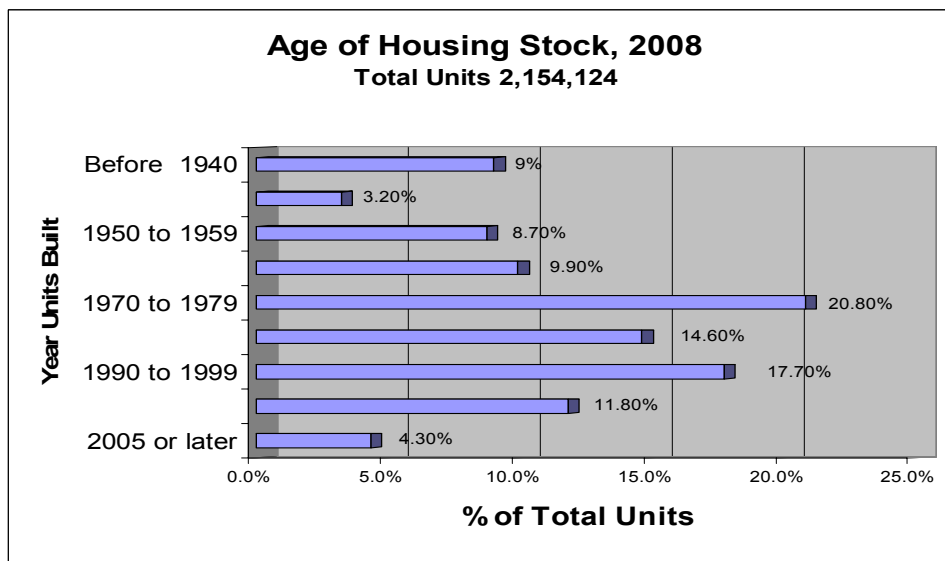


Source: Colorado Department of Local Affairs, June 2009

Age of Housing Stock

The 2008 ACS examines the distribution of Colorado housing units by the year built. About one half of the state's housing stock was built before 1980 (Exhibit 10). Unit condition, Lead-based paint and lack of energy efficiency are concerns for pre-1978 housing stock.

Exhibit 10. Age of Housing Stock, 2008



Source: U.S. Census Bureau, 2008 American Community Survey

Housing Problems

HUD asks that we identify housing problems as part of our five-year plan. Housing problems include substandard or incomplete units and overcrowding. The 2006-2008 ACS three-year estimates provide information about housing conditions in Colorado. Colorado addresses these issues through a statewide housing rehabilitation program. Since 1990, the Division of Housing programs assisted 1,462 rural homeowners with rehabilitation of substandard units.

OVERCROWDING

HUD requires communities to estimate the number of housing units that are overcrowded as part of their Consolidated Plans. Overcrowded housing can threaten public health, strain public infrastructure and points to the need for more affordable housing. The 2008 ACS estimates the number of occupants per room as a general measure of whether there is an available supply of adequately sized housing units.

Occupied units are generally considered crowded if they have more than one person per room and severely crowded if more than 1.5 persons per room. ACS data shows that 3.3 percent of renter households are overcrowded and 1.2 percent are severely overcrowded. In contrast, 1 percent of owner households are overcrowded and only .2 percent are severely overcrowded. These numbers have not changed significantly since the 2000 Census. The higher prevalence of overcrowding among renters could be because of a preference for an extended family or lower average incomes available to support a unit.

Exhibit 11. Percent of Overcrowded Households

	Renters		Owners	
	Number of Renters	% of Renters	Number of Owners	% of Owners
Crowded (More than 1.01 Occupants per Room but less than 1.5 Occupants per Room)	19,311	(3.3%)	11,801	(1%)
Severely Crowded (More than 1.5 Occupants per Room)	7,197	(1.2%)	3,103	(.2%)

Source: U.S. Census Bureau, 2008 Three-Year Estimates American Community Survey

SUBSTANDARD UNITS

The 2008 ACS reported that approximately 20,710 housing units in Colorado are considered severely substandard because they lack complete plumbing¹ facilities or complete kitchens². Together, assuming no overlap, these units represented about 1.1 percent of the State's total housing units in existence in 2008.

Occupied Housing Units Lacking Complete Plumbing Facilities

Owner Occupied	5,306
Renter Occupied	3,725

Occupied Housing Units Lacking Complete Kitchen Facilities

Owner Occupied	4,563
Renter Occupied	7,116

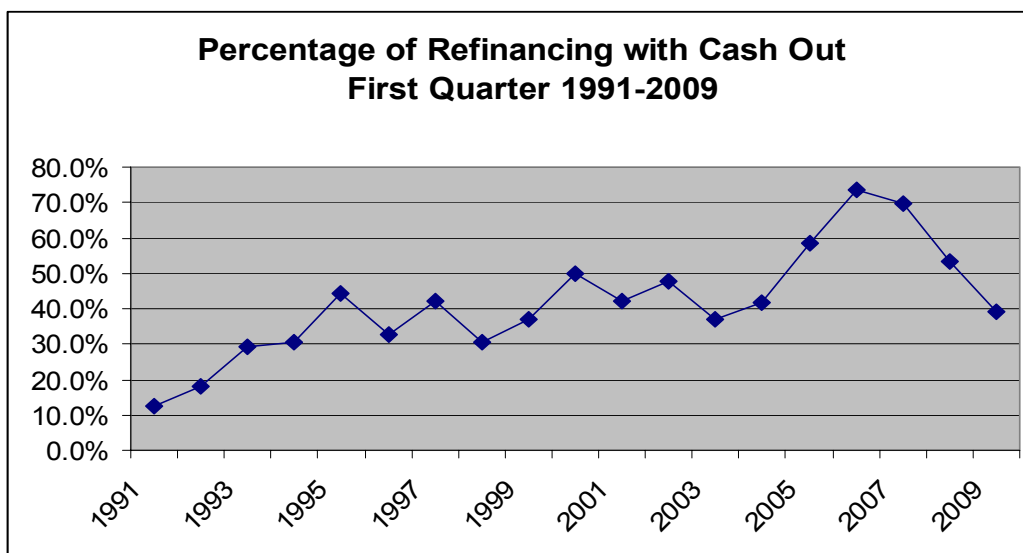
¹ The data on plumbing facilities takes into account both occupied and vacant housing units. Complete plumbing facilities include: (a) hot and cold piped water; (b) a flush toilet; and (c) a bathtub or shower. All three facilities must be located in the housing unit. (U.S. Census)

² A unit has a complete kitchen when it has all of the following: (a) a sink with piped water; (b) a range, or cook top and oven; and (c) a refrigerator. All kitchen facilities must be located in the house, apartment or mobile home, but they need not be in the same room. A housing unit having only a microwave or portable heating equipment, such as a hot plate or camping stove, should not be considered as having complete kitchen facilities. An icebox is not considered to be a refrigerator. (U.S.Census)

For-Sale Housing Market

Troubles in subprime mortgage markets contributed to the worst housing slump since the 1980s. According to the *Federal Reserve Bulletin* (2009), from 1991 to 2006 there was an increasing trend for homeowners to refinance residential loans to take cash out, and many households fell prey to predatory lenders or loan products such as adjustable rate mortgages that were poor choices for their future financial health.

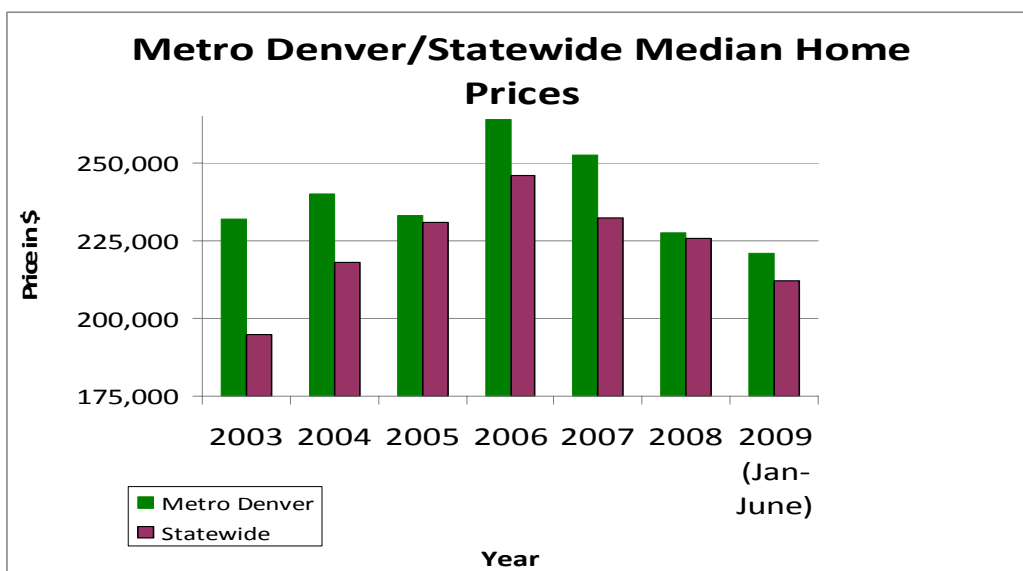
Exhibit 12. Percentage of Refinancing with Cash Out



Source: Federal Reserve Bulletin, February 2009

When loans began resetting at higher interest rates, many homeowners lacked the knowledge or resources to refinance to a fixed-rate loan. Predatory lending practices stripped borrowers of home equity and threatened families with foreclosure, destabilizing Colorado communities. Median home prices declined by 2009 in many regions of the State.

Exhibit 13. Metro Denver/Statewide Median Home Prices



Source: Colorado Department of Local Affairs, July 2009

Homeowner Strength

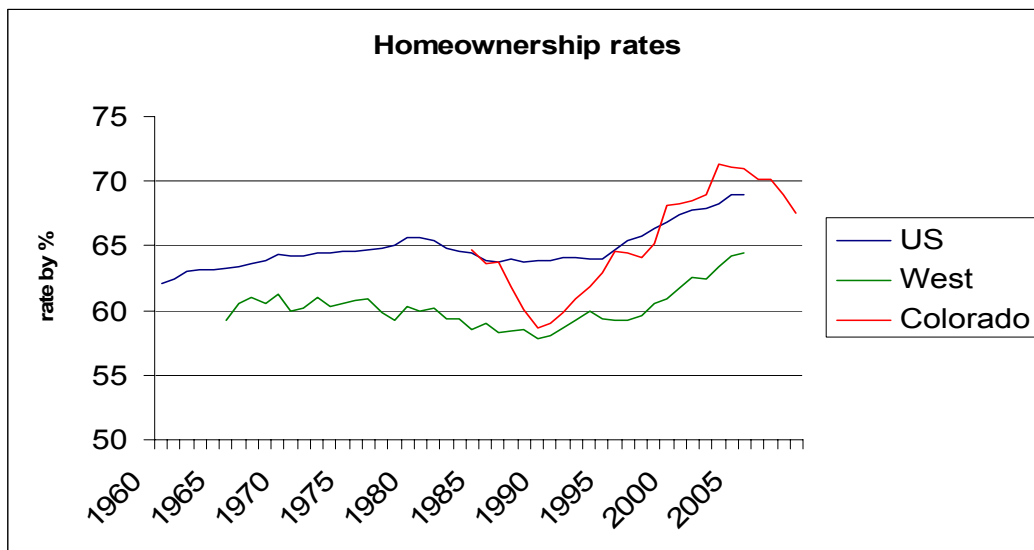
According to U.S. Housing Market Conditions, Rocky Mountain Region VIII (3rd Quarter, 2009), much of Colorado's for sale housing market is soft, but both reductions in homebuilding activities and decisions of homebuyers to keep their units off of the market are having a positive effect in reducing inventories. The S & P Case-Schiller Housing Price Indices reported Denver home values as first in the nation for retaining their value (October, 2009).

Colorado's homeownership rates are historically higher than for the United States as a whole, although both rates fell in recent years as home foreclosures rose. Homeownership rates have fallen in Colorado from 71.3 percent in 2003 to 69.0 percent in 2008 and are expected to decline even more due to the current foreclosure crisis and tightening credit.

Historical Homeownership

During the early-to-mid-1990s, the federal government encouraged lending institutions to help more households to achieve the "American Dream" of homeownership. Credit markets loosened and many mortgage products became available to households that were not good candidates to own a home. Since the 1960s homeownership in Colorado had remained fairly constant at the mid-60% range. By 2003, however, homeownership rose to a high of 71.3 percent, but with high foreclosures and tightening of the credit markets, homeownership rates began to back down to a natural rate. As of November 2009, the rate was 67.5.

Exhibit 14. Homeownership Rates 1960-2005



Source: U.S. Department of Housing and Urban Development

Homeless Facilities

Colorado uses the Continuum of Care (CoC) system to create a network of homeless housing and service providers across the state. HUD makes awards to CoCs through three different grant programs: Supportive Housing Programs (SHP); Shelter + Care (S+C) and Single Room Occupancy (SRO). CoC areas include the Denver Metropolitan Homeless Initiative (MDHI); Homeward Pikes Peak (HPP), serving Colorado Springs and El Paso County and the "Balance of State" (BOS) which includes the remaining 56 counties.

In order to reduce homelessness, the Division of Housing (DOH) funds acquisition and rehabilitation of homeless shelters in non-entitlement areas of the state, and funds transitional and permanent housing throughout the state. Applicants submit proposals in accordance with DOH guidelines. The Division also provides shelter operating, essential services and homeless prevention funding to agencies through its Emergency Shelter Grant (ESG) program. Please see Appendix J for an ESG Homeless agency list.

HIV/AIDS Facilities

The need for HIV/AIDS facilities is significant, but funding for actual units is scarce, so Colorado primarily utilizes tenant based rental assistance to house HIV/AIDS clients. The Colorado Aids Project (CAP) provides direct services to the Denver Metropolitan area and manages the Housing Opportunities for Persons with AIDS (HOPWA) grant for the Balance of State area which includes the Northern Colorado Aids Project (NCAP), Southern Colorado AIDS Project (SCAP), Western Colorado AIDS Project (West-CAP) and Boulder County AIDS Project (B-CAP). In prior years, the State of Colorado supported development of Eaton House, a Boulder County HIV/AIDS four-plex and the Juan Diego Apartments in Denver using HOME funds. HUD funded a competitive HOPWA project in Pueblo County.

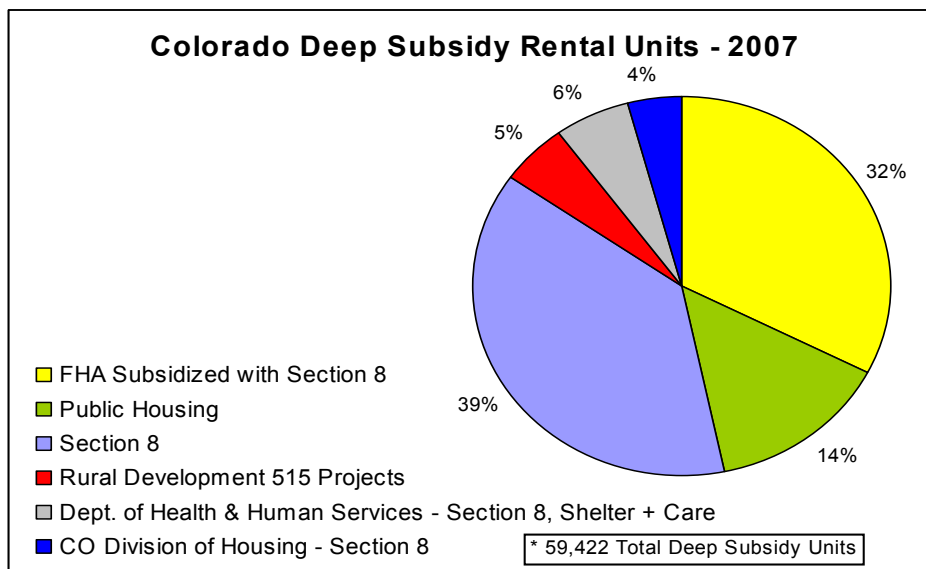
Public and Assisted Housing

Deep Subsidy Rental Units

Most of Colorado’s most vulnerable populations cannot afford market rents, and their incomes may be below 30 percent of the area median income, which HUD defines as “extremely low-income.” In order to provide decent, safe and affordable housing, other housing solutions are necessary, including supportive housing or rental subsidies.

Deep rental subsidies are subsidies that enhance the affordability of rents in a project. In 2007, the State compiled data about the number of deep subsidy rental units, including FHA units subsidized with Section 8; Public Housing Authority units; Section 8, Rural Development 515 projects; Department of Human Services, Section 8 and Shelter + Care; Supportive Housing Program; Division of Housing Section 8 units; and Housing Opportunities for Persons with AIDS (HOPWA). In 2007, a total of 59,422 deep subsidy rental units were available to low-income households in Colorado.

Exhibit 15. Colorado Deep Subsidy Rental Units - 2007



Source: Community Strategies Institute, Division of Housing, 2007

Public Housing Authorities (PHAs)

The Colorado Division of Housing (DOH) conducts an annual statewide public housing authority survey to assess the number of families on Colorado's PHA waiting lists. The survey is a snapshot in time, indicating that in January 2009, 36,983 families were waiting for PHA rental assistance. This is a decline from 2005 when 43,378 families were on waiting lists. DOH believes the decline was attributable to purging of waiting lists that occurs periodically. It should be noted that the total number of households on waiting lists is not necessarily an accurate measure of need since many lists are closed, capped or may have ineligible households at any given time. What we do know is that there is not enough deep-subsidy rental assistance available to the lowest income renters in Colorado.

The majority of households on Colorado PHA waiting lists have incomes at or below 30 percent of area median income for the state. This is consistent with prior years' surveys. Most are families with children, and seven thousand one hundred and four (7,104) have a family member who is disabled. Those housing authorities that track the statistic average 35 phone calls per week for housing assistance.

Exhibit 16. Statewide Public Housing Waiting List Survey Results, 2009

Demographics Category	Number of People on Wait Lists
Total Waiting List for Households	36,983
0 – 30% AMI	29,779
31 – 50% AMI	5,693
51 – 80% AMI	1,443
Families with Children	14,472
Elderly Families	2,042
Families with Disabilities	7,104
Hispanic	12,677
Non-Hispanic	27,561
Black	6,577
Native American	903
Asian Pacific	914

Source: Colorado Department of Local Affairs, Division of Housing, January 2009

The data below shows a disproportionate need among some racial groups. When compared to the percentage of persons in Colorado in each ethnic group, this data shows that all ethnic minorities in Colorado have a higher proportion of housing needs. This finding is consistent with prior surveys. Exhibit 17 summarizes the 2009 needs by ethnic group.

Exhibit 17. Disproportionate Housing Needs of Families on Statewide Waiting Lists by Ethnic Group, 2009

Race or Ethnicity	Percent of Population	Percent of Waiting Lists
Hispanic	26.02%	34.0%
Black	13.50%	16.0%
Native American	1.85%	2.25%
Asian Pacific	1.88%	2.35%
White	56.75%	45.50%
Total	100.0%	100.0%

Source: Colorado Department of Local Affairs, January 2009

Expiring Section 8 Units

According to the U.S. Department of Housing and Urban Development (HUD), between January 1, 2010 and December 31, 2015, contracts will expire on 153 multifamily Section 8 properties, a total of 8,263 rental units. These units are critical to lower-income residents and communities where these developments are located.

Troubled Housing Authorities

The Division of Housing (DOH) may provide assistance to troubled housing authorities upon request. As of October 2009 the following Colorado Housing Authorities are troubled agencies: Housing Authority of the City of Alamosa, Costilla County Housing Authority, Housing Authority of the City of Burlington and Housing Authority of the City of Brush.

Housing Choice Voucher Program

DOH currently administers 2,543 vouchers in 48 counties statewide. The Housing Choice Voucher (HCV) program is the federal government's major program for helping very low-income families, the homeless, the elderly, and the disabled afford decent, safe, and sanitary housing in the private market. The Housing Choice Voucher (HCV) Program is the nation's largest single program for low-income renter households. The program pays a portion of the participating household's rent on a rental unit offered in the marketplace. This Housing Assistance Payment (HAP) is the difference between 30 percent of the household's adjusted gross income and the payment standard. The payment standard is designed to reflect the cost of renting standard quality housing in the marketplace plus paying for utilities not provided in the rent. The assisted household should pay a housing cost burden of 30 percent, which means that the cost of renting the unit and paying for utilities will be 30 percent of the household's income. Seventy-five percent of the programs vouchers are provided to applicants whose incomes do not exceed 30 percent of the area median income (AMI). It is the mission of the DOH Housing HCV Family Self-Sufficiency and Homeownership programs to promote and provide education and opportunities for families to become economically self-sufficient; end the cycle of assistance; and to recycle the vouchers to additional families in need.

The Section 8 Family Self-Sufficiency (FSS) program is a primary housing program designed to reduce dependency on public assistance. This program embodies the four principals of Colorado's welfare reform. Each household participating in this program enters into a Contract of Participation. This contract provides a framework and time line for reducing their dependency on public assistance. Once the contract is fulfilled, funds allocated to an escrow

account on their behalf can be used to invest in a home or pursue further education. This program is administered by DOH, housing authorities and local nonprofit housing agencies.

PRESERVATION OF PROJECT BASED SECTION 8

During the early 2000s, project-based programs faced a major challenge in losing affordable housing stock because owners had the ability to “opt out” of their contracts with HUD and list their units at market rate. Fortunately, only six percent of HUD’s project-based inventory was lost to owner opt outs. Part of the success of keeping units affordable was due to HUD’s emergency initiative called Mark-To-Market. This program increased project-based rents to market rates and restructured existing debt to a level that would support these rents. During this same time, Division of Housing worked with a number of owners and potential buyers to offer financing that kept units affordable. Using property information compiled by HUD and the National Housing Trust, DOH staff identified properties with expiring Section 8 contracts. Our financial assistance included rehabilitation loans, subordinated loans, grants, and tax- exempt bond financing.

A similar effort took place with the Department of Agriculture’s Rural Development (RD) Office. USDA Rural Development Section 515 properties faced the threat of owners opting out of their rental agreements through prepayment of their loans. Approximately 2,550 apartment units currently financed under the Section 515 program could allow prepayment of their mortgage. Property owners seeking to prepay their mortgage filed a class action suit against USDA to exercise this option. The class action suit is still pending. USDA is currently working with owners, whose properties were financed prior to 1989, to provide options in maintaining their affordability.

With a housing market that is not as strong as in the past, private owners prefer not to sell because the rental subsidies received from HUD help maintains property lease up and cash flow. DOH has the opportunity to work with these existing owners using HOME, CDBG, and State monies to keep the units in safe, decent and livable condition so that they may compete with the lower rents offered in a softer market. By doing so, the Division of Housing has made the preservation of these units a priority.

There is still not enough deep-subsidy rental assistance available for the lowest income renters in Colorado. The Section 8 Tenant-Based Voucher Program is undergoing budget cuts due to rising costs. PHAs throughout Colorado are forced to reduce the number of families they serve based on HUD’s funding authority, and yet, the demand persists.

FAIR MARKET RENTS

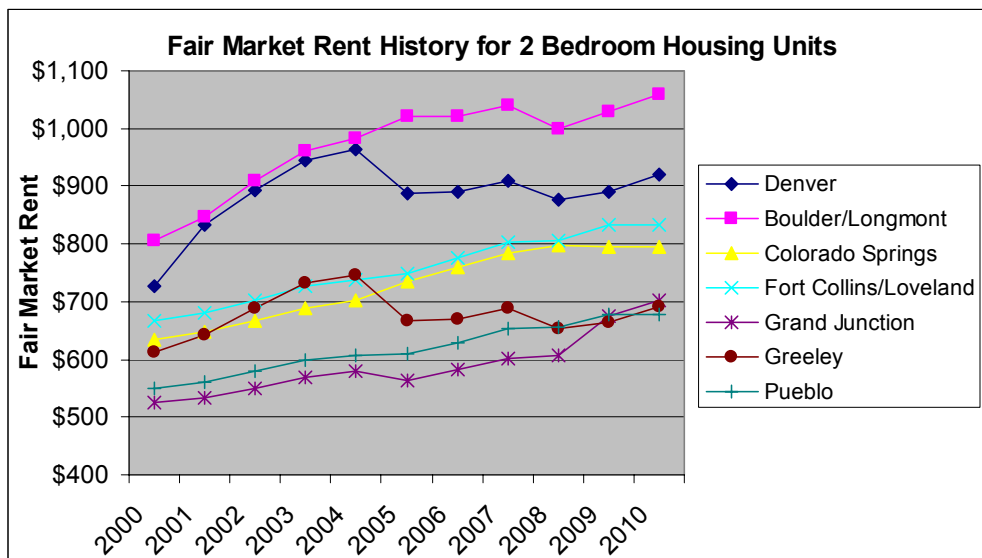
HUD uses Fair Market Rents (FMRs) to determine subsidies for federal housing programs such as the Section 8 HCV program.

Fair Market Rents (FMRs) are gross rent estimates that include shelter rent and the cost of utilities, except telephone, cable or satellite television and internet services. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard market rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of market rental housing units rent.

The 40th percentile rent is drawn from the distribution of rents of units, which are occupied by recent movers (renter households who moved into their unit within the past 15 months). Newly built units less than two years old are excluded, and adjustments have been made to correct for the below market rents of public housing units included in the database. In the Denver/Aurora MSA, the FMR is now at the 50th percentile. HUD uses 50th percentile in areas eligible for tenant voucher de-concentration.

FMRs vary widely across the state. To afford rents of \$1,000 for a two-bedroom unit, renters must earn more than \$40,000.

Exhibit 18. Fair Market Rents



Source; U.S. Department of Housing & Urban Development; www.huduser.org/datasets/fmr. Retrieved on 11/03/09

Supportive Housing Development

Supportive housing combines affordable housing with services that assist people in living more stable and productive lives. This housing works well for people who have complex challenges including mental illness, drug or alcohol addictions, homelessness or HIV/AIDS.

In Colorado, more service providers are partnering with experienced nonprofit housing developers to provide supportive housing options. This segment of the population is least likely to be served by for-profit developers because of the need for the specialized supportive services. Nonprofit service and housing providers are sensitive to the disabled population's needs. Both the Division of Housing and Department of Human Services work to increase the number of deeply-subsidized units constructed or acquired to serve these needs. This includes encouraging partnerships, finding new funding solutions and ensuring the availability of technical assistance so that nonprofit agencies gain better access to all available HUD 811/202 funding targeted to our region of the country.

Housing Market Findings and Conclusions

The housing and financial crisis impacted Colorado and the rest of the country in 2008, but had roots in the middle of the decade when the lending industry loosened credit and many families received loan products that were not appropriate or sustainable. As a result, the for-sale housing market changed from one of production to one of stabilization. Homeownership rates declined, and more families became displaced from their housing or homeless.

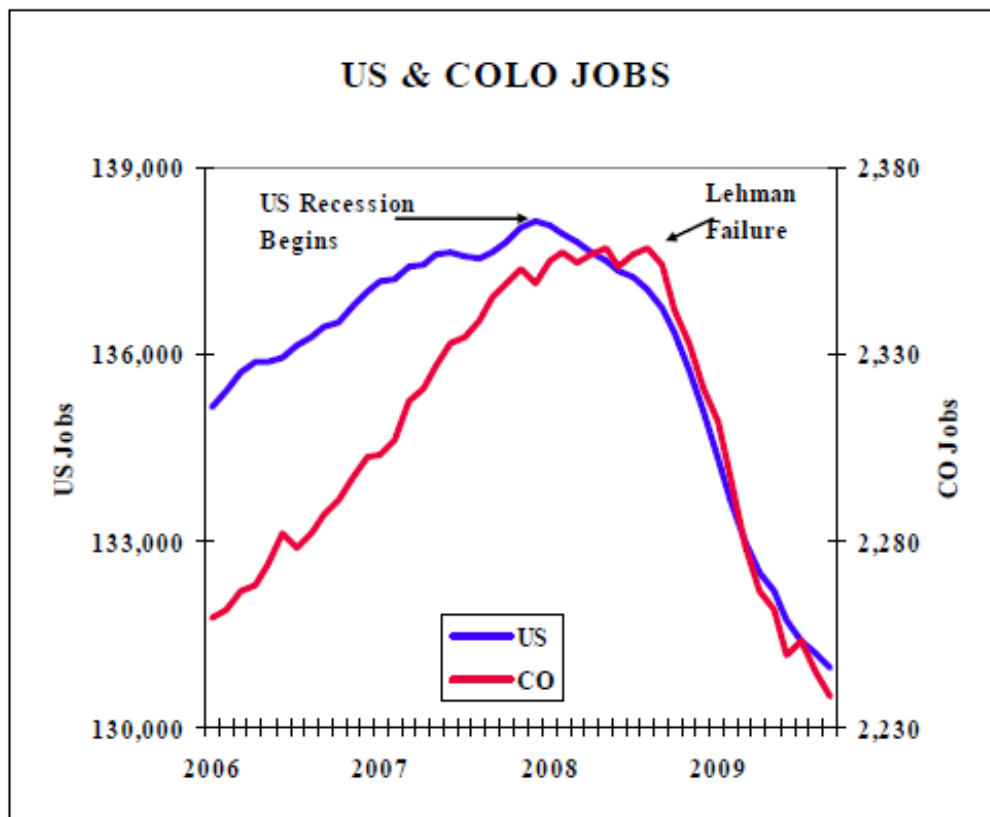
The Department of Local Affairs acknowledges a high priority for activities that promote housing stability: housing counseling, preservation of neighborhoods and homeless prevention activities. Provision of housing for elderly and disabled populations and housing rehabilitation will remain valued activities, while new housing construction is a low priority that the Department will consider only in areas highly impacted by growth.

SECTION 5. COLORADO'S ECONOMY

Like much of the country, Colorado has experienced an economic downturn. The recession that officially began in the U.S. at the end of 2007 didn't hit Colorado until the third quarter of 2008. The effects of the recession on Colorado have generally not been as severe as in many other states, for example unemployment in the state has leveled off at around 7.5 percent, while the rest of the country has averaged 10 percent.

However, Non-farm employment in Colorado has fallen by over 100,000 from July 2008 – July 2009, and the unemployment rate is at 7.8 percent as of July 2009, but fell by one-half point to 7.3 percent for August 2009. Though still below the national average of 9.4 percent, it is well above the State's average for the past several years. Job growth is expected to be very slow even after the economy recovers, with 2010 projections still looking at a slight drop in employment rates, or no change. Retail spending is down in Colorado as elsewhere, with net sales tax down 12.7 percent in 1st Qtr. 2009 compared with 1st Qtr. 2008.

Exhibit 19. U.S. and Colorado Jobs



Source: Bureau of Labor Statistics/Center for Business and Economic Forecasting

The Census Bureau's American Community Survey estimated that there were 1,866,621 households in Colorado in 2008. This report also provides the number of Colorado households by income range and estimates of poverty level data for the population.

Colorado median family income is \$71,000 for 2009, according to HUD. Median family income in Colorado grew by 29.3 percent from 2000 to 2009, slightly better than the U.S. as a whole, which posted a 27.5 percent growth rate over the decade. Housing markets in

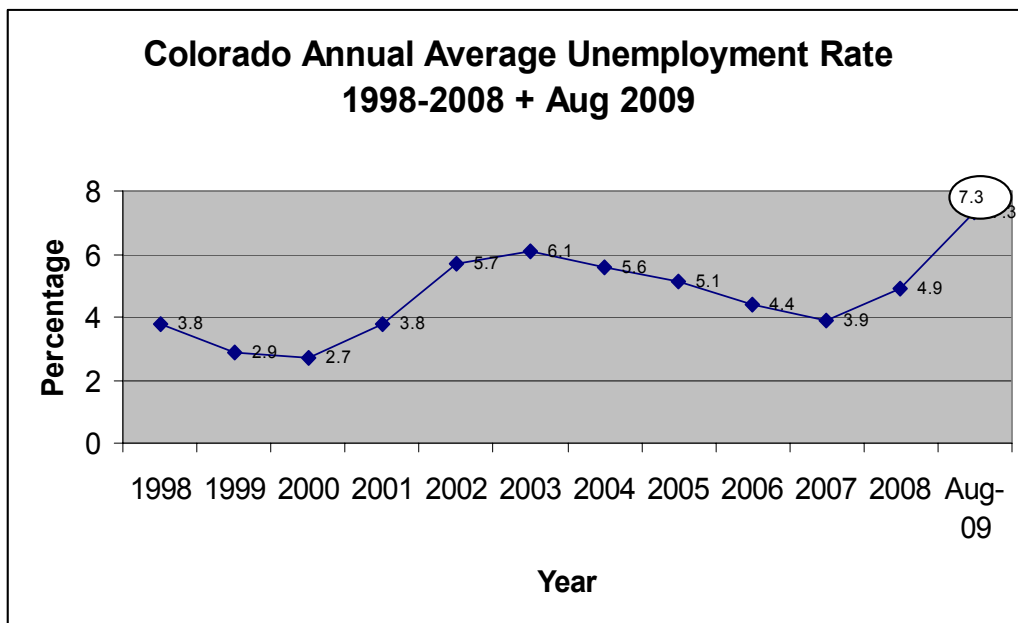
Colorado avoided the rapid run-up in prices experienced by other western states, and thus also largely escaped the plummeting values of the past couple of years. It is important to note, however, that household income is still static for many, and housing remains expensive for those who have the least amount of income.

The Colorado Office of State Planning and Budget analyzed the labor market:

“In October 2009, Colorado’s seasonally adjusted unemployment rate decreased to 6.9 percent. To be sure, many Coloradoans continue to face significant difficulties due to labor market conditions, and the reduced unemployment rate for Colorado is partially due to individuals giving up their job searches in the near term. However, while employment difficulties in Colorado persist, the state continues to fare better relative to others. According to the Colorado Department of Labor and Employment, in October 2009 the number of working Coloradoans fell 9,600 over the month to 2,474,300 out of a civilian labor force of 2,658,600. The number of residents unsuccessfully seeking work declined to 184,300, a reduction of 3,200 from the prior month. In October 2008, total employment was 2,595,500 and the civilian labor force was 2,739,800.”

For 2009, Colorado is expected to average 7.3 percent unemployment compared to the US average of 9.4 percent (DOLA, 2009).

Exhibit 20. Unemployment

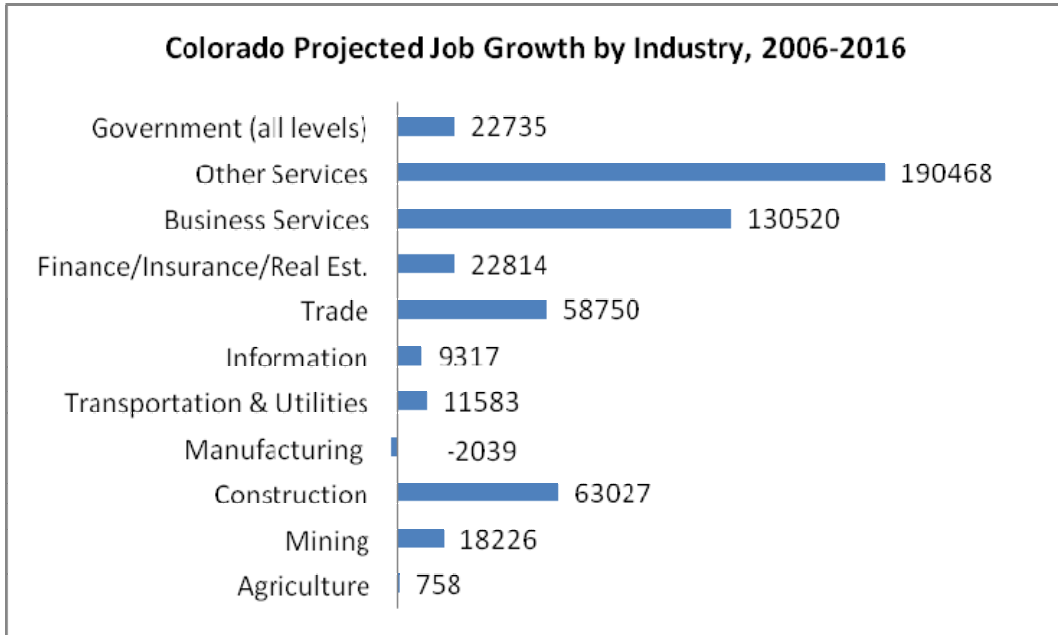


Source: Department of Local Affairs, August 2009

The service and trade industries continue to be the largest industries in the state. These two industries are projected to grow more than any other between 2006 and 2016. The Colorado Department of Labor and Employment expects approximately 57 percent of new jobs to be in the services sector.

The Governor’s Office of Economic Development and International Trade (OEDIT) determined that the following five industries have the most potential for growth: Tourism, Information Technology, Aerospace, BioScience and Renewable Energy.

Exhibit 21. Colorado Projected Job Growth by Industry



Source: Department of Local Affairs, August, 2009

It should be pointed out that these projections do not take into consideration the impact of the current recession. Many labor economists project that employment losses will not be recouped until 2015. Colorado, however, has had a less severe recession and is projected to recoup its lost jobs by 2012.

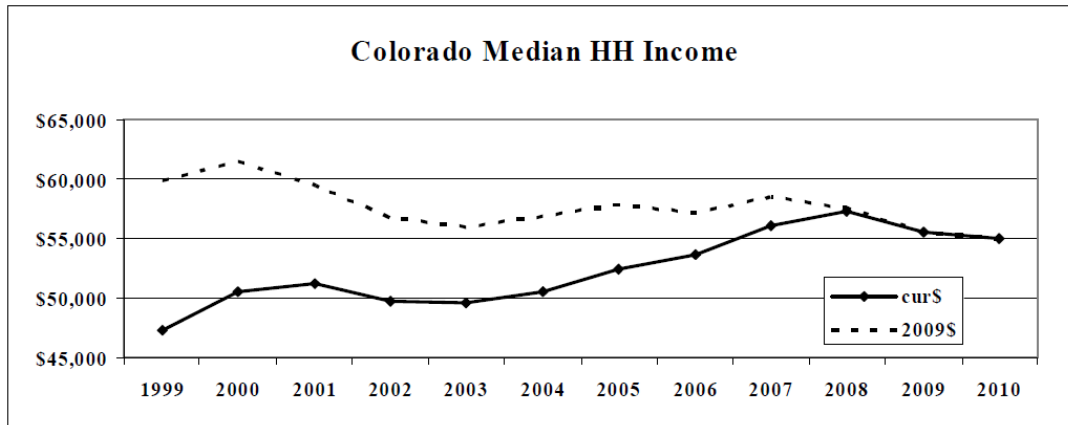
In 2008, Colorado had the 13th highest per capita personal income of all states (Bureau of Economic Analysis, Regional Economic Accounts, 2009) and 7 percent higher than the US average. Colorado's average wage in 2008 was \$46,952 – a 2.6 percent increase over 2007 (Colorado Department of Labor and Employment, 2009). The average wage declined in six counties and increased in 58 of the 64 counties.

Most employment sectors lost jobs in 2008, with the exception of Mining, Trade, Transportation and Utilities, Professional and Business Services and Government. Construction Industries declined by more than 7,000 jobs during 2008 (Colorado Department of Labor and Employment). The average wage in the construction sector in 2008 was \$47,892. The average annual wage in the retail sector, which employs 253,975, is \$26,676 and the accommodation and food service sector, which employs 228,017, has an average wage of \$17,264.

SECTION 6. COLORADO'S INCOMES

DOLA commissions an annual report on median income from the Center for Business and Economic Forecasting (CBEF). Exhibit 22 shows state median household income by year since 1999. According to the study *Estimates of Households by Income for Colorado and its Planning Regions* (December 2009), Colorado suffered two major recessions without any period of strong growth to offset them. Over this nine year period, the constant-dollar median household income fell by more than 10 percent. Median income is not expected to show any growth through 2010.

Exhibit 22. Colorado Median Household Income

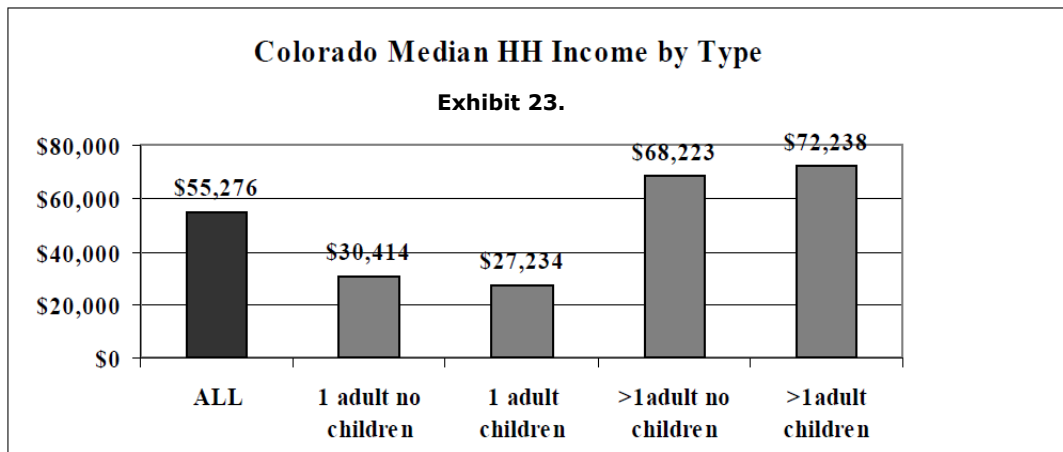


Source: Center for Business and Economic Forecasting, Inc., 2009

Median household incomes vary by region in Colorado (CBEF 2009). The Northern Mountain Region, which includes most of the state's largest ski areas, had the highest median incomes of any region of the state. The major metropolitan areas along the Front Range also had relatively high incomes, with medians near or above \$60,000. Although median incomes in many out-state areas are below \$40,000, housing and other costs are generally lower in these areas as well.

Economists segment median income by household type (Exhibit 23). Households with more than one adult show much higher incomes than those with only one adult. Households with one adult and children have the lowest median income at less than \$30,000.

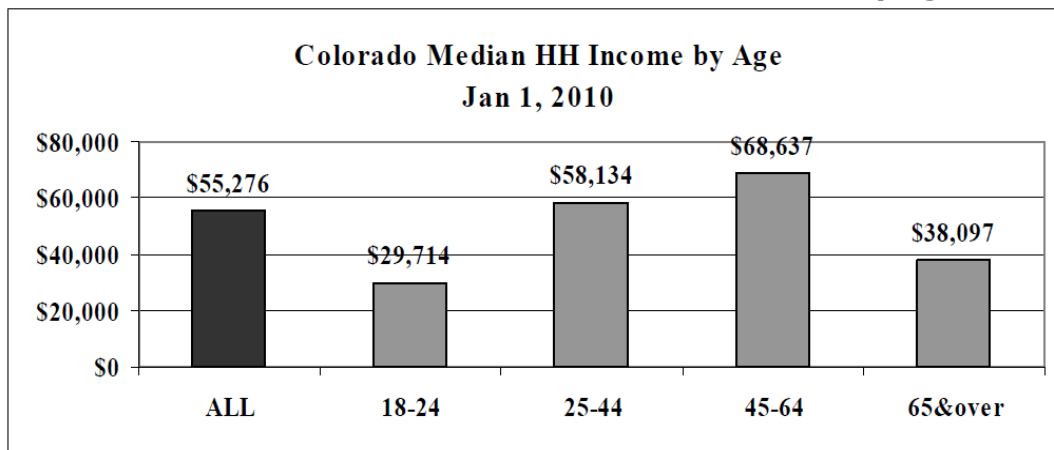
Exhibit 23. Colorado Household Income by Type



Source: Center for Business and Economic Forecasting, Inc., 2009

Exhibit 24 shows median income by age of householder. According to the report, households with the householder in prime working years (25-64) are estimated to have higher incomes than those with persons either just entering the workforce or retired.

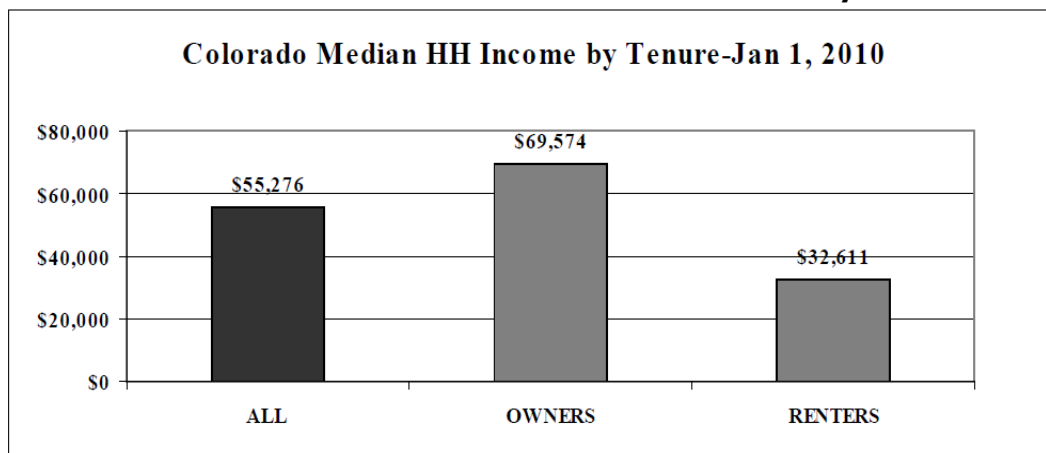
Exhibit 24. Colorado Median Household Income by Age



Source: Center for Business and Economic Forecasting, Inc., 2009

Owner households have a higher median income than renters (Exhibit 25). At the time of publication (January 1, 2010), the median owner income in Colorado was \$69,574 while the median renter income was \$32,611. Renter households are likely to be smaller than those of homeowners. Renters are evenly distributed through the income ranges while homeowners are concentrated at higher income levels.

Exhibit 25. Colorado Median Household Income by Tenure



Source: Center for Business and Economic Forecasting, Inc., 2008

As incomes rise, so does the homeownership rate. At an income level of \$50,000 or more, the percentage of households that are owners increases dramatically. Households that earn less than \$30,000 annually are less likely to be homeowners. Those that do own a home in this income range are most likely elderly persons with no or little debt on their homes.

A significant number of Colorado renter and owner households have incomes within HUD's very-low, low- and moderate-income ranges; the highest percentage of very low-income households is renters.

For owners, those that are single with no children and those over 65 have the lowest incomes.

Exhibit 26. Households by Tenure and Status – 2008

Households by Tenure and Status – 2008					
	Income as % of AMI	Renters	Percent of Renters	Owners	Percent of Owners
All Households	0 – 30%	141,798	11.20%	99,468	7.15%
	31 – 50%	136,464	10.78%	124,722	8.97%
	51 – 80%	193,506	15.28%	181,746	13.07%
More than One Adult without Children	0 – 30%	20,947	1.65%	9,052	0.65%
	31 – 50%	22,847	1.80%	11,074	0.80%
	51 – 80%	36,985	2.92%	42,372	2.07%
More than One Adult with Children	0 – 30%	42,094	3.32%	21,268	1.53%
	31 – 50%	36,785	2.91%	41,016	2.95%
	51 – 80%	60,040	4.74%	81,499	5.86%
One Adult with Children	0 – 30%	19,244	1.5%	8,574	0.62%
	31 – 50%	9,323	.74%	8,738	0.63%
	51 – 80%	7,119	.56%	13,996	1.01%
One Adult without Children	0 – 30%	65,244	5.15%	93,602	6.73%
	31 – 50%	37,371	2.95%	55,780	4.01%
	51 – 80%	38,451	3.04%	83,937	6.03%
Age 18 - 24	0 – 30%	38,016	3.00%	3,252	0.23%
	31 – 50%	7,011	0.55%	3,195	0.23%
	51 – 80%	11,490	0.91%	6,002	0.43%
Age 25 - 44	0 – 30%	28,936	2.29%	21,360	1.54%
	31 – 50%	31,060	2.45%	23,311	1.68%
	51 – 80%	66,148	5.22%	55,969	4.02%
Age 45 - 64	0 – 30%	34,752	2.74%	34,680	2.49%
	31 – 50%	34,690	2.74%	34,162	2.46%
	51 – 80%	67,565	5.34%	70,562	5.07%
Age 65 +	0 – 30%	40,093	3.17%	40,176	2.89%
	31 – 50%	63,703	5.03%	64,053	4.61%
	51 – 80%	48,302	3.81%	49,214	3.54%

2008 American Community Survey, Colorado Department of Local Affairs

SECTION 7. COLORADO'S HOUSING AND HOMELESS NEEDS

Renter Housing

Rental Cost Burden

Housing is considered affordable if a household pays no more than 30 percent of its income for rent or mortgage and utilities. A household is "cost burdened" when the monthly housing costs exceed 30 percent and "severely cost burdened" when those housing costs exceed 50 percent of a household's monthly income.

According to HUD, the Area Median Income (AMI) for Colorado in 2007 was \$66,000. Median income may be analyzed separately for owners and renters. Median Renter Income (RMI), however, is a better measure for examining the needs of renter households. The renter median income for 2007 was estimated to be \$32,765, which is just over half of the owner median income in the state. The renter median income is also about 55 percent of the HUD family median income estimate for Colorado.

Housing needs assessments conducted in Colorado during the last five years and an analysis provided by the Community Strategies Institute (CSI) in 2007 both concur that renters who earn less than 30 percent of the Area Median Income (AMI) are the most severely rent-burdened residents of the state.

To determine whether Colorado renter households can afford housing in our state and in their own communities, DOH created a "mismatch matrix" comparing the number of housing units affordable to households at certain income levels in a community to the number of households that can afford that unit. This matrix displays the discrepancy in affordable units available to each income group. The model assumes each household is occupying (or would occupy) a unit in their affordability range.

Exhibit 27. Mismatch -- Number of Rental Units Per 100 Renter Households, 2007

Household Incomes	0 - 15% AMI	16% - 30% AMI	31% - 40% AMI
Number of Rental Units per 100 Households	64.26	71.84	137.78

Source: Community Strategies Institute, 2007

In Exhibit 27, the lower the number, the greater the mismatch. There is a substantial shortage of units available that are affordable to households at extremely low incomes, those making 30 percent or less of AMI in Colorado. The shortage is even more severe for those with incomes less than 15 percent of AMI: there are only 64.26 units available for every 100 renter households. For incomes between 16 percent and 30 percent of AMI there are 71.84 units available for every 100 renter households, while renter households with incomes between 31 percent and 40 percent AMI had an abundance of units from which to choose. As incomes rise, the number of units affordable to households at those incomes also increases.

According to the CSI report, there were 47,964 rent-burdened households earning at or below 30 percent AMI in Colorado in 2007. The number of housing units needed annually for these households was estimated at 1,779 by CSI in 2007, equating to a five-year

production need of 8,895 units. The State's Annual Action Plan will reflect annual changes in production goals.

STATEWIDE NEEDS ASSESSMENTS

In 2005, the Colorado Blue Ribbon Panel on Housing recommended a process for examining the specific housing needs and promoting strategic planning for every county in Colorado. The Panel recommended that the State collect and deliver housing data for every county in the State, and provide it to Colorado communities to give them timely, accurate and reliable housing information. Communities could then examine the data and determine the best way to achieve local housing balance in their jurisdiction, and integrate it into both their affordable housing decisions and strategic plans.

Following the recommendation, the Division of Housing launched its Statewide Housing Needs Assessment project and solicited needs assessments from most counties in the state during the past five years. To date, 43 (67%) of Colorado's counties have completed or updated needs assessments and seven counties (11%) plan to do so in 2010. Fourteen counties (22%) chose not to undertake needs assessments at all. The reports are in pdf format and the URL address is:

<http://www.dola.state.co.us/cdh/developers/documents/Needs%20Assessments/Needs%20Assessments.htm> .

The Division uses the needs assessments in its decision-making process to better understand local market conditions and ascertain community priorities. Needs assessments, however, are best used at the local level since statewide aggregation of information would be "apples to oranges" because of different completion dates, market conditions, and consultants. The Division did aggregate the estimated need for rental units in Colorado from needs assessments. The reports show a total need 80,006 units. Of these, 59,050 are needed for households that earn less than 30 percent of the area median income (AMI) for their county; 16,059 for households earning between 31-60 percent AMI and 4,897 for households earning between 61-80% AMI.

COST TO RENT IN 2008

In 2000, the fourth quarter median rent in Colorado was \$731 according to the Colorado Multi-Family Vacancy and Rent Survey. By the fourth quarter of 2008, median rent had increased to \$833, more than 14 percent higher than in 2000. In 2008, a renter paid \$102 more per month than he or she paid for the cost of a median rental unit in 2000.

Rents and incomes vary by housing market area depending on local economic drivers, making it hard to generalize about statewide market conditions. Rents for multifamily properties increased in tight market areas for the period of 2000 to 2009, while rents held steady or declined in other regions. Rents are subject to supply and demand, and two major events affected housing markets during the period of 2000 to 2009: the September 11, 2001 terrorist attacks and the collapse of the financial sector that occurred at the end of 2008. The Northwestern Region, Northern Mountains Region and resort areas of the state experienced competition for available units which drove up rental rates.

The statewide median renter income for 2008 was \$36,310. Median renter income is the midpoint at which one half of renter incomes are higher and one half of renter incomes are lower. A household earning the median renter income can afford a unit which costs \$907.75 per month. A household earning \$18,000 would only be able to afford a rent of \$450.00 per month.

The ACS (2008) estimated that over one third of renters and owners pay more than 30 percent of their incomes for housing costs and are considered cost burdened (Exhibit 28). Twenty-three percent of renters who earn less than \$20,000 per year are cost burdened

and 15 percent of renter households earning between \$20,000 and \$35,000 are cost burdened, while cost burden among owner households is spread more evenly across ranges.

Exhibit 28. Cost Burdened Households

Income Range	Number of Cost Burdened Rental Households	Percent of Cost Burdened Renter Households	Number of Cost Burdened Owner Households	Percent of Cost Burdened Owner Households
Income Less than \$20,000	136,174	23.0%	76,473	6.0%
\$20,000 to \$34,999	88,808	15.0%	76,403	6.0%
\$35,000 to 49,999	29,602	5.0%	82,846	6.5%
\$50,000 to 74,999	11,841	2.0%	95,592	7.5%
\$75,000 and more	----	----	191,184	15.0%
		45.0%		41.0%

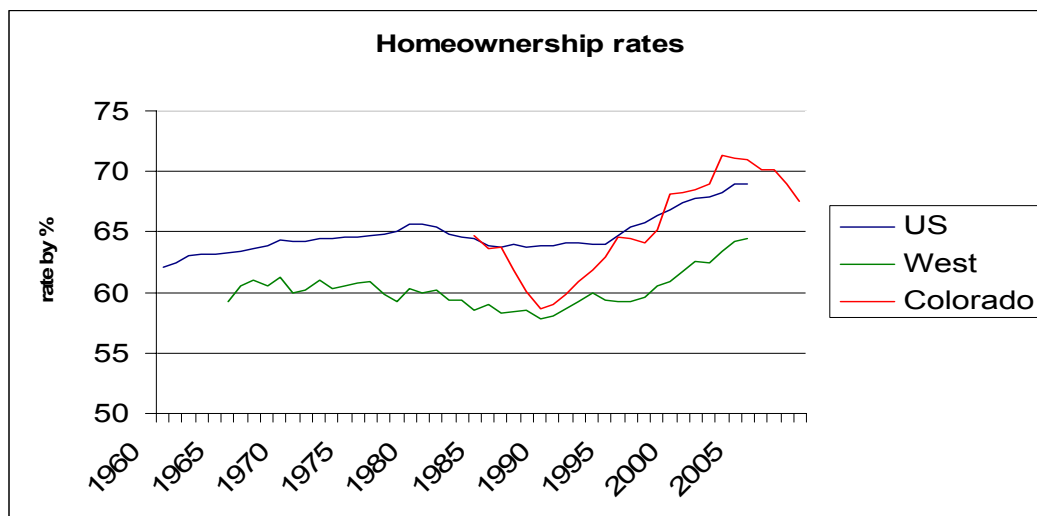
Source: U.S. Census Bureau, 2006-2008 American Community Survey

Homeownership

Historical Homeownership

During the early-to-mid-1990s, the federal government encouraged lending institutions to help households achieve the "American Dream." Credit markets loosened and mortgage products became available to households that were not good candidates to own a home. While Colorado homeownership remained at the mid-60 percent range for many decades, by 2003, it rose to 71.3 percent. Foreclosure rates rose beginning in 2006 and homeownership rates backed down to their earlier range. By November 2009, the homeownership rate had dropped to 67.5 percent with further declines expected.

Exhibit 29. Homeownership Rates over Time



Source: U.S. Census Bureau

Rehabilitation of Existing Housing Stock

As reported Chapter 4, the 2008 ACS identified 20,710 housing units considered to be in very poor condition due to lack of complete kitchen or plumbing facilities. Additionally, there are more than 153,443 low- or moderate-income elderly homeowners in Colorado (Exhibit 26).

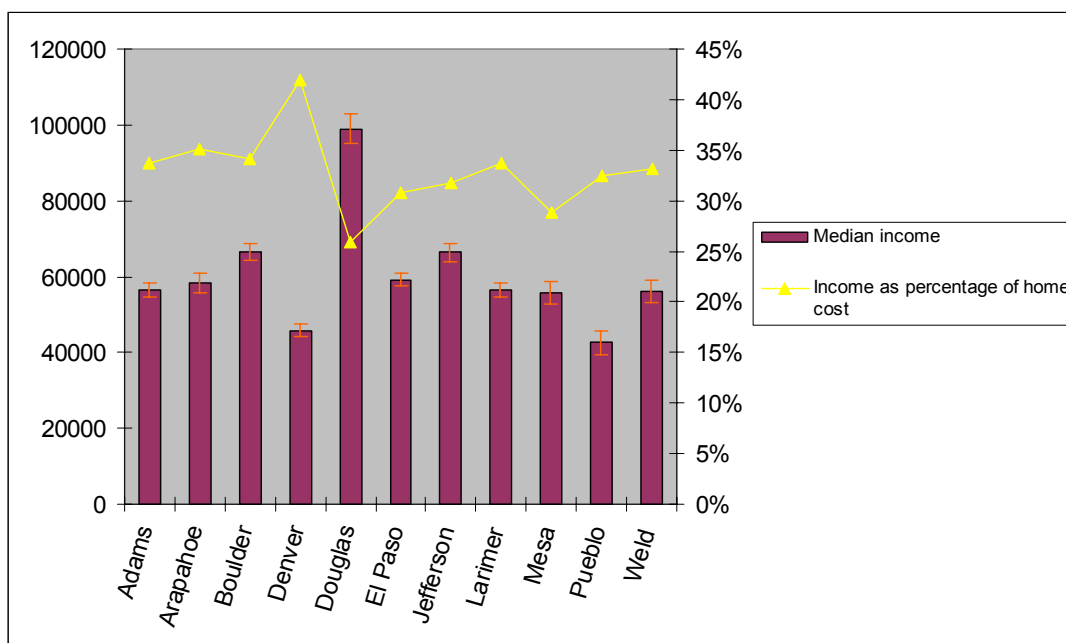
As a means to ameliorate health and/or safety-related needs of low-income owners who could not otherwise afford the repairs, the Division of Housing (DOH) funds 10 owner-occupied rehabilitation programs that serve low-income households at or below 80% AMI.

Owner Cost Burden

The statewide median home price in Colorado during 2008 was \$225,872 and Colorado median income was \$59,091. To buy the statewide median-priced home, a family would have to make approximately \$61,886 or 105% of the state median income (assuming an FHA loan of \$220,000 at 6 percent interest for 30 years). A household that is at 30 percent of the area median income earns approximately \$18,000, and would only be able to afford to pay about \$500 per month toward housing costs.

According to the 2008 American Community Survey 41 percent of Colorado’s 1,274,562 homeowner households are cost burdened, paying more than 30 percent of their income for housing costs. Cost burden may be a factor in the recent incidence of foreclosures.

Exhibit 30. Monthly Owner Costs Compared to Income



(Source: American Community Survey, 2008)

Exhibit 30 compares monthly owner costs as provided in the 2008 ACS with the median income in the 11 counties with the largest populations. The margin of error is accounted for with the small red “I-Bars.” The yellow line shows how much of a resident’s monthly income must be devoted to home cost in the select counties. In Denver, for example, a resident pays over 40 percent of monthly income to home cost, while in Douglas County, a resident pays slightly over 25 percent.

In general, residents in counties with higher median incomes tend to pay a lower percentage of monthly income toward owning a home.

New Homeowners

In general, DOH-funded down payment assistance programs provide assistance to households with incomes between sixty and eighty percent of AMI. Households with incomes below this level are not good candidates for homeownership. Households with incomes above eighty percent of AMI are not eligible for HUD funding. This is a problem for mountain and resort areas since land and construction costs are typically higher in those areas, and household income levels may preclude assistance.

Due to severe housing market problems, the Division of Housing does not intend to provide funding for down payment assistance programs in the near future, unless market conditions in a particular area warrant program funding. DOH will revisit this situation at the time of each One-Year Action Plan.

Foreclosures

Foreclosure trends in Colorado counties vary considerably. The 12 most populous counties in the state account for over 85 percent of all foreclosure activity in Colorado, and counties with high foreclosure rates tend to be located along the Front Range.

In the 4th quarter of 2009, county public trustees reported 11,287 foreclosure filings and 5,466 sales at auction (completed foreclosures). For the same period during 2008, there were 9,481 filings and 5,041 sales.

In 2006, the Division of Housing collaborated with government, industry, nonprofit, and community groups to present a unified front in combating the growing problem of foreclosures in the Colorado single-family residential market. The outcome was the formation of the Colorado Foreclosure Hotline.

The hotline connects borrowers with nonprofit housing counselors who can provide information on a borrower's options when facing foreclosure. The hotline received over 94,000 calls for assistance from its inception to the end of December 2009.

Counselors can act as facilitators for communication between lenders and borrowers, which is a critical role. Statistics show that four out of five households (80%) that meet with a housing counselor will avoid foreclosure. As of November 30, 2009, 16,100 households received assistance and avoided foreclosure. The Division will fund the Hotline Call Center through the summer of 2011.

Neighborhood Stabilization Program

Congress enacted legislation in August 2008 to assist communities with foreclosure problems and destabilization of neighborhoods. Colorado received \$37.9 million through the Housing and Economic Recovery Act of 2008 (HERA) and amended its 2008 Action Plan to incorporate implementation strategies for the Neighborhood Stabilization Program (NSP1).

The goals of the program are: (1) stabilize property values; (2) purchase and rehabilitate housing in the most highly impacted areas quickly to reduce the extended negative effect of blighted properties in neighborhoods; and, (3) acquire foreclosed properties to serve the most severely cost-burdened households for the greatest period of time.

The State anticipates that grantees will complete a combination of single-family, multi-family and land banking projects. Many jurisdictions are already working with local nonprofit organizations to develop affordable housing with their funding, including Habitat for Humanity affiliates, urban renewal authorities and special needs service providers.

HOUSING NEEDS FOR SPECIAL POPULATIONS

Elderly Housing Needs

According to the Colorado Commission on Aging (CCOA), Colorado has the seventh fastest growing aging population in the U.S. In the year 2010, there are more than 770,000 seniors age 60 and over in Colorado. From the years 2000 - 2010, the number of seniors increased 39%.

Centenarians are the fastest growing segment of the American population, and four out of every five Centenarians are women (2008 ACS). The Commission estimates that there are about 700 Coloradans 100 years old or older at the present time.

Housing is an important component in serving the range of needs of our seniors. The Colorado Four Year State Plan on Aging lists affordable housing as one of the ways to support "independent living, self-sufficiency, safety and dignity" for older adults.

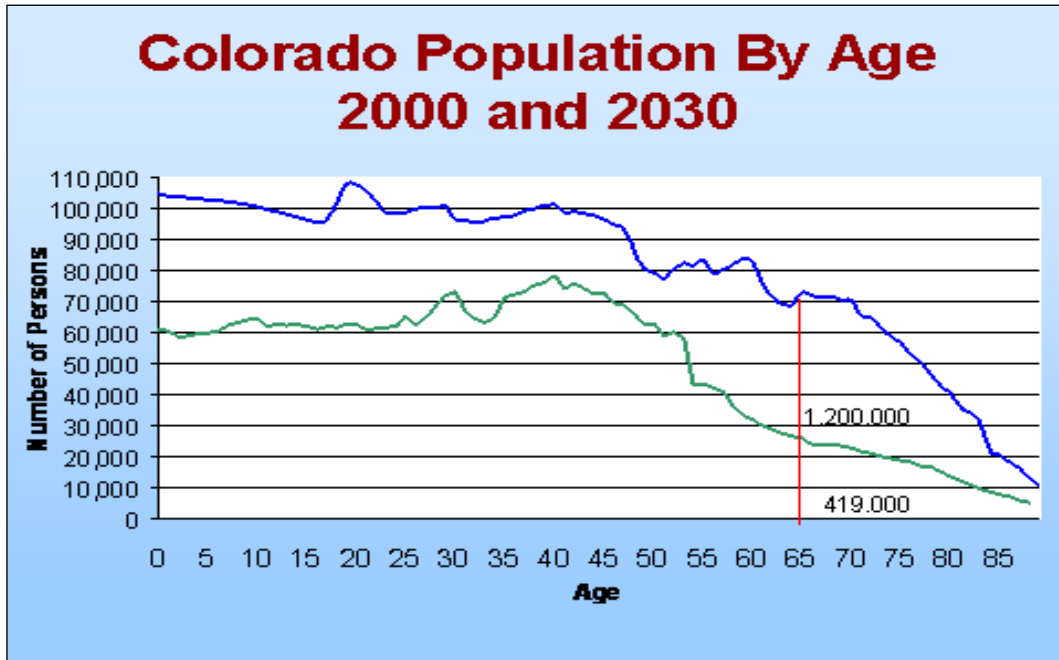
- ❖ In 2010, the first Boomers will reach 65 years of age.
- ❖ Between 2000 and 2020, Colorado's population aged 55 - 64 will grow 5.9 percent per year vs. 3.9 percent for this U.S. age group, and 1.7 percent overall growth for Colorado. This will result in Colorado's total more than doubling from 342,000 to 745,000 seniors.
- ❖ By 2030, Colorado's population 65 and over will be 3 times what it was in 2000, growing from 400,000 to 1.2 million.

The State Demographer, Elizabeth Garner, (personal interview, August 2009) observed that the "Baby Boomers" - those born from 1946 - 1964 - will increase both from in-migration and from those who remain and age in Colorado. Baby Boomers will have a significant impact on Colorado.

As the baby boomers retire, regions with the tightest housing markets will likely experience the greatest housing impact. Based on first-quarter vacancy rates from 2005-2009, projected increases in the baby boom population will most strongly affect Glenwood Springs and Salida followed by Alamosa, Aspen, Buena Vista, Canon City, Gunnison and Summit County.

Exhibit 31 examines the increase in senior population at age 65. Between the green and the blue trend lines, the red vertical line shows the widening population.

Exhibit 31. Colorado Population by Age – 2000 and 2030



Colorado Department of Local Affairs, 2009

When considering new construction rental housing, it is likely that the areas with the highest baby boom retirement and tightest rental markets will have the greatest need.

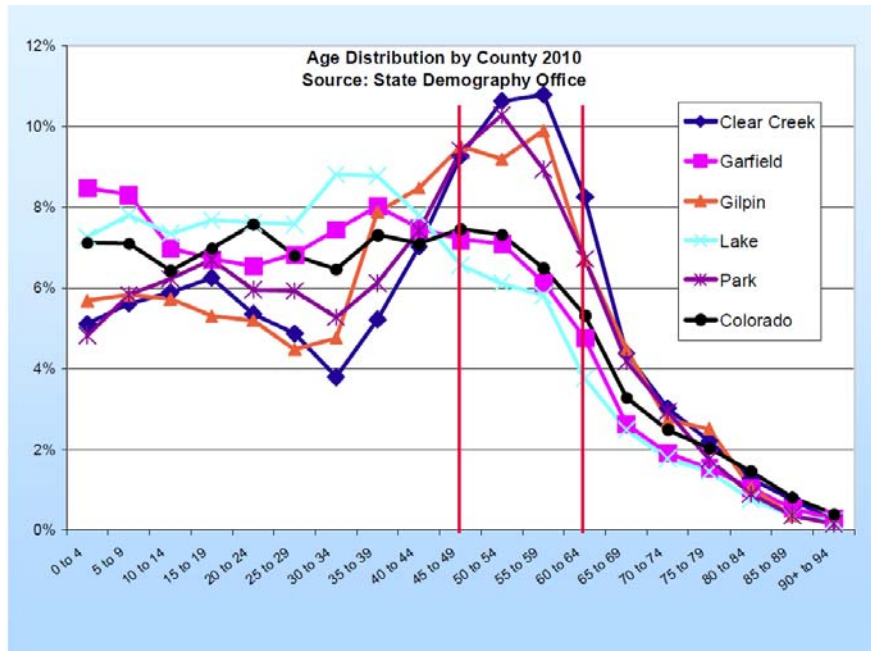
Exhibit 32. Baby Boom Population Growth by Region 2005-2015

Region	Population Increase	Percent Increase
Central	212,689	23.23%
South Western	13,677	25.26%
South Eastern	10,805	13.29%
South Central	6,953	14.26%
North Western	28,460	31.35%
North Central	141,284	33.46%
Northern Mountain	26,629	45.75%
North Eastern	3,758	11.66%
Statewide	444,255	

Colorado Department of Local Affairs, 2009

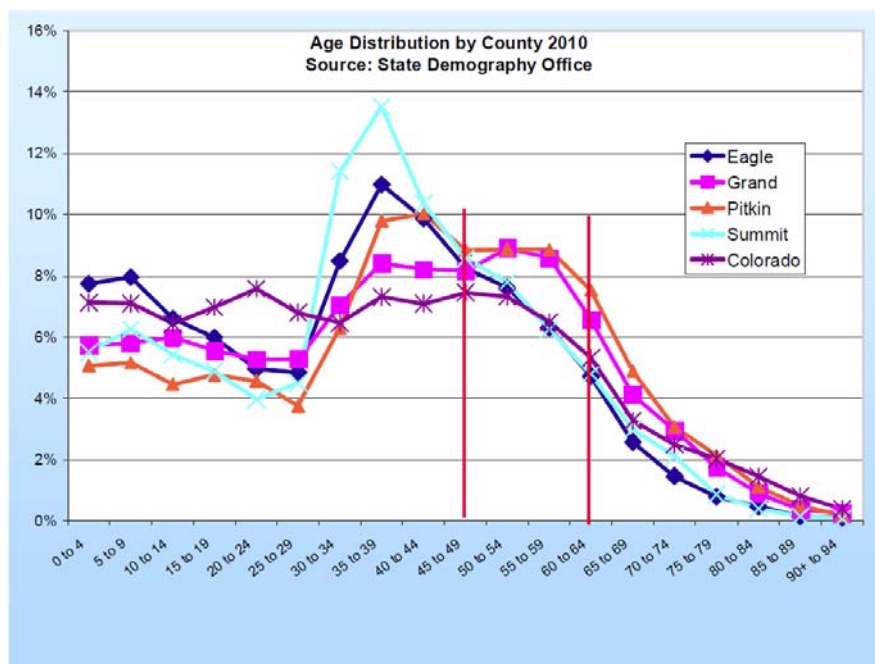
Exhibits 33 and 34 show the effect of the baby boom population on mountain resort areas. The first of these graphs is for the counties of Clear Creek, Garfield, Gilpin, Lake, and Park versus the State of Colorado as a whole. The second slide includes Eagle, Grand, Pitkin, and Summit counties versus the State of Colorado as a whole. The area between vertical red bars delineates the baby boomers as they advance through time.

Exhibit 33. Age Distribution by County 2010



Source: DOLA, Office of State Demographer, 2009

Exhibit 34. Age Distribution by County 2010



Source: DOLA, Office of State Demographer, 2009

Economic Impact of the Baby Boomers:

In 2006, spending by those 65+, including health care, supported an estimated 200,000 jobs in Colorado: approximately .42 jobs per person 65 and older. This population is service-oriented and will affect the occupational and wage mix in future years (Source: Office of State Demographer, 2009).

The Colorado Department of Human Services (CDHS) found an estimated unmet need for 7,245 affordable rental units among households with at least one recipient of elderly benefits, and according to the State Demographer (2009), elderly women who live alone are an increasingly vulnerable population, and may require additional outreach and services.

Senior Housing

There are four common types of housing for seniors, each providing an increasing level of services as residents become less healthy and more frail.

Independent Living gives seniors who are functionally and socially independent apartment-type housing with limited services such as security, partially accessible units, transportation, housekeeping and social activities.

Congregate Care housing provides frail, chronically ill or socially isolated seniors with the same services as independent living, with the addition of meals and occasional housekeeping.

Assisted Living provides housing and services to seniors who require 24-hour supervision. These units are small, fully accessible, and most often lack cooking facilities. In addition to the general services provided to those in independent and congregate living, residents are provided assistance with daily living by trained aides. Staff monitors tenant medications but does not administer them.

Nursing Homes provide 24-hour care to seniors who are unable to take care of themselves. Residents receive all of the above services, and medications are administered by staff.

Independent Housing Needs – Independent Elderly

DOH research estimates that Colorado has 103,796 renter households and 104,229 owner households earning between 0 – 50 percent of AMI that have a householder age 65 or older. More than 40,093 of these households are renters with incomes at or below 30 percent AMI. According to the State Demographer, the 60+ age group will grow faster than any other from 2010 to 2025. Many of these households live on fixed incomes.

A 2007 Community Strategies Institute study found that Senior Renter Median Incomes were 63 percent of overall Renter Median Income, but only 32 percent of Area Median Income. The number of senior rent-burdened households was estimated to be 5,111.

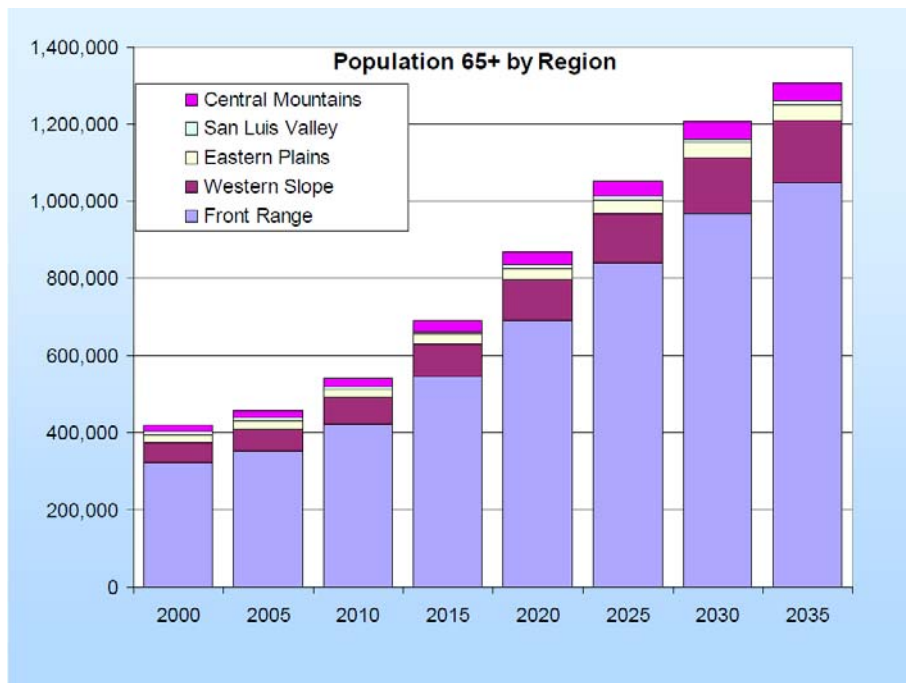
According to the most recent report from the Social Security Administration (SSA), the average Social Security payment was \$982 per month, while average rent for a one bedroom apartment was \$667 per month according to the National Low-Income Housing Coalition study "Out of Reach, 2008." A one-person household would be cost burdened if Social Security were their only source of income. Based on census and SSA data, a 2008 report by the American Association of Retired Persons (AARP) indicates that 24% of Coloradans over 65 have no income other than Social Security – nearly 50,000 people.

The Colorado Division of Aging and Adult Services is the agency responsible for developing a comprehensive system of services for older adults. These services include the Disease Prevention and Health Promotion Program; Elder Abuse Prevention program; In-Home Services Program; Information and Assistance Program; Legal Assistance Program; Long-Term Care (LTC) Ombudsman Program; National Family Caregiver Support Program; Nutrition Services Program; Senior Community Service Employment Program and Transportation Services Program. A number of these programs, which are operated by local agencies, allow seniors to live at home for as long as possible. Many seniors are reluctant to leave their homes to move to a service-enriched housing project. Programs such as In-Home Services have proven to be effective in keeping seniors in their homes longer, and are an important part of any plan to serve the housing needs of Colorado seniors.

DOH will encourage use of the Medicaid Home Modification program when appropriate and will give priority to housing rehabilitation programs that help seniors modify their existing homes so they may age in place.

In the next few years, DOLA plans to target a portion of its Private Activity Bond Program to meet the housing needs of seniors and the disabled.

Exhibit 35. Population 65+ by Region



Source: DOLA, Office of State Demographer

Need for Housing with Services – Frail Elderly

Many seniors lose their independence as they age. Using estimates from the Administration on Aging, the Division of Housing estimates the number of seniors who need assistance with Instrumental Activities of Daily Living (IADL) or Activities of Daily Living (ADL). IADLS include housework, meal preparation, money management and shopping. ADL activities are bathing, dressing, or eating. Seniors requiring these types of assistance may not be able to live independently in their own homes and may require one of many special housing options for seniors.

According to the most recent account, "The Status of Older Adults in Colorado, 2004," there were 619,973 adults in Colorado age 60 and older at the time of the study. The report found that six percent (6%) of Colorado's adults 60 and older reported a problem having housing suited to their needs while 94 percent (94%) reported no problem. According to the Center for Home Care Policy and Research, ninety one percent (91%) of adults 65 and older in the U.S. want to continue living in their own homes, in their own communities, for as long as possible.

Persons with Disabilities

Colorado's economy has created new and difficult housing challenges for the State's special needs population. "Persons with Disabilities" include people with chronic mental illness, physical disabilities, developmental disabilities, drug and/or alcohol addiction, HIV/AIDS, and multiple diagnoses. This population generally is unable to hold full-time employment, has higher than normal medical expenses, may require assistance in activities of daily living (e.g. cooking, cleaning, personal care, etc.), and most significantly, has limited income that provides them few housing options. Their ability to compete in the housing market for affordable and appropriate housing is limited in many cases not only by their lack of income, but also by their need for special accommodations. Many special needs populations are losing ground.

This competition for housing is exacerbated by the movement away from large, institutional settings for persons with disabilities toward more residential-type settings such as group homes. Many disabled people are being encouraged to live independently with support services delivered to them in their home. While this is generally believed to be more cost-effective and efficient, it does place the development of these group homes and residents in independent living situations in direct competition with the rest of the housing market.

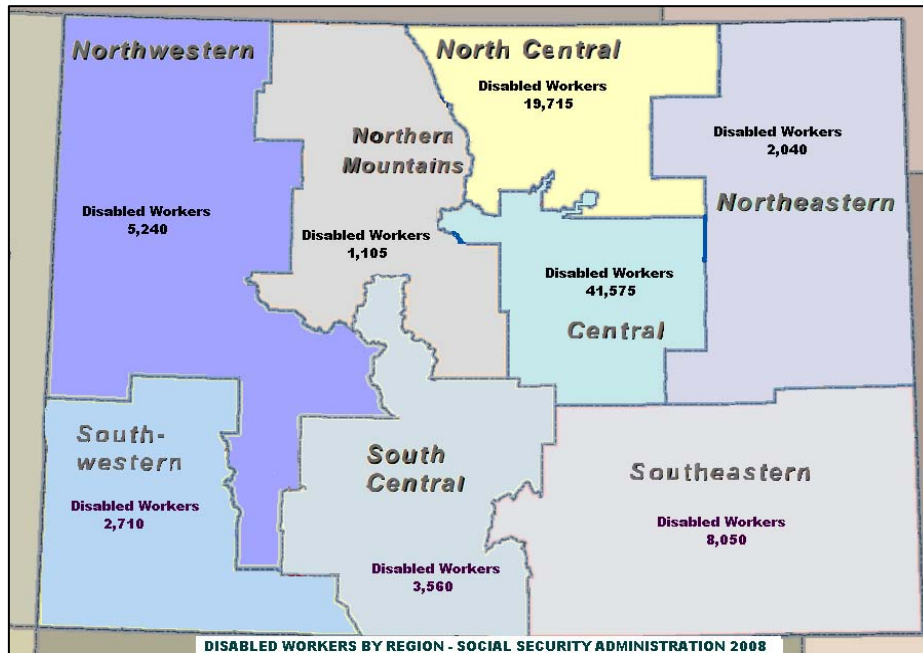
According to "*Priced Out in 2008, the Housing Crisis for People with Disabilities*" (Technical Assistance Collaboration, Consortium of People with Disabilities Housing Task Force, May 2009), this increase in demand and change in philosophy come at a time when the market is unstable. This represents an increased risk to persons with special needs. Changes in federal housing policies have also reduced the supply of affordable housing for persons with disabilities by removing the requirement that owners of federally subsidized housing make units available on an equal basis to both elderly households and people with disabilities under the age of 62. Landlords are now allowed to have "seniors only" buildings, thereby removing another source of affordable housing for non-elderly people with disabilities.

In Colorado, approximately 427,156 persons over the age of 16 have a disability (ACS, 2008). Colorado Department of Human Services estimates that more than 168,878 persons have a severe/chronic mental illness, 88,967 are persons with physical disabilities, and approximately 19,995 are developmentally disabled. More than 10,796 persons are living with HIV/AIDS (Colorado Department of Public Health & Environment, June 2009).

A 2009 DOH survey of Public Housing Authority Waiting lists found that as many as 7,104 households with disabilities and 2,042 senior households are on waiting lists for public housing assistance. Many seniors and persons with disabilities receive Supplemental Security Income (SSI), a Federal income supplement program funded by general tax revenues. It is designed to help aged, blind and disabled people, who have little or no income, and it provides cash to meet basic needs for food, clothing and shelter. In the face of unaffordable housing, SSI does not go very far.

Supplemental Security Income benefits (SSI) provide the bulk of income for many individuals. Regional distribution of disabled workers, mapped below, provides further insight to existing need.

Exhibit 36. Regional Distribution of SSI Disabled Workers



Source Social Security Administration, 2009

Colorado’s monthly SSI benefit is approximately \$662 (Priced Out, 2008). According to the study, the average national rent was greater than the amount of income a person with disabilities would receive from the SSI program. Specifically, the average rent for a modest one-bedroom apartment in the United States was equal to 112 percent of SSI benefits — up from 105 percent in 2002.

Colorado is no exception. Persons with disabilities receiving SSI benefits are among the lowest income households in the country, with income equal to only 16.7 percent of the average median income for Colorado (2009). In Colorado, 89.9 percent of a person’s SSI income is required to rent an efficiency apartment, and rent for a one-bedroom apartment requires 102.1 percent of a person’s SSI income. SSI income equates to 16.7 percent of the state’s HUD median income for one person, or only \$3.81 per hour (2009 and DOLA). Minimum wage, on the other hand, is \$7.24 per hour. (Colorado Department of Labor and Employment, January 1, 2010). Persons with disabilities living on SSI are at a disadvantage in not only finding affordable housing, but being able to keep the housing they have in the face of ever-increasing rental rates.

Most persons with special needs choose to live in housing where they can remain independent. They prefer to access any services they need close to their home. This allows greater freedom and the ability to come and go in a community environment. New deep-subsidy rental units are needed to expand the available inventory of housing units that are both accessible and affordable to persons living on SSI. The project pipeline of the Division of Housing reflects 273 potential units for special populations as discussed with Colorado’s affordable housing and development community.

Exhibit 37. Housing Expenses Compared to Supplemental Security Income -2008

Locality	SSI Monthly Payment	SSI as % of Area Median Income	% of SSI Needed to Rent an Efficiency Unit	% of SSI Needed to Rent a One Bedroom Unit
Boulder-Longmont		13.5%	106.9%	123.9%
Colorado Springs		16.7%	84.9%	95.2%
Denver/ Aurora		15.8%	93.2%	106.3%
Fort Collins /Loveland		15.1%	86.7%	103.9%
Grand Junction	\$662	20.6%	84.7%	84.9%
Greeley		17.7%	77.5%	82.0%
Pueblo		21.1%	74.2%	78.1%
Non-Metropolitan Areas		21.1%	84.7%	98.0%
State Average		16.7%	89.9%	102.1%

Consortium for Citizens with Disabilities, Priced Out in 2008

SHHP’s 2009 report on Section 8 tenants (all disabled), shows that 87 percent have incomes below 30 percent AMI; 74 percent have incomes below \$10,000/year; and 83 percent have only one person in the household.

According to SHHP, one problem with expanding the inventory of housing for the disabled is that persons with disabilities receive a disproportionate share of the HUD funds used to finance new deep-subsidy rental units. In FY 2009, HUD will provide \$540 million for senior housing programs and \$160 million for housing for persons with disabilities (HUD, 2009). It has also become more difficult to build units through HUD’s 811 program alone. Almost all of the 811 projects constructed in Colorado in the past three years have required additional funding from the DOH.

As with seniors, the disabled population could be badly impacted should the market experience a loss of Section 8 housing due to expiring projects opting out. SHHP estimates that there are currently 13,379 persons with disabilities living in subsidized housing in Colorado. Although each household living in a units that has “opted out” of Section 8 will receive a voucher, this increases competition for other affordable units.

To understand housing needs for the disabled, SHHP completed a study called, “Follow-Up Study of Housing Needs of Low-Income Populations in Colorado.” Their analysis found an estimated 39,144 persons age 18 – 64 in Colorado receiving SSI or AND. 13,450 are already housed in affordable units. The study found there are still 11,504 persons with disabilities who need affordable housing. SHHP had a waiting list of over 1,400 people with a disability when it last opened its waiting list in 2007.

Exhibit 38. Housing Needs of Persons with Disabilities

	Persons Receiving SSI/SSDI	Disabled Persons in Subsidized Housing	Persons not Housed in Subsidized Units
Colorado	39,144	13,450	11,504

Supportive Housing and Homeless Programs, *Follow-Up Study of Housing Needs of Low-Income Populations in Colorado*

Persons with Severe and Persistent Mental Illness

Colorado, like all other states, has reduced State mental health hospital capacity and shortened the lengths of stay, requiring a greater need for community-based services and housing. As the trend toward deinstitutionalization of the chronically mentally ill continues, new types of housing alternatives are required to respond to the needs of this population. This change in treatment philosophy has increased the need for the development of more creative housing alternatives.

Group homes now provide a structured transition from institutional settings into more community-oriented housing. Group homes allow for a more formalized setting to monitor the residents' wellbeing and medical needs. Independent apartments with on-site service providers available to monitor and assist the residents and help them learn the skills necessary to live independently are another alternative. Many people with chronic mental illness are able to live independently with little or no supervision, but need to have readily available support services. In many instances, caseworkers visit clients in their own home. Medication monitoring is an essential component of the service package in all settings, and is often the key to allowing these individuals to remain in semi- and fully-independent housing settings.

Due to the nature of their illness, persons with chronic mental illness may occasionally require hospitalization to re-evaluate their medical needs. While new drugs allow more and more people freedom and the chance for an independent life, their medications may need to be periodically adjusted. It is crucial to this population that they be able to return to their housing units after hospital stays. To ensure this, clients must have a rental subsidy stream that will continue in the event that they are hospitalized. While programs such as Shelter + Care provide for this event, other programs require the recipient to live in their housing unit during the month that the subsidy is provided, or the subsidy may be terminated. The ability to keep their housing is not only important from the housing perspective but from a therapeutic perspective. Programs that recognize the specific needs of those with mental illnesses are essential to preventing homelessness in this population. In the most recent report available, the Department of Human Services, Division of Mental Health (2002) found that there were 168,878 persons with serious mental illness in Colorado and 66,453 were not served by any mental health system.

Persons with Physical Disabilities

The 2000 Census found 49,450 households that had mobility and self-care limitations had housing problems. Persons with physical disabilities face not only the problem of finding affordable housing, but also finding housing that meets their physical needs. While building codes now require newly constructed housing, especially multi-family housing, to provide units that are accessible, many of the older buildings found throughout Colorado provide inappropriate housing. Non-accessible housing not only makes it difficult for a disabled person to function within his or her own home, it may be unsafe in the event of an emergency.

Landlords in Colorado are now required to allow persons with disabilities to modify their units, but they may be required to return the unit to its original condition upon moving, all done at the expense of the resident. This cost can be prohibitive and force the residents to "make do." The requirements for physical accommodation of the unit can range from simply installing low or no pile carpet, to removing kitchen cabinet doors to allow residents using wheelchairs to roll up under a sink to prepare meals. Larger retrofitting of units such as baths and doorway openings is generally cost prohibitive.

The Medicaid Home Modification Program may provide assistance to low-income, disabled tenants to retrofit their homes. This program can help residents for the long term. Persons with physical disabilities tend to stay longer in their accessible rental unit simply because the home meets their needs and there are few other alternatives. Additionally, accessibility modifications at the time of rehabilitation of existing units, especially in projects funded with DOH or other federal funding, are adding to the inventory of available and appropriate rental housing for this population. All new buildings constructed with DOH funds have at least 5 percent of the units constructed to meet accessibility standards.

Persons with Developmental Disabilities

In Colorado, a developmental disability is defined as a disability that:

- ❖ Occurs before the person reaches 22 years of age,
- ❖ Substantially impacts the person's daily life,
- ❖ Is caused by mental retardation or related conditions...for example - cerebral palsy, autism, epilepsy, Down Syndrome, or other neurological conditions, and
- ❖ Impairs the person's general intellectual functioning: IQ 70 or below,
- ❖ Significantly limits daily living skills in 2 or more areas

(Source: Colorado Department of Human Services, Division of Disabilities, 2007).

Persons with developmental disabilities have many of the same housing challenges as those with severe and persistent mental illness. Many individuals are able to function independently with minimal oversight; however, others may require intensive services and a highly structured environment. Again, many of the State institutions serving the developmentally disabled are closing and residents are being moved into a variety of housing types within their communities that are tailored to their specific needs. The creation and development of these housing options generally lags behind the population's needs.

In many communities, the creation of group homes presents even greater challenges than the development of affordable rental housing. This population must live in close proximity to service providers and caseworkers to receive the essential services necessary to remain independent. NIMBY can make finding a location for group homes tough for providers.

Persons with developmental disabilities often live with their parents and have never lived elsewhere. However, aging parents may not be able to continue caring for a developmentally disabled child, and these individuals must move into alternative housing. This adds demand for supportive housing that is already in short supply. An informal survey of waiting lists at local Developmental Disability providers was conducted by the Division of Housing to determine an estimate of the need for more housing options for the developmentally disabled population. Providers state a need for 315 more Section 8 vouchers and 5 new group homes in Colorado (personal interview, Jo Kamerzell, Division of Disabilities).

Persons with HIV/AIDS

According to the Colorado Department of Public Health and Environment (CDPHE) HIV/STD Surveillance Program (HIV and AIDS in Colorado, Monitoring the Epidemic (through June 20, 2009), there have been 16,016 total AIDS cases reported in Colorado since 1982. Of these, 9,307 were in Denver alone. Since 1996, the percentage of persons diagnosed with AIDS who are still living has increased dramatically due to new treatments. There are now an estimated 10,796 persons living with HIV/AIDS (PLWHA) in Colorado.

The HIV epidemic in Colorado is concentrated in the counties and population centers of Denver, Boulder, Broomfield, Adams, Arapahoe, Jefferson, Douglas and El Paso Counties. These counties represent 78 percent of prevalent HIV/AIDS cases and 68 percent of Colorado's population. Fremont County appears to have a disproportionate share of HIV because it is home to the Colorado State correctional facility that houses virtually all HIV infected prisoners (*Integrated Epidemiologic Profile of HIV and AIDS Prevention and Care*

Planning reported through June 2003, Colorado Department of Public Health and Environment). Although there are persons with HIV/AIDS in the rural areas of Colorado, the numbers are not large.

Exhibit 39. AIDS/HIV Cases by Geographic Area through June 2009

Area	AIDS Cases	HIV Cases	Deaths
Adams County	256	313	254
Arapahoe County	468	553	390
Boulder County	189	260	154
Broomfield County	7	9	0
Clear Creek	11	6	Not Reported
Denver County	2458	3631	3218
Douglas County	46	45	28
El Paso County	293	412	350
Gilpin County	3	2	Not Reported
Jefferson County	287	309	311
Larimer County	90	102	70
Park County	12	4	4
Pueblo County	77	76	80
Weld County	69	67	72
Balance of State	392	349	289

Colorado HIV/STD Surveillance Program, HIV and AIDS in Colorado, 06/30/2009

Housing for persons with HIV/AIDS is more than simply a shelter issue - it is a health issue. Housing is a prerequisite to many basic services frequently needed by person with AIDS/HIV. Appropriate housing allows the individuals the stability they need to conform to the often-strict drug regimens that treatment of their illness requires. Inadequate housing can make it extremely difficult to get appropriate health care, maintain recovery from drug or alcohol dependency, or access to substance abuse treatment or other services. A stable living arrangement has been shown to be critical to an individual's success with drug therapies that enable individuals to live longer.

As persons with HIV/AIDS live longer, demand increases for living situations that are responsive and supportive through the entire course of a person's illness. Stable housing provides an essential base for services considered crucial to optimal health and wellbeing. Stable housing also provides a social forum for people who are feeling isolated by their disease. As individuals secure a safe, comfortable residence, their emotional status often stabilizes. Housing has immediate impact on psychosocial and physical health and must be considered an important element in the full spectrum of care for persons with HIV/AIDS.

The housing and supportive service needs of persons with HIV/AIDS are defined by the episodic nature of the HIV disease. People with HIV/AIDS experience a series of infections or other conditions that may be more or less incapacitating. These severe illnesses, however, are usually short term; individuals often return to their previous physical state.

As a result, persons with HIV disease experience continual fluctuations in their housing and service needs. For instance, a person might be able to live independently most of the time, but need 24-hour nursing care for one to two weeks when a serious illness occurs. There is still a need for assisted living and hospice housing. These facilities are in short supply. Individuals' needs also change over the full course of the illness. They are more independent during the initial stages, less independent as they approach the latter stages of their illness. Housing providers must be prepared to provide a spectrum of support services. Frequent changes in housing may exacerbate the illness or a person's condition, as well as place an additional financial burden on an individual already struggling with medical expenses. Continuity in housing is the ideal situation for persons with HIV/AIDS.

Disproportionate Need

New diagnoses of HIV/AIDS in Colorado indicate a disproportionate impact on minority populations (CDPHE, 2009). Black/African Americans make up only 4 percent of Colorado's population, but they experienced 15.6 percent of all new AIDS diagnoses and 14.2 percent of new HIV diagnoses. The Hispanic population experiences 29.1 percent of all new AIDS diagnoses, while Hispanics comprise just 19.9 percent of Colorado's population (2009).

Colorado receives funding through the Housing Opportunities for Persons with AIDS (HOPWA) program from the United States Department of Housing and Urban Development (HUD). These funds are distributed throughout the state through the entitlements of the City of Denver and the State of Colorado. Regional agencies include the Northern Colorado Aids Project (N-CAP); Southern Colorado Aids Project (S-CAP), Boulder Aids Project (B-CAP) and the Western Colorado Aids Project (West-CAP). Rural areas are more difficult to serve because of the great distances that either providers or clients must travel for services. The organization serving western Colorado, for example, provides services to clients in 22 counties that encompass 40,000 square miles.

The Metro Denver HIV/AIDS Housing (2004) plan developed a way of estimating the number of housing units needed for low-income persons living with AIDS in the metro Denver area. If tenant based rental assistance is included, this number decreases. Using the same methodology determines an estimate number for the "balance of the state" areas.

Exhibit 40. Estimated Housing Need for Persons Living with AIDS in Rural Colorado

People Living with HIV/AIDS - Rural	Current Data	Projected Need
Number of PLWHA – rural	2392	
Percent of PLWHA below poverty level ³	76%	
Estimated Low Income PLWHA	1818	
If 10% need housing assistance		182
If 20% need housing assistance		364
If 50% need housing assistance		909

Calculations performed with methodology from HIV/AIDS "Monitoring the Epidemic, through March 31, 2004"

Victims of Domestic Violence

DOH funds fifteen domestic violence agencies through its Emergency Shelter Grant Program. Many programs have residential shelters where victims and their children can stay in a comfortable home while receiving counseling, support and advocacy. Shelter stays

³ Metro Denver HIV/AIDS Housing Plan, 2004

are usually around 45 days, and can be as long as 90 days in some programs, depending on need and availability. Several programs offer transitional housing where victims and their children can stay for up to two years. Programs without a shelter or transitional housing may be able to provide short-term safe housing in a motel.

In August 2006, the Division of Housing led a statewide homeless count, which was the first such count in nearly 20 years. Due to confidentiality issues for domestic violence victims, researchers of the 2006 homeless count aggregated the number of homeless domestic violence victims in the state with other homeless people identified in the count. In 2006, there were a total of 334 domestic violence victims; this includes respondents, their children, and other relatives.

Forty four domestic violence shelters provided 98,044 nights of shelter to 5,087 individuals in 2008, according to the Colorado Coalition Against Domestic Assault (Virtual, Colorado Department of Human Services, Office of Behavioral Health and Housing, Domestic Violence Annual Report. 2008. Web. 15 Oct. 2009 (<<http://www.ccadv.org/publications/DVP%202008%20Report.pdf>>). It appears that that shelter residents are staying in shelter for longer periods of time before moving to permanent housing. Anecdotal evidence suggests that this is related to a lack of affordable housing in many communities. In 2008, 8,660 individuals were turned away from shelters in Colorado due to a lack of capacity, a 36 percent increase from 2007, where 6,341 individuals were turned away.

In November 2009, domestic violence shelters projected a need for 144 additional domestic violence shelter beds and 180 transitional housing beds (DOH Survey of Domestic Violence Shelters and Transitional Housing, November 2009).

Homeless Needs

The housing market crisis, predatory lending, and the loss of jobs increased poverty and reduced families' well-being and stability. In 2000, Colorado's poverty rate was 9.5 (U.S. Census Bureau, 2000). According to the 2008 ACS, the state's poverty rate now stands at 11.4 percent.

In 2008, the Federal Poverty Level was \$10,991 for an individual or \$22,025 for a family of four. Data also suggests that the state's child poverty rate is among the fastest growing in the country, climbing from 12.2 percent in 2001 to 14.8 percent in 2008 (Source: Colorado Fiscal Policy Institute, 2009). These conditions contribute to the incidence of homelessness.

To understand the needs of the homeless and those at risk of homelessness, the State relies on homeless "Point-in-Time (PIT) Counts," Homeless Management Information Systems (HMIS) data, estimates of each of three regional organizations called the "Continuum of Care," and the homeless themselves.

Homeless Definition

HUD's definition of homeless is:

- (1) an individual who lacks a fixed, regular and adequate nighttime residence;
- (2) an individual who has a primary nighttime residence that is
 - A) supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - B) an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - C) a public or private place not designed for, or ordinarily used as, regular sleeping accommodation for human beings.

Chronic Homelessness

"Chronic homelessness" is characterized as a single person living alone, having a chronic debilitating condition, and sleeping in a place not meant for human habitation and/or in an emergency homeless shelter, and having been homeless continually for one year or more, or having four or more episodes of homelessness in three or more years.

Collaborations to End Homelessness

There are two types of coordinating entities that address homeless housing and service issues in the state: (1) the Continuum of Care (CoC) system, and (2) the Colorado and Community Interagency Council on Homelessness (CCICH).

Continuum of Care System

CoCs are networks of homeless housing and service providers, organized geographically, to plan and prioritize homeless housing and services. The three Colorado CoCs are: Metropolitan Denver Homeless Initiative (MDHI) comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties; Homeward Pikes Peak, serving Colorado Springs and El Paso County, and the "Balance of State" (BOS), serving the other 56 counties in Colorado.

HUD and the CoCs recognize the importance of "one-stop-shops" where the homeless can access a full range of mainstream services and resources. Supportive housing for the homeless often provide, "wrap around services" in connection with housing activities.

Each Continuum collects data on homelessness through a special database called "Homeless Management Information Systems (HMIS)." In the future, HMIS will provide more information about the causes of homelessness, the extent of homelessness, how homeless families and individuals receive services, and what strategies work best to reduce homelessness.

The CoCs collaborate with homeless service agencies in their area, and create a homeless plan to coordinate housing and services. HUD funds the Continuum of Care process, the Emergency Solutions Grant (ESG) and Homeless Prevention and Rapid Re-housing Programs (HPRP) to assist communities in reducing homelessness.

Colorado and Community Interagency Council on Homelessness

The Colorado and Community Interagency Council on Homelessness (CCICH) is a coordinating council appointed by the Governor to recommend policies and programs that will assist in preventing, and to the extent possible, ending homelessness in Colorado.

In 2008, the CCICH recommended strategic goals in five broad areas: (1) Housing; (2) Employment and Benefits Acquisition; (3) Information Collection, Management and Evaluation; (4) Education; and, (5) Access to Support Services. Incorporated into this plan by reference is the October 2008 CCICH report, "Recommendations to Governor Ritter: Acting to End Homelessness" available at the Colorado Coalition for the Homeless URL:

http://www.coloradocoalition.org/userfiles/Advocate/FINAL_COUNCIL_REPORT_OCT_27_2008.pdf

The Department of Local Affairs is a member of the CICCH and works to improve and streamline homeless housing and service delivery systems.

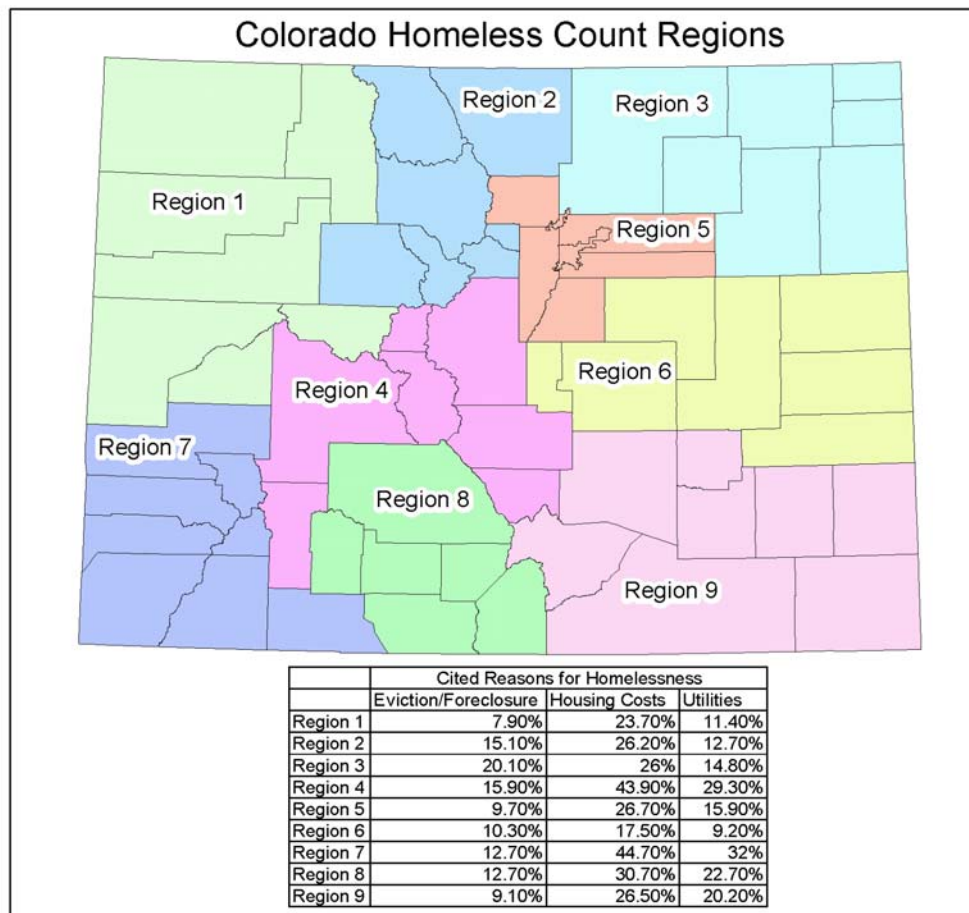
What Causes Homelessness?

It is important to understand the causes and nature of homelessness. This document chiefly relies on information reported by Colorado’s CoCs, but also presents findings of the 2006 and 2007 State PITs to gain a rural and seasonal perspective.

A statewide count is a difficult and expensive undertaking. In 2006, DOH conducted a summer statewide homeless count along with the University of Colorado and the Interagency Council on Homelessness. To perform the research, DOH divided the state into homeless count regions.

Among other questions, the survey asked participants to cite the reasons for their homelessness. Participants ranked housing costs, eviction/foreclosure and utility costs as the most significant causes of their homelessness. Exhibit 41 shows housing-related causes of homelessness for the Colorado Homeless Count Regions in 2006. Housing Costs were the most commonly cited reason in all regions. Regions 4, 7, 8 often cited utility costs.

Exhibit 41. Housing Related Reasons Homeless Count Regions



Division of Housing, 2006

Disproportionately Greater Need by Race or Ethnicity

HUD requires the State to consider “disproportionate need” as part of examining housing needs. Disproportionate need exists when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least 10 percentage points higher than the percentage of persons in a category as a whole. The State determined that the homeless have a disproportionately greater housing need by race or ethnicity.

The most recent statewide homeless point-in-time surveys indicate that while Whites and Asian/Pacific Islanders are underrepresented among the homeless persons surveyed, all other groups are overrepresented. In particular, Black/African Americans experience the disproportionately greatest need. While they represent only 4 percent of Colorado's general population according to the 2007 American Community survey, Black/African Americans made up nearly 15 percent of the state's homeless population in January, 2007. The major portion of this disparity appears in the MDHI Continuum of Care (roughly corresponding to the Denver-Aurora MSA). Within this area, 5.7 percent of the population is Black/African American, but they comprise roughly 19 percent of the homeless. The disparity is narrower in the El Paso County/Colorado Springs area (about 6 percent of general population and 12 percent of the homeless). Only a very small number of Black/African Americans live in the Balance of State Continuum, just under 1 percent of the general population. They represent about 2 percent of the homeless across that region.

NUMBER OF HOMELESS PERSONS

The results of the last *statewide* homeless count found that 11,988 persons were homeless on the night of January 29, 2007. By 2009, there were 11,061 persons homeless in the seven metropolitan Denver counties *alone*, according to the 2009 Metropolitan Denver Homeless Initiative (MDHI) Point In Time Survey, and as many as half of them reported they were homeless for the first time. Together, CoCs estimate 14,747 persons were homeless in 2008.

Continuum of Care Reports

DOH compiled 2008 CoC homeless statistics as reported to HUD to attain the statewide count of homeless persons (Exhibit 42). This information is also found in the Consolidated Planning Housing and Homeless Needs chart, Appendix A. In order to compute the requirement for additional beds (gap), CoCs estimated the number of beds needed to serve the homeless population versus beds that are now available to meet the need (Exhibit 43).

Exhibit 42. 2008 Homeless Count from Continuum of Care Reports

Homeless Population	Sheltered		Unsheltered	TOTAL
	Emergency	Transitional		
Homeless Individuals	2,104	880	3,276	6,260
Persons in Homeless Families with Children	1,388	2,505	4,594	8,487
TOTAL	3,492	3,385	7,870	14,747

Source: 2008 Continuum of Care Applications: Metropolitan Denver Homeless Initiative (MDHI); Homeward Pikes Peak (HPP); Balance of State (BOS)

Exhibit 43. 2008 Homeless Beds Needed from Continuum of Care Reports

Type Of Needs	Needs	Currently Available	Gap
Emergency Shelter	2,345	1,643	702
Transitional Housing	2,589	1,164	1,425
Permanent Supportive Housing	2,072	1,618	454
TOTAL	7,006	4,425	2,581

Source: 2008 Continuum of Care Applications: Metropolitan Denver Homeless Initiative (MDHI); Homeward Pikes Peak (HPP); Balance of State (BOS)

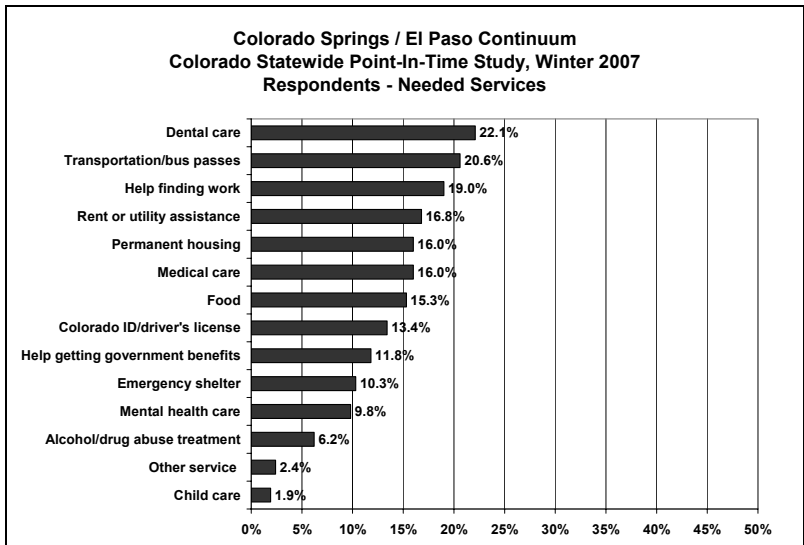
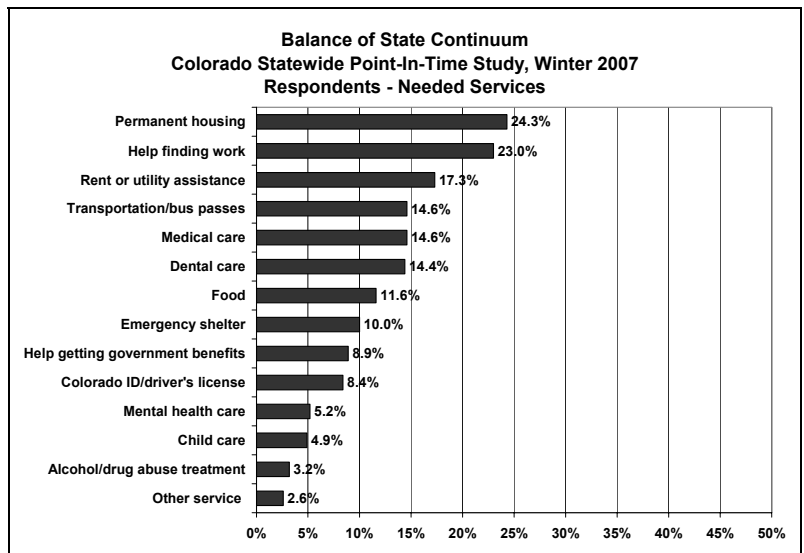
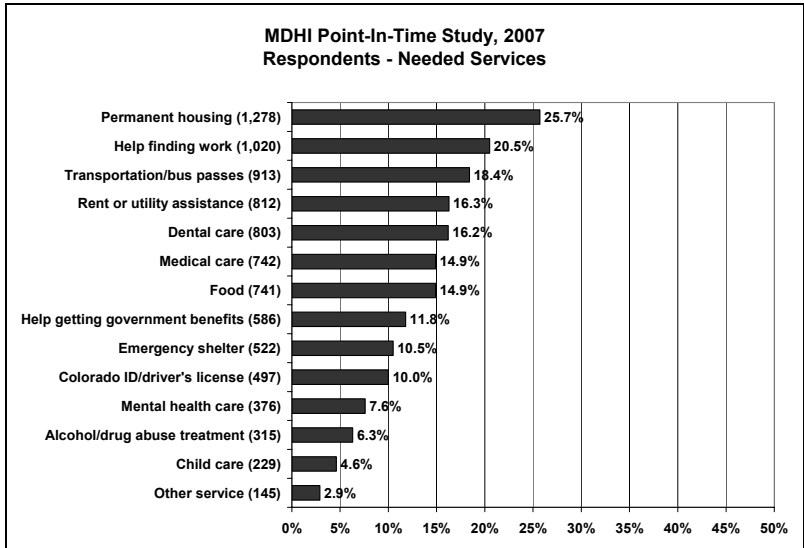
Chronic Homelessness

The great majority of the chronically homeless are male. In 2009, CoCs reported a total of 1,082 chronically homeless persons in Colorado.

Services Needed by the Homeless

Exhibit 44 shows the services needed by the homeless by CoC region as reported in the January 2007 statewide homeless PIT survey.

Exhibit 44. Services Needed by Homeless



Homelessness Planning and Strategic Actions

GOAL 1: Assist persons who are homeless or at-risk of becoming homeless.

Objective 1.1. Develop permanent housing opportunities to meet the needs of chronically homeless persons.

Benchmark: Create 40 units of permanent supportive housing for chronically homeless persons in the five-year plan period.

Outcome: At least 40 chronically homeless persons return to a suitable living environment in the five-year plan period.

Objective 1.2. Make safe beds available for homeless populations.

Benchmark: Create 30 emergency shelter or transitional beds for homeless persons in the five-year plan period.

Outcome: At least 250 persons have increased availability of a suitable living environment in the five-year plan period.

Objective 1.3. Fund operations and essential services for emergency shelters and transitional housing to increase the availability of a suitable living environment for the homeless.

Benchmark: Annually assist 4000 homeless persons.

Outcome: At least 4000 homeless persons have improved access to supportive services and a suitable living environment.

GOAL 2: Improve the ability of Colorado communities to plan strategies to eliminate homelessness.

Objective 2.1. Build community awareness and support for coordinated responses to eliminate homelessness.

Benchmark: Annually, participate in four meetings of the Colorado Community Interagency Council on Homelessness (CCICH) and Continuum of Care.

Outcome: Annually, at least three additional Colorado communities plan strategies to alleviate homelessness.

Outreach and Assessment

Outreach and Assessment is a function implemented and coordinated by individual homeless services agencies in the Continuum of Care. The Department will continue to channel its energies and prioritize its funding to those agencies that collaborate and coordinate activities.

Homeless Prevention

Colorado prevents homelessness by providing tools designed to keep at-risk families housed and stable.

Actions proposed to achieve this goal include:

(1) Using the Emergency Solutions Grant (ESG), the State will coordinate with nonprofit organizations to fund eviction, foreclosure and utility assistance and assist with rental deposits for individuals and families whose income is at or below 125 percent of the federal poverty level and who can document that an emergency prevented them from being able to pay rent. The homeless prevention activities funded by the ESG program will help to preserve affordable housing for those at risk of homelessness.

(2) Colorado will continue its efforts to prevent and end homelessness with the assistance of the three-year, \$8,154,036 Homelessness Prevention and Rapid Re-housing Program (HPRP) grant funded by HUD in 2009. DOLA/DOH implemented the program consistent with CoC geography. This program assists those very low-income and low-income individuals and families at imminent risk of homelessness.

Exhibit 44. HPRP Distributions by Continuum of Care Geography

GEOGRAPHIC AREA	GRANTEE	AWARD ALLOCATION
Metropolitan Denver Homeless Initiative area (Adams, Arapahoe, Broomfield, Boulder, Denver, Douglas, and Jefferson Counties)	Colorado Coalition for the Homeless	\$5,036,663
Homeward Pikes Peak area (El Paso County and Colorado Springs)	City of Colorado Springs	\$ 795,668
Balance of State area (Remaining 56 Colorado counties)	Colorado Coalition for the Homeless	\$2,182,665

Uses of Funds:

The State of Colorado selected a lead agency in each Continuum of Care (CoC) area to collaborate with local government and nonprofit partners to provide:

- | | |
|--|---|
| ❖ Short-term and medium-term rental assistance | ❖ Case management |
| ❖ Security and utility deposits | ❖ Outreach, housing search and placement services |
| ❖ Utility payments, moving cost assistance | ❖ Legal services to help people stay in their homes |
| ❖ Motel and hotel vouchers | ❖ Credit repair services |

Program Features:

- (1) Serves both families and individuals
- (2) Combines and coordinates with direct HPRP grants to local governments

Adams County	City and County of Denver
City of Aurora	City of Pueblo
City of Colorado Springs	
- (3) Combines with a TANF Supplemental grant of \$4.7M from the State of Colorado.

Emergency Shelter and Services

The State will fund new emergency homeless shelters when warranted in rural areas of the state, and will use Emergency Shelter Grant/Emergency Solutions Grant (ESG) funds to assist homeless service agencies in coordination with the Continua of Care.

Transitional Housing

DOLA/DOH will use appropriate forms of assistance to fund transitional living opportunities for homeless individuals or households in order to facilitate their achievement of more independence than a shelter stay.

Permanent Supportive Housing and "Housing First"

DOLA/DOH, in coordination with other agencies, will use appropriate form of assistance to fund independent living opportunities and permanent residences for the chronically homeless or persons with disabilities.

Section 8. Colorado's Community and Economic Development Needs

In November 2009, the Department of Local Affairs undertook a brief survey of urban and rural governments, planning districts, councils of governments, non-profit and for-profit organizations, soliciting their opinions about the economic, housing and infrastructure needs of their communities. Respondents were provided a list of 17 community development choices and asked to identify the top five (5) needs of their specific community.

The survey results identified economic development, affordable housing, homeless services, transportation and public facility/capital improvement activities as their community's highest needs. Based on the survey results the Department of Local Affairs, Division of Local Government, will focus funding on projects which support the availability or sustainability of a suitable living environment by providing financial assistance for economic development activities that will create or retain jobs and fund capital improvement and public facility projects to support a community's sustainability efforts. The Division of Local Government will also provide funds to communities to increase their capacity to plan and undertake federally funded projects.

The Office of Economic Development and International Trade uses its allocation of funds to capitalize the state's Business Loan Funds. Currently, the state has 15 Business Loan Fund locations which have service areas covering the majority of the rural areas of the state. The state's program does not cover any of the metropolitan or "entitlement" cities in Colorado (since these communities receive their own allocation of funds).

The 15 programs are responsible for promoting and fostering economic development efforts at the local level by providing financial assistance in the form of loans and loan guarantees to businesses in their respective regions. The loan program is locally driven, with each loan fund having its own local loan review committee and local Board of Directors who approve the types of businesses they feel will have a positive economic impact in the community. All funding decisions (of \$100,000 or less) are made at the local level, with final oversight approval provided by OEDIT. All funding requests over \$100,000 also require final approval by the Governor's Financial Review Committee.

Loans or grants may also fund offsite infrastructure costs including water and sewer, power, roadways.



First Program Year Action Plan Narrative Responses

GENERAL

Department of Local Affairs Organization

The Department of Local Affairs strengthens communities and enhances livability in Colorado. DOLA, in partnership with local governments, the public, and the private sector, strategically links its programs to improve peoples' lives by solving a wide range of problems and meeting a broad spectrum of challenges.

Two divisions of the Department of Local Affairs (DOLA), the Division of Housing (DOH), the Division of Local Government (DLG), administer the four HUD formula programs. The divisions coordinate the administration and annual reporting of these HUD funds for the State under the authority of DOLA's Executive Director.

Anticipated Plan Resources

DOLA receives a variety of federal and State resources, including the HUD formula amounts shown below that help meet the State's housing, community and economic development needs. DOLA links these resources together and combines them with funding from local jurisdictions and private sources to maximize cost efficiency and stretch the public dollar.

HUD Formula Funds Administered by the Department of Local Affairs	Estimated Amount
Home Investment Partnership Funds (HOME)	\$7,268,808
Emergency Shelter Grant (ESG)	\$946,933
Community Development Block Grant (CDBG)	\$10,546,315
Housing Opportunities for Persons with AIDS (HOPWA)	\$400,000

Performance Outcome Measures

HUD has established the following Performance Measures for the consolidated planning and measurement processes:

HUD Statutory Program Goals

- ❖ Decent housing
- ❖ A suitable living environment
- ❖ Expanded economic opportunity

Funded activities must also address at least one of the following objectives:

- ❖ Availability/accessibility
- ❖ Affordability
- ❖ Sustainability

DOLA incorporated these Performance Measures into this Action Plan as shown below in "Strategic Plan Strategies, Goals, Objectives and Outcomes." The State will report its performance in the Consolidated Annual Performance Evaluation Report (CAPER) in June 2011.

Strategic Plan Strategies, Goals, Objectives and Outcomes

DOLA'S HOUSING STRATEGIES					
DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Preserve the existing statewide supply of affordable rental or home-ownership housing.	Rental – High Home-ownership - Low	Decent Housing	Availability	Accessibility for the purpose of providing decent housing	<u># units of existing affordable rental housing preserved</u> Benchmark: 348 <u># units of homeownership preserved</u> Benchmark: 140
Increase the statewide supply of affordable "workforce" rental housing and home-ownership in high need areas.	Rental - Medium Home-ownership - Low	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># rental units created</u> Benchmark: 425 <u># homeownership opportunities created for high-need areas</u> Benchmark: 190
Increase the capacity and stability of local housing and service providers statewide.	Medium	Decent Housing	Sustainability	Sustainability for the purpose of providing decent housing	<u>Provide CHDO operating funding equal to 5% of HOME allocation</u> Benchmark: 100%
Increase statewide pre-purchase homeownership counseling for low/moderate income and minority households.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># pre-purchase homeownership counseling programs supported</u> for low/moderate income and minority households Benchmark: 10 programs
Meet community needs for the homeless through supportive services and appropriate housing.	High	Suitable Living Environment	Availability	Accessibility to provide a suitable living environment	<u># homeless and transitional housing beds</u> Benchmark: 10
Increase statewide supply of housing for persons with special needs coupled with services that increase or maintain independence.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># of special needs units coupled with services</u> Benchmark: 95 units <u># of persons with HIV/AIDS maintaining housing stability</u> Benchmark: 90
Provide rental subsidies statewide for low-income households who would otherwise have to pay more than 30% of their household income for housing.	Medium	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># rental subsidies provided for low-income households</u> Benchmark: 140 households
Assist low-income renters and owners with energy-efficiency upgrades.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u># energy efficiency upgrades assisted</u> Benchmark:
Ensure the statewide safety and habitability of factory built/manufactured structures through program services that are efficient and effective.	High	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	<u>Reduce residential plan review turn-around time (days)</u> Benchmark: 15 days <u>Reduce commercial plan review turn-around time (days)</u> Benchmark: 20 days <u>Meet manufacturer plant inspection request dates</u> Benchmark: 100%

DOLA'S ECONOMIC DEVELOPMENT STRATEGIES					
DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Provide assistance to qualified small businesses to start or expand their operations, and partner with local banks to fill gaps in financing packages, so that 51% of jobs are created or retained by persons of low-to moderate-income.	High	Economic Opportunity	Sustainability	Sustainability for the purpose of creating economic opportunities	# of jobs created or retained Benchmark: 100
Assist communities with the installation of public infrastructure that will benefit start-up and expanding businesses that create or retain jobs, at least 51% of which will be or are filled by persons of low- to moderate income.	High	Economic Opportunity	Sustainability	Sustainability for the purpose of creating economic opportunities	# of jobs created or retained Benchmark: 100
DOLA'S COMMUNITY DEVELOPMENT STRATEGIES					
DOLA Strategy	DOLA Priority	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Annual targeted production of units
Provide financial assistance to rural communities to implement community development and capital improvement activities.	High	Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	Number of persons served as a result of the public facility improvements or construction Benchmark: 400
Increase the capacity of local governments to administer federal grants that facilitate the development of sustainability activities.	High	Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	Number of local government that increased their capacity to administer federal grants Benchmark: 400

The Department of Local Affairs will collect data on outcome indicators from each project selected for funding. HUD has identified five common indicators for each CDBG-funded activity:

1. Leveraging - other public and private funds that go into each project
2. Number of persons, households, or housing units assisted
3. Income levels of beneficiaries
4. Number of communities assisted
5. Current racial/ethnic and disability categories

HUD identified 17 other indicators to be used depending on the CDBG-funded activity and its purpose. To collect the applicable indicator data and meet the HUD performance measures system requirements, DOH programs have taken the following steps:

1. Improved forms and reports to collect performance measurement data that matches HUD's Integrated Disbursement Information System (IDIS), including:
 - ❖ Grant application forms
 - ❖ Grant closeout forms
 - ❖ Grant contracting documents
 - ❖ Project Performance Reports
 - ❖ Quarterly Reports
2. Assessed training needs on performance measure reporting for grantee and subrecipients
3. Collected and entered new performance measurement data into IDIS on existing contracts.

Past Performance

The State published its previous Five-Year Consolidated Plan in 2005. Market fluctuations created challenges to which the State responded during that five-year cycle. Overall, the goals and objectives of the previous plan were successfully achieved, in many instances exceeded.

By the fourth year, the State had accomplished 119% of its goal to create homeless housing; the single-family owner occupied rehabilitation program achieved 116% of its goal. Because of vacant units in many market areas, DOLA/DOH funded new construction only in areas highly impacted by growth or tight market conditions.

In 2008, DOLA used \$4,717,447 of CDBG money to fund public facility projects to assist two child care centers, one domestic violence shelter, three health facilities, one human services building, two water projects, one wastewater project and one community center for a total of eleven facilities.

DOLA also provided CDBG dollars to six economic development projects -- four revolving loan fund programs and two infrastructure grants to promote job creation for businesses. The total spent on these activities was \$2,267,000.

The State received an allocation of \$37,918,555 in Neighborhood Stabilization Program (NSP1) funding; \$8,154,036 in Homeless Prevention and Rapid Re-Housing assistance (HPRP); and \$2,861,220 in Community Development Block Grant (CDBG-R) as part of the American Recovery and Reinvestment Act through amendments to the 2008 Action Plan. Each of these funding sources has a different expenditure timeline. CDBG-R funds required immediate obligation; expenditures for NSP will continue until September 10, 2011 and HPRP through September 2012.

The Department's workshops and trainings helped build capacity among local governments and nonprofit organizations involved with community development, affordable housing, and/or economic development.

In funding housing projects, the department emphasized rehabilitation and refinancing of existing units and opportunities to add existing market rate units to the affordable housing inventory. The Department responded to the housing foreclosure issue by collaborating with financial institutions and foundations to create a toll-free statewide foreclosure hotline funded by private donations. The State funded needs assessments for non-entitlement jurisdictions to enhance the ability of local communities to understand and respond to their housing market conditions.

Basis for Allocating Investments and Assigning Priorities

The State of Colorado distributes HOME Investment Partnership (HOME) funding across the entire state. Community Development Block Grant (CDBG) funding is also allocated across the State, except in CDBG entitlements areas. CDBG funds will continue to focus attention on affordable housing creation and preservation, economic development projects that create or retain jobs and public infrastructure needs of non-entitlement communities throughout the state.

The State will continue to maintain a competitive selection process to distribute CDBG funds utilizing, but not limited to, the following proposed project criteria:

- 1. Need-** The number of low and moderate income persons in the proposed project area.
- 2. Impact-** Evaluation of the extent to which the proposed project will eliminate or reduce the need identified and will improve the long-term physical or economic condition of the project area and its residents.
- 3. Capacity-** An evaluation of the administrative capacity of the applicant to complete the activity in a timely manner.
- 4. Cost-Effectiveness-** An evaluation of the extent to which the project will make cost-effective use of grant dollars, including consideration and use of funds from other public and private sources.
- 5. Demographics-**The number of persons in poverty in the project area and the per capita assessed valuation of the area.

In 2010, the Division of Local Government will implement a pilot competitive application process, in which multiple grant applications are reviewed, rated and ranked and grants are awarded to those applicants that most closely meet the selection criteria established by the DLG. Typically, review criteria are based both on programmatic requirements and on an applicant's ability to carry out the grant.

Review criteria may include, but are not limited to the following:

- ❖ Project need
- ❖ Project sustainability
- ❖ Financial and administrative capacity of the applicant
- ❖ Geographic coverage
- ❖ Applicants past performance as a grantee of the State

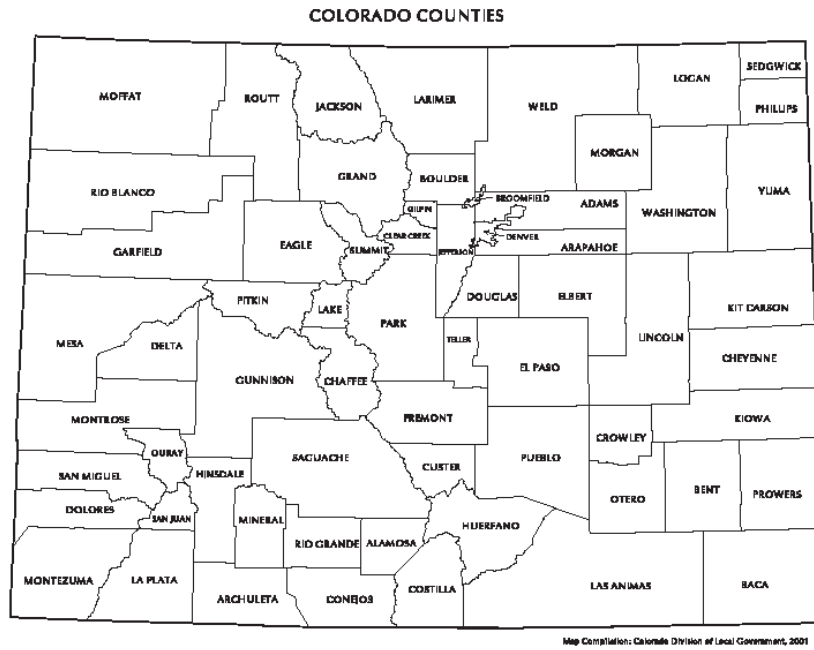
The Department awards ESG funding through a competitive application process with a goal of geographic equity. HOPWA funds are allocated in proportion to the occurrence of HIV/AIDS in each of the four non-HOPWA entitlement regions. The HOPWA service agencies determined this to be a fair, equitable and consistent way to allocate HOPWA dollars, and it is needs-based.

The four regions are:

- *Western Slope (West CAP),
- *Northern Front Range, (N-CAP)
- *Southern Colorado (S-CAP); and
- *Western Slope (West-CAP)

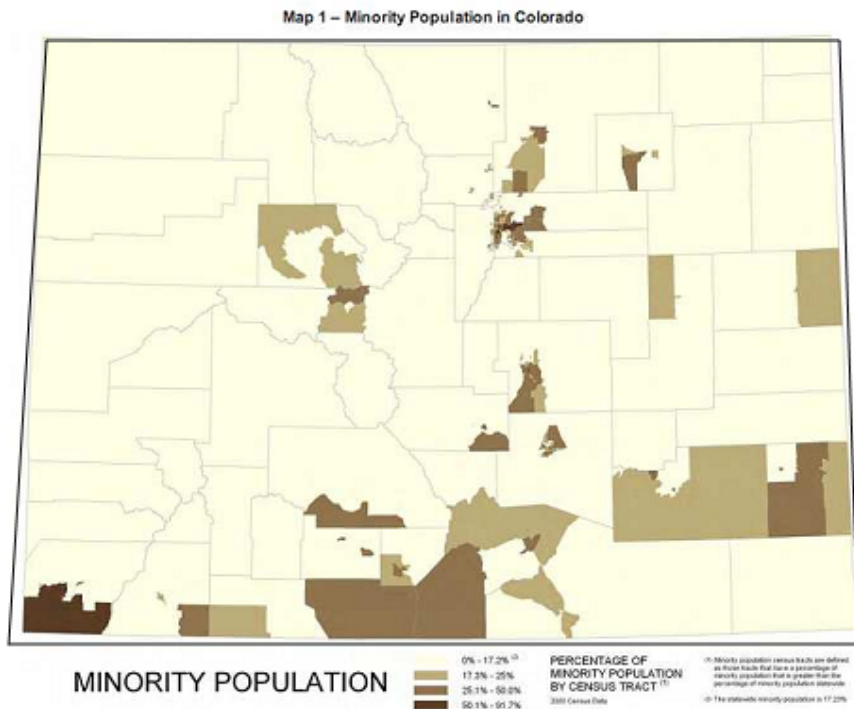
Geographic Areas

DOLA provides direct assistance to all geographic areas of the state including areas of minority concentration, and it prioritizes families with less than 30 per cent AMI.



Areas of Minority Concentration

Minority concentrations occur in several Colorado jurisdictions: DOLA intends to work in all areas of the state.



Neighborhood Revitalization Areas

There are no Neighborhood Revitalization Areas or Target Areas in this Plan. A Community Revitalization process is in development. Please see page 109 under Community Development.

Addressing the Obstacles to Meeting Needs of the Underserved

The most commonly cited obstacles to meeting the needs of the under-served are 1) the lack of sustainable grant funding, and 2) the knowledge and capacity to apply for and administer federally regulated programs and projects by the smallest towns and most sparsely populated counties. To address these obstacles the State will continue its collaboration efforts with the Colorado Department of Public and Health and Environment and the USDA Rural Development to address community development opportunities and provide specialized technical assistance for local governments to increase their knowledge of and access to available State and federal community development programs and resources. For sub-recipients the Department will also continue to provide technical assistance and training with every contract awarded.

DOLA serves all rural counties with its Business Loan Funds. Minimal marketing and advertising by those loan funds may be an obstacle to meeting the needs of the underserved. The Department reaches out to businesses by annually hosting at least five regional business finance forums throughout the state. The State advertises its infrastructure grants to municipal, county and economic development officials.

DOLA leads efforts to fund programs that can become models for communities throughout Colorado. For example, because DOH funding is primarily discretionary, it serves as the catalyst for other supportive housing efforts. The Division can finance hard assets such as housing construction or rehabilitation, or soft costs such as rental subsidies. The direct benefits of housing development are improved housing quality and additional construction jobs for a community.

Colorado Housing and Finance Authority (CHFA) is also exploring ways to provide low-interest loans for housing development that serves families at thirty per cent of AMI. DOH and CHFA, as well as other funding agencies, often coordinate their efforts in order to make affordable housing projects successful. CHFA and DOH are also collaborating to preserve affordable housing projects that have experienced financial issues due to the economic slow down, resultant vacancy issues and intense market competition.

DOH may receive Housing Development Grant funds when State revenues are sufficient. When available, these State funds are the most flexible of the Division's resources, and allow tailored community solutions to help ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

The Colorado Community Interagency Council on Homelessness (CCICH) creates statewide collaboration among nonprofit corporations, State and federal agencies. DOH actively participates to better link housing and services for low-income residents and homeless persons. Other topics of the CCICH include job training, education, employment, childcare, transportation, housing and food stamp benefits to assist poverty-stricken families in achieving economic self-sufficiency.

A primary housing program designed to reduce dependency on public assistance is the Housing Choice Voucher program. The Division also operates a Housing Choice Voucher Special Needs Program to coordinate organizations that provide supportive services. Five hundred disabled families receive rental assistance through independent living centers. Sixty families receive assistance through the Colorado AIDS project; and one hundred

families in the Families Unification Program receive rental assistance, as well as 168 families who are homeless or at the risk.

Federal, State and Local Resources

The table below lists those resources expected to be made available to address the needs identified in the plan. The agencies that appear on this list are **potential** partners or funders at federal, State and local levels. Many programs offer a variety of services that span categories. If available, the following funding resources will be used to support needs identified in the Consolidated Plan.

Estimated Federal Resources	
HOME Program	\$ 7,262,808
Emergency Shelter Grant (ESG)	\$ 946,933
Community Development Block Grant	\$10,546,315
Housing Opportunities for Persons with AIDS (HOPWA)	\$ 400,000
Homeless Prevention and Rapid Re-Housing Program (HPRP)	\$ 8,154,036
Section 8 Housing Choice Voucher	\$17,193,000
Low Income Energy Assistance Program	\$ 341,852
Neighborhood Stabilization Program (NSP1)	\$37,918,555
Community Development Block Grant Recovery (CDBG-R)	\$ 2,861,220
Neighborhood Stabilization Program – Competitive (NSP2)	\$52,226,444
McKinney Vento Homeless Assistance (SHP)	\$14,928,783
Metropolitan Denver Homeless Initiative CoC	\$11,280,176
Homeward Pikes Peak CoC	\$ 1,338,418
Balance of State CoC	\$ 2,310,199
Estimated State Resources	
Housing Development Grant	\$2,225,000
Housing Rehabilitation Revolving Loan Fund	\$ 84,519
Energy Impact Grants	\$47,000,000- \$100,000,000
Temporary Assistance for Needy Families (Excess TANF)	\$4,700,000
Gaming	\$5,500,000
Estimated “Other Resources”	
Local Governments	\$10,000,000
Nonprofit Sector Contributions to Projects	\$ 3,109,500
Private Sector Contributions to Projects	\$ 5,000,000
Colorado State Tax Check-off for Homelessness Prevention	\$ 164,609

Managing the Process

Lead Agency

DOLA is the lead organization in development of the Five Year Plan, along with two of its divisions: Housing (DOH) and Local Government (DLG). Consolidated Plan programs include the HOME, Emergency Shelter Grant (ESG), Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), Neighborhood Stabilization Program (NSP1), and the Homeless Prevention and Rapid Re-housing Program.

Process Development

DOLA developed the Annual Action Plan as follows:

- (1) Assessed the current economic, social, housing and infrastructure climates and evaluated current programs in light of those conditions.
- (2) Identified unmet needs of targeted households, determined goals and brainstormed strategies that DOLA could employ to address those needs.
- (3) Developed a draft framework of activities to accomplish the strategies.
- (4) Gathered input and consulted with other State agencies, including those organizations outlined below.
- (5) Provided a stakeholder survey about Consolidated Plan goals for the coming year.
- (6) Consulted with stakeholders through focus groups, emails, phone calls and other efforts
CONSULTATION:
 - ❖ Colorado Civil Rights Division
 - ❖ Faith-based Organizations
 - ❖ Colorado Department of Human Services (DHS), Supportive Housing and Homeless Programs Division (SHHP)
 - ❖ Colorado Housing and Finance Authority (CHFA)
 - ❖ State of Colorado Housing Board
 - ❖ Community Housing Development Organizations (CHDOs)
 - ❖ Colorado AIDS Project
 - ❖ Colorado Community and Interagency Council on Homelessness
 - ❖ Colorado Continuums of Care (CoCs)
 - ❖ Colorado Coalition for the Homeless (CCH)
 - ❖ Colorado Independent Living Centers
 - ❖ Economic Development Organizations
 - ❖ Colorado Department of Health and Environment
 - ❖ Colorado Department of Human Services, Division of Disabilities
 - ❖ Colorado Coalition for the Homeless
 - ❖ Northeast Denver Housing Center, Lead Hazard Control Division
 - ❖ Local Governments, through Councils of Government and DOLA field staff
 - ❖ Housing Authorities
 - ❖ Economic Development organizations
- (7) DOLA incorporated public input and readied the draft document for public comment. Public Hearings were held in Grand Junction and Denver on December 3, 2009 using both physical and Webex meeting format. The State posted the plan for 30 days and accepted written comments. See Appendix F.

Actions to Enhance Coordination

DOH facilitates interagency coordination of housing, health and social service activities of various public and private agencies by participating in the following efforts:

- ❖ Intradepartmental CDBG Coordinating Group. DOLA created a cross-divisional work group to coordinate and integrate its use of CDBG funds.
- ❖ The Housing "Pipeline" which includes development staff from DOH, the Colorado Housing and Finance authority (CHFA), Mercy Housing Southwest, the USDA Rural Development, and Department of Housing and Urban Development (HUD).
- ❖ Colorado and Community Interagency Council on Homelessness is a State coordinating organization appointed by the Governor to develop a strategic plan to end homelessness.
- ❖ Continua of Care (CoCs) are broad-based, community coordinating coalitions that plan, prioritize and deliver housing and supportive services for the homeless.
- ❖ Housing Colorado, Inc. is a 501(c)(3) membership organization that facilitates workshops, meetings and educational opportunities for diverse housing organizations.
- ❖ Colorado Chapter, National Association of Housing Redevelopment Organizations (NAHRO) is a state trade association for housing authorities and redevelopment agencies.
- ❖ Colorado Foreclosure Hotline, a public-private partnership effort to prevent foreclosures.
- ❖ Neighborhood Stabilization Collaborative partnership is comprised of ten jurisdictions working to stabilize neighborhoods heavily impacted by foreclosures.
- ❖ Colorado Housing Outreach Partners in Education/Enforcement (C-HOPE) Provides foreclosure education and enforcement. Members include the Civil Rights Division, DOH, Department of Regulatory Agencies and Attorney General's Office.

Citizen Participation

SUMMARY OF PROCESS AND CONSULTATION

The State consulted with public and private agencies that provide housing, health, social, public infrastructure improvements, economic development, and public services including HIV/AIDS Housing providers, homeless service agencies, faith-based communities and organizations that provide services to the disabled community.

DOH solicited input about the Consolidated Plan and Annual Action Plan through a housing, community & economic needs survey and took ongoing public testimony regarding community needs, goals and objectives during meetings in October, November and December. The State worked directly with faith-based organizations, including Mercy Housing, Volunteers of America, Catholic Charities, Denver Urban Ministries, Colorado Council of Churches, St. Francis Center, Housing Justice!, Stepping Stones, Cooperating Ministries, Interfaith Hospitality Network on the topics of homelessness and housing.

The State took input from its staff and the State Housing Board to finalize the Action Plan document.

PUBLIC HEARINGS

DOLA held two public hearings to provide opportunity for comment to urban and rural areas on proposed one-year actions, with notice published in the *Denver Post* and the *Grand Junction Daily Sentinel*, newspapers of general circulation. The notice of publication contained information about the general content of the plan ten (10) days prior to the public hearing. The State sent a copy of the public notice to the organizations from which the State sought consultation. The State provided

accommodation for the handicapped and arranged to have an interpreter present in areas of significant non-English speaking populations.

The State accepted written comments for fifteen (30) days from the date of the hearings and the comments became part of the State's consolidated planning process and held its 2010-2015 Consolidated Plan and 2010 Annual Action Plan hearings on November 30, 2009 (Grand Junction) and December 5, 2010 (Denver) and received no comments. See public comments in Appendix G.

PUBLIC INFORMATION AND ACCESS TO RECORDS

Information and records about the proposed use of HUD funding sources will be available at the Department of Local Affairs, 1313 Sherman Street, Room 518, Denver, Colorado during regular office hours, 8am to 5pm Monday through Friday, except holidays. Copies of the proposed plan will also be posted in DOLA field offices.

Northeastern area office,
Fort Morgan, (970) 867-4961

Northwestern office, Grand Junction,
(970) 248-7310

Northern Mountains office,
Silverthorne, (970) 668-6160

North Central office,
Loveland, (970) 679-4501

Southeastern area office,
Pueblo, (719) 544-6577

Southwestern office,
Durango, (970) 247-7311

South Central office,
Monte Vista, (719) 852-9429

Central office, field offices.
Denver, (303) 866-3688

AMENDMENTS

The DOLA will amend its consolidated plan for any new proposed activity that was not included in the adopted plan, or when there is a change in the method of distribution.

WRITTEN COMMENTS AND COMPLAINTS

The State will respond to comments, complaints and grievances within fifteen (15) working days, when practicable, and include them in the consolidated plan. Please address your comments, complaints, or grievances to:

DOLA Consolidated Plan Staff
1313 Sherman Street, Room 518
Denver, CO 80203
PHONE (303) 866-2046

STATE OF COLORADO

2010-2011 ACTION PLAN

Institutional Structure

Institutional Structure for Housing

Division of Housing (DOH) coordinates the State's affordable housing efforts and works to foster cooperation between private enterprise and local, State and federal governments. Its goal is to facilitate construction, acquisition and rehabilitation of affordable housing units, particularly for lower income households. It provides both technical assistance and direct financial support to local governments, for-profit developers and non-profit agencies through the following programs:

- ❖ Federal "Small Cities" Community Development Block Grant Housing Program (CDBG);
- ❖ Federal Home Investment Partnership Program (HOME);
- ❖ Private Activity Bond Program (PAB);
- ❖ Supportive Housing Program (SHP);
- ❖ Emergency Shelter Grant Program (ESG);
- ❖ Housing Opportunities for Persons with AIDS (HOPWA)
- ❖ Neighborhood Stabilization Program (NSP)
- ❖ State Housing Development Grant Program (HDG);
- ❖ Manufacture Home Construction and Safety Standards.

DOH assigns specific regions of the state to the Community Housing Assistance Section staff to assist local communities in identifying housing needs, including the type, cost, location and number of units needed in the community and to develop viable projects.

To meet the increasing need for affordable housing our annual strategy will focus our limited resources into two areas. The first is the growing need to house persons who are homeless or at-risk of becoming homeless. This need is a very visible and hotly debated topic. Secondly, there is several long term market and demographic trends that if not addressed starting this year can become the next housing crisis.

The cost savings for public expenditures for housing persons who are chronically homeless is well documented. To increase these cost savings, the Division will prioritize housing resources to address the homeless issues statewide by providing subsidies for new construction and acquisition of supportive housing, rental assistance to homeless individuals and families, and operating and supportive service grants to housing agencies.

The second priority takes is lead from market and demographic trends. We anticipate a growing need for single family renovation and energy efficiency. We anticipate that the 2010 Census will report that a majority of the housing supply in smaller Colorado communities will face the end of their economic life, requiring substantial renovation and upgrades to their energy efficiency. Another trend is the growing number of persons with disabilities that are unable to locate suitable housing. There are 11,504 persons with

mental, physical or developmental disabilities that are need for affordable housing and supportive services. Lastly, the baby boom echo is being heard. Colorado is facing a dramatic increase in the number of persons age 20 to 29 needing housing. This segment of our population, which is the age of new household formation, has increased over 14% in the last five years. As a result of the current economic crisis many of these persons will be under employed and unable to afford the current supply of housing; thereby creating an increasing demand for affordable rental housing and first time homebuyer assistance.

The **State Housing Board**, whose seven members are appointed by the Governor, serves as an advisory unit to DOLA, DOH and the Governor. The Board meets monthly to review and recommend funding on housing applications for the various programs administered by the Division, creates policy to regarding funding of housing activities, passes regulations for manufactured structures, reviews both Consolidated Plan and the State's Public Housing Authority Plan, and adopts building codes for multifamily housing in counties with no codes.

The Division of Local Government (DLG) administers three programs that directly and indirectly affect statewide housing efforts. All of DOLA's divisions and programs coordinate efforts to achieve goals and strategies.

- ❖ The *Energy and Mineral Impact Assistance (EMIA)* program provides grants for the planning construction and maintenance of public facilities and the provision of public services. Loans, in addition to grants, are available for water and wastewater projects. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.
- ❖ The *"Small Cities" Community Development Block Grant* program, which provides grants for public facility projects.
- ❖ The Department designates certain economically-distressed areas of the State as *Enterprise Zones*. Businesses may qualify for special State tax incentives to encourage job creation/investment in these zones.

DLG also functions as an outreach arm of the department along with housing and economic development staff. Staff members work with local clients to define needs, identify and develop response capacity, coordinate the delivery of department services, provide follow-up with evaluation of project effectiveness, and advocate for both local government clients and for department agencies.

Denver-based staff works to build local government capacity through a variety of general government and community development services, and provides or arranges some financing.

- ❖ *Technical Services*, in coordination with Field Services, provides a broad range of specialized technical assistance, training, and published materials to enhance the administrative capability for local governments. These services include budgeting and financial management; capital improvement and land use planning; purchasing; environmental matters; water and sewer financing and operations; and financial capacity research and analysis.
- ❖ *Demography* provides demographic and economic information, assistance and coordination to public and private organizations. Services include all decennial census

data; general and special population estimates and projections; cooperative programs with the U.S. Bureau of the Census; and special economic and demographic analysis.

State of Colorado, Department of Human Services (DHS) manages services for vulnerable populations including those with serious mental illness, persons with disabilities, youth aged 10 to 21 years who have demonstrated delinquent behavior, homeless persons with mental and physical disabilities and veterans in need of supportive housing. DHS is committed to efficient use of mainstream resources, including TANF, Supplemental Nutrition Assistance Program (formerly Food Stamps), Child Welfare, Veterans Affairs Supportive Housing (VASH), and Housing Choice Vouchers.

Colorado Housing and Finance Authority (CHFA) is an independent, self-sustaining establishment with over nearly \$3 billion in assets. CHFA sells bonds that enable it to provide financing for single-family mortgages to qualifying homebuyers and to facilitate development of multi-family apartments for low- and moderate-income residents. CHFA also makes loans to Colorado-owned small and medium-sized businesses and administers Low Income Housing Tax Credits.

Colorado Housing Authorities are quasi-public organizations that provide affordable housing to very low-, low- and middle-income individuals through operation of federally subsidized units and Housing Choice Vouchers, also known as "Section 8".

Local Governments or Regional Quasi-Public Organizations. DOH, DLG and OEDIT work closely with local governments and Councils of Governments (COG) to deliver housing, community and economic development assistance. Local governments or COGs administer regional owner-occupied home rehabilitation and/or down payment assistance programs. DOH engages local governments in analyzing regulatory costs associated with housing development by publishing reports and conducting trainings for staff. DOH also publishes *Affordable Housing: A guide for local officials*, a manual distributed to local governments to provide tools to help reduce regulatory costs for affordable housing.

Nonprofit Organizations including housing development and service agencies exist in many Colorado communities. DOH began working with local communities to create regional Community Housing Development Organizations (CHDOs) in 1991. DOH works with housing authorities and regional nonprofit organizations during all steps of the development process, from identifying housing demand to assembling financing packages to managing lease up. DOH continues to work with these partners to build the capacity to take on new affordable housing projects.

Foundations, including the Colorado Association of Realtors Housing Opportunity Fund (CARHOF), El Pomar Foundation, and the Daniels Fund may fund housing-related services.

Private Industry Corporations, financial institutions and the construction and real estate industries have a high level of participation in the affordable housing community.

Non-Housing Institutional Structure

The Division of Local Government (DLG) administers non-housing programs that directly and indirectly affect statewide housing efforts.

Solid Waste & Landfill	Office of Energy Conservation Division of Local Government Department of Public Health & Environment
Drinking Water/Treatment	Division of Local Government Department of Public Health & Environment
Sewer/Wastewater	Division of Local Government Department of Public Health & Environment
Flood Control/Drainage	Colorado Water Conservation Board
Hazardous Material/Emergency Warning	Division of Emergency Services
Education, Distance Learning	Department of Education
Historical	Department of Higher Education/Historic Preservation
Aviation	Department of Transportation
Parks & Recreation	Department of Natural Resources

DLG shares a listing of all applications with USDA Rural Development to determine its interest in working together on a particular project/s. The State Impact Assistance Advisory Committee reviews all EMIA applications and makes recommendations to the Executive Director of the Department of Local Affairs except in emergency situations. Staff members review applications with the Director of the Division of Local Government for CDBG, and then make recommendations to the Executive Director for funding.

The Department participates in numerous boards and advisory groups. For example, the Water and Sewer Funding Coordination Committee, which is composed of State and federal agencies and other organizations works to facilitate funding of local water infrastructure projects and is normally concerned with sewer and water issues. The Committee is made up of the USDA Rural Development, Colorado Rural Water Association, Colorado Water Quality Control Division, Colorado Water Conservation Board, Rural Community Assistance Corporation, the Colorado Water Resources and Power Authority, Colorado Municipal League, Special District Association of Colorado, and Colorado Counties, Inc. DLG coordinates meetings.

The Office of Economic Development and International Trade (OEDIT) has the purpose of retaining Colorado's existing businesses, helping them expand, encouraging out-of-state companies with good quality paying jobs to locate to Colorado, and of assisting persons or entities starting businesses in the State. The mission of OEDIT is to provide effective, professional assistance to the State's business community and to local communities; to make essential information easily accessible to business owners throughout the State; to promote the development and expansion of minority businesses; to offer State job training, marketing, and assistance programs to every region of the State; and to encourage new businesses, business retention, expansion and relocation resulting in the retention or creation of Colorado jobs. OEDIT includes Business Development, Business Finance, Small Business Development Centers, Economic Development Commission, Governor's Financial Review Committee, Venture Capital Authority, Minority Business Office, Tourism, Research and Special Projects and International Trade and Council on the Arts.

The Governor's Financial Review Committee reviews all CDBG economic development applications and makes final funding decisions.

United States Department of Agriculture Rural Development

The USDA Community Development Program (CDP) administers rural community development programs within USDA Rural Development. Each program and initiative

promotes self-sustaining, long-term economic and community development in rural areas. The programs demonstrate how every rural community can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented at a grassroots level.

Foundations, including El Pomar, the Daniel's Fund, Rose Foundation, Denver Foundation and many others contribute to the well-being of Colorado's residents.

Private Industry Corporations and financial institutions estate industries have a high level of participation in the affordable housing community.

Gaps in Institutional Structure and Strategies to Overcome Gaps

State government works with local governments, private industry, and nonprofit organizations to tackle the issues involved in providing affordable housing, and community and economic development. The primary gaps remaining in the institutional structure in Colorado are:

NIMBY (Not In My Back Yard):

Problem: The problem of finding suitable sites for affordable housing or community development projects continues to be a problem in Colorado. Many neighborhoods are unwilling to have mixed income rental units, housing for persons with special needs or senior housing. This lack of understanding about, and fear of, affordable housing residents also hampers efforts to expand Colorado's affordable housing inventory. In the months of January and February 2010 alone, Colorado newspapers reported incidents of neighborhood opposition to affordable housing projects in Carbondale, Palisade and Lafayette.

Solution: DOLA staff works with local governments and housing providers to increase their capacity to design, locate and provide infrastructure, economic development and new affordable housing projects. The Department supplements technical assistance with statewide training including capacity building activities for local governments, technical assistance to nonprofit organizations and classes such as the *Developer's Toolkit*, *Advanced Financing*, and application workshops for housing.

Governmental Coordination:

Problem: Gaps in communications can affect the decision-making of an entire region and lead to inefficient land use or excessive burden on one locale.

Solution: The Department of Local Affairs (DOLA) is the one agency in Colorado that deals almost exclusively with local governments on all levels of its mission. DOH continues to increase the coordination and involvement of State and federal agencies, public and private nonprofits and others in the leveraging of funding sources, the planning and delivery of housing-related services, and the development of special initiatives to increase and preserve affordable housing.

The State's interagency "Housing Pipeline" is composed of key agencies that include the DOH, Colorado Housing Finance Authority, U.S. Department of Housing and Urban Development and U.S. Department of Agriculture, Rural Development. These bi-monthly meetings provide coordination around multiple agency rules, various funding sources and an annual targeting of specific priority areas of the State in order to address immediate housing needs.

Capacity of Local Nonprofit Organizations and Housing Authorities:

Problem: Many nonprofits lack not only the funding to meet their community's housing demands, but also the staff expertise to expand or diversify existing services.

Solution: DOLA works with the Department of Human Services and special-needs providers to encourage partnerships between service providers and housing development agencies. These alliances are essential to increasing the supply of affordable, accessible housing for persons with special needs. The new Neighborhood Stabilization Program provides an opportunity for local governments and nonprofit to stabilize housing markets through purchase and rehabilitation of foreclosed homes.

DOLA works to improve agency capacity through technical assistance, workshops, training and monitoring. These efforts encourage retention of existing housing and new production of housing units and the creation and expansion of projects and programs that meet community needs.

Monitoring

DOLA CDBG Program Monitoring

The Department's goal is to ensure that CDBG-funded projects are implemented in a timely manner, meet national objectives and proposed outcomes and are managed within the rules of the program.

The objectives of monitoring are:

- ❖ To document compliance with program rules
- ❖ Ensure timely expenditure of CDBG funds and timely closeout of projects
- ❖ Track program or project performance
- ❖ Identify technical assistance needs

To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, the Department uses various monitoring standards and procedures.

The Department is responsible for ensuring that grantees under the CDBG program carry out projects in accordance with both Federal and State statutory and regulatory requirements. These requirements are set forth in the grant contract executed between the State and the grantee. The Department provides maximum feasible delegation of responsibility and authority to grantees under the program. Whenever possible, deficiencies are rectified through constructive discussion, negotiation and assistance.

Under the CDBG Program two basic types of monitoring are conducted: off-site or desk monitoring and on-site monitoring. Staff members regularly review each project to verify that it is proceeding in the manner set forth in the CDBG contract in accordance with applicable laws and regulations.

Desk monitoring is an ongoing process in which the program representative responsible for overseeing the grantee's project uses all available information to review the grantee's performance in carrying out the approved project. Grantees are required to submit quarterly project performance and financial reports for review. The review process enables the Department to identify problems requiring immediate attention.

On-site monitoring is a formal, structured review conducted by the program representative at the locations where project activities are being carried out or project records are maintained. One on-site monitoring visit is normally conducted during the course of a project. The review includes progress toward program goals, compliance with laws, and continued capacity to carry out the approved program. A standardized monitoring tool is used to ensure that all items are addressed.

The Department uses the following process to set up, undertake and report on on-site monitoring visits:

- ❖ Program Representative calls the Responsible Administrator identified in the CDBG contract to schedule an on-site visit. The Program Representative sends a letter prior to the visit that confirms date and time, the monitoring document that will be used, and the people and files needed during the visit.
- ❖ Program Representative conducts on-site visit, review files, completes the monitoring tool, interviews key staff and inspects property if applicable.

- ❖ Program Representative submits monitoring report to the grantee within 30 days of the visit unless circumstances noted on the checklist would indicate a delayed report would be appropriate.
- ❖ Program Representative works with the grantee until all monitoring findings are cleared and concerns are addressed.

The monitoring report issued to the grantee following a review contains the following as applicable:

- ❖ Compliance areas reviewed, files reviewed, who conducted the review and the date it occurred;
- ❖ A brief description of the specific statute, regulation or requirement examined;
- ❖ The conclusion (i.e. satisfactory performance, concern, findings, question of performance, etc.) and the basis for the conclusion reached.
 - (a) A satisfactory performance determination is a conclusion that the grantee is meeting its award terms and its statutory and regulatory responsibilities.
 - (b) A concern raises an issue that does not involve a statute, regulation or requirement, but may involve a management recommendation or program improvement.
 - (c) A question of performance is an inconclusive review that raises a question as to whether a violation of a statute, regulation or requirement has occurred or compliance cannot be demonstrated. In this case the monitor will first informally discuss the review with the grantee or will request additional information, to be provided within a 30-day period, to determine whether a violation did occur. This determination is only for a limited period of time. When the grantee responds to the question, a final determination will be made.
 - (d) A finding is a clear, specific and identifiable violation of a statute, regulation or requirement about which there is no question. The action normally requested is for the grantee to explain, within a 30-day period, what steps it will take to remedy and/or prevent a recurrence of the violation

DOH Housing Monitoring

In order to successfully administer State and federal housing funds, Division of Housing developed a monitoring policy that ensures affordable housing units are in compliance with applicable State and Federal guidelines. During the course of grant and or loan administration, Asset Managers and other DOH staff monitor project performance in a variety of ways. The monitoring policy describes DOH monitoring methods that focus on the following programs: HOME Program (HOME), Emergency Shelter Grant (ESG), Housing Development Grant (HDG), Home Investment Trust Fund and Section 8 Rental Assistance Programs.

PROJECT PERFORMANCE PLAN

The Project Performance Plan (PPP) sets forth the goals and milestones that a project must meet in order for it to be successful and in compliance with federal and State requirements. The PPP addresses anticipated project problems and time lines needed to complete and manage the project. The PPP applies only to the HOME, HOME Investment Trust Fund, ESG and HDG projects and will be the basis for measuring and tracking the grantee's performance through the term of the project. Depending on the type of the project being funded, the PPP may include information on the following:

- ❖ Financial Management
- ❖ Marketing
- ❖ Leasing and Occupancy
- ❖ Construction Compliance
- ❖ Housing Management Requirements

- ❖ Federal and or State Compliance

DOH also uses the Project Performance Plan (PPP) to plan training and technical assistance.

The PPP is an assessment of the project needs based on the expertise of the DOH Housing Developer, Asset Manager and the funding recipient (Grantee). A draft PPP plan is first developed by the Housing Developer based on their view of the needs of the project. The Asset Manager then adds their performance measurement suggestions to the PPP. The Asset Manager will contact the Housing Developer if there are any discrepancies regarding the PPP.

The grantee is also made part of the preparation of the PPP and this is usually done in the following manner:

- ❖ A draft copy of the PPP can be faxed to the contractor for input before the contract is mailed to the grantee for signature.
- ❖ A meeting or conference call can be set up to review and prepare the Performance Plan
- ❖ The Housing Developer will develop the Project Performance plan along with the grantee.

PPPs vary, as do the different types of projects that are funded. To ensure all major milestones are covered in the PPP, DOH developed templates covering different types of developments and projects. These templates are not intended to be all-inclusive since each development team has the ability to tailor the PPP to the individual projects. Performance Plan templates also contain a column that can be used by the Grantee to track quarterly performance.

Because the PPP covers all critical project milestones, Asset Manager's are able to easily determine if a project is on track or not. Some projects require only a limited number of performance measures when the developer is a highly functioning agency or a strong partner organization participates in the project. For example, Colorado Housing and Finance Authority (CHFA), Mercy Housing, Rural Development, HUD and private lenders often participate and may provide project oversight, construction monitoring, maintenance plans and property inspections. When other monitoring systems are in place, DOH does not duplicate these efforts.

ONGOING PROJECT MONITORING

PERFORMANCE REPORT

DOH requires each project it funds to submit a quarterly report that provides AMs a project update and flags pending or anticipated problems. As stated above, the quarterly performance report has been integrated into the PPP; this allows the Grantee to report on PPP milestones. Asset Managers contact the grantee or borrower by telephone or e-mail on a monthly basis to track their project performance. DOH staff also uses this report to provide technical assistance to the grantee.

FINANCIAL STATUS REPORT

The financial quarterly report lists the full financial status of the project including fund balances of the loan or grant provided. The quarterly financial report applies to HOME, HDG, and ESG projects.

SECTION 8 MONTHLY FINANCIAL REPORTS

The Section 8 Contractors are required to submit monthly Housing Assistance Payment (HAP) requests and Lease Status Reports. These reports are used to track the utilization of the program, initiate rental payment changes and certify the rental assistance payments to landlords and participating families. Asset Managers and DOH Section 8 staff provide technical support on an on-going as-needed basis.

CONTRACT MONITORING

Near the end of the contract term or during the course of a fiscal year, Asset Managers monitor each DOH project to ensure that the project is in compliance with the applicable federal and State requirements. Because some projects need more attention than others, DOH has developed a Risk-Based Monitoring approach. DOH Risk-Based monitoring allows Asset Managers to focus more time on projects that are at higher risk of encountering problems during the project development.

The level of monitoring for the project will be determined by the Housing Programs Manager with input from the DOH Developer and Asset Manager. The Developer and Asset Manager discuss the administrative capacity of each grantee and determine the level of monitoring before recommending it to the Program Manager. The level of monitoring will be listed on the Project Performance Plan (PPP) attached to the grantee's contract or on the semi-annual monitoring schedule established by the Asset Manager. The level of monitoring may be changed during the term of the contract if needed. Projects are placed in one of the following three categories:

FULL (F - in monthly Oracle Report) - A FULL monitoring determination requires an Asset Manager to address all identified areas pertaining to the project within the regular DOH monitoring documents. The Asset Manager will also have to visit the project site and complete a housing quality standards (HQS) inspection on a minimum of five per cent of the total number of units and family files. The Developer and Asset Manager will recommend a FULL monitoring if the project contains the following:

- ❖ Grantee who has never received funding from DOH and/or Grantee that has not received funding in the last three years.
- ❖ New activity for existing grantee
- ❖ Complicated project
- ❖ Unresolved findings or concerns on last contract
- ❖ Repeat instances of findings or concerns
- ❖ Existing Grantee - new staff in key positions
- ❖ Staff recommendation due to unexpected problems occurring during the project.
- ❖ Davis Bacon Project
- ❖ Uniform Relocation Act
- ❖ Other if applicable

PARTIAL (P - in monthly Oracle Report) - A PARTIAL monitoring requires the Asset Manager to complete a modified monitoring form and perform a site inspection. The grantee may be asked to supply reports such as rent rolls through the mail or fax. The Developer may assist the Asset Manager in performing the site inspection if convenient. The Developer and Asset Manager will recommend a PARTIAL monitoring if the project contains the following:

- ❖ Uncomplicated project
- ❖ Repeat grantee-same/similar type project
- ❖ Grantee had no findings during last monitoring
- ❖ Grantee is considered moderate in administrative capacity

Under the same PARTIAL monitoring category the Asset Manager can classify a project as a Self-Certification monitoring. The grantee completes a modified monitoring form pertaining to the use of the funding award. The self-certification monitoring form is then notarized by the grantee and sent back to the Asset Manager. The Housing Programs Manager must approve this type of monitoring in advance.

MINIMUM (M - in monthly Oracle Report) - A MINIMUM monitoring can only apply to a continuing program such as the CHDO Operating, Needs Assessments, SFOO Rehab, Down payment, ESG or Section 8 Rental Assistance. This type of monitoring requires only the grantee technical assistance if needed and the contractual monthly/ quarterly reporting documents. If a grantee is deemed to be highly functioning, DOH may delay an on-site visit for up to 1 year. The Asset Manager, Developer and Housing Programs Manager will only approve this type of monitoring if the project contains the following:

- ❖ Grantee has not received any findings or concerns in the past two (2) years.
- ❖ Grantee is considered a high functioning project administrator.

PROJECT CLOSE OUT

HOME, ESG and HDG projects are completely closed out upon the final completion of the project. Reporting is required on the following areas:

- ❖ **Project Description:** Full project description summarizing the specific activities undertaken with funds.
- ❖ **National Objective Served:** List eligible national objective served by project.
- ❖ **Actual Accomplishments:** List all project accomplishments
- ❖ **Remaining Actions:** Remaining actions and the date of anticipated completion.
- ❖ **Audits:** Name and address of firm selected to do the audit(s) and the date when the audit(s) will be completed.
- ❖ **Total Actual Expenditures for the Activity:** All actual expenditures for each activity and expenditures from other funds are listed.
- ❖ **Project Applicants and Beneficiaries:** Beneficiaries of the project for all activities are listed.
- ❖ **Program Income:** Program income generated will be reported now and in the future.
- ❖ **Actions to Affirmatively Further Fair Housing:** Fair housing efforts and complaints will be reported.
- ❖ **Section 3:** Section 3 reports.
- ❖ **Citizen Comments:** Include any comments by citizens.
- ❖ **Final Financial Report**

LONG TERM MONITORING (Only applicable to the HOME Program)

DOH provides HOME Federal funding for the development of affordable rental units. These funds are funded in either a grant or a loan. A formula is used to determine the number of HOME-assisted units that DOH is subsidizing in proportion to the total cost of the rental development. The HOME-assisted units are designated in the unit mix along with the term of affordability of the Beneficiary and Rent Use Covenant, a document that is executed and recorded.

Under HUD regulations, DOH must monitor affordability compliance of the HOME units for the term stated in the Use Covenant by conducting an on-site visits every 1, 2 or 3 years, depending on the number of HOME-assisted units. For each year that an on-site monitoring visit is not conducted, a property rent roll and certification of verification of family income and immigration eligibility are required to be submitted to DOH.

On-site long term monitoring visits include:

- ❖ Administrative review
- ❖ Family file review of each HOME-assisted unit, and
- ❖ Housing Quality Standards (HQS) inspection for a determined number of HOME units (5% or 3 whichever is less). A DOH staff member will meet with the property manager and/or the program manager to discuss the following items of compliance:
 - Identify which families are dwelling in the HOME-assisted units by identifying these on the rent roll and provide a copy to the Asset Manager.
 - Ensure eligible immigration status for each person 18 years or older dwelling in the unit. Per State immigration law C.R.S. 24-76.5-103, adults over 18 must sign an affidavit and provide a valid Colorado photo ID, a copy of which must be in the file. HOME units can only be occupied by persons of eligible immigration status (either a U.S. citizen or an otherwise lawful resident). To meet Federal Fair Housing practices, the agency must require all tenants to certify their immigration status. HOME-assisted units are floating units and may need to be re-assigned.
 - Verify that residents of HOME-designated units are income qualified both prior to lease up and at every annual re-certification, for all household members 18 years and older. Each file should provide 3rd party income verification (e.g., current social security award letter, verification of employment, child support, TANF or public benefit award, unemployment benefit, etc). The leasing manager must calculate and document income.
 - Provide Asset Manager a copy of the lease and relevant lease documents (addendums, lead-based paint disclosure, other policies, etc).
 - Provide a copy of the property's most recent income statement, balance sheet, and cash flow statement. DOH will examine amounts in the operating and replacement reserve accounts.
 - Create or implement marketing/ outreach strategies according to the Affirmative Fair Housing Marketing Plan.
 - Perform a determined number of HQS inspections with Asset manager. HQS inspections consist of basic checks for health and safety such as locks on windows and doors, hot and cold running water, smoke detectors, sound electrical and plumbing systems, etc.

PROPOSAL FOR JOINT MONITORING

The Division of Housing proposes to eliminate monitoring duplications that now exist with the HOME Program. A HOME Participating Jurisdiction (PJ) must monitor contractors to ensure compliance with federal regulations, but when HOME funds are combined with Low Income Housing Tax Credits, Federal Home Loan Bank grants, and other federal housing programs, contractors undergo annual monitoring by all of these agencies. In effect, multiple agencies monitor the same properties, units, and beneficiaries for the same federal regulations.

DOH will formally request that HUD allow joint monitoring of these projects to minimize the burden on contractors, to promote greater monitoring efficiency and to facilitate grantor partnerships that can both mentor and monitor joint projects.

RENT ROLL REQUEST

DOH provides HOME Federal funding for the development of affordable rental units in the form of either a grant or a loan. A formula is used to determine the number of HOME-assisted units that DOH is subsidizing in proportion to the total cost of the rental development. The HOME-assisted units are designated in the unit mix along with the term of affordability of the Beneficiary and Rent Use Covenant, a document that is executed and recorded.

HUD regulations require DOH to monitor affordability compliance of the HOME units for the term stated in the Use Covenant by conducting on-site visits every 1, 2 or 3 years depending on the number of HOME-assisted units. Each year that an on-site monitoring visit is not conducted, the agency must submit a property rent roll and verification of family income and immigration eligibility. The off-year request consists of the following:

- ❖ Rent roll and occupancy report, with HOME-assisted units designation
- ❖ Verification of eligibility of HOME-assisted units

The Property Manager must submit the following documentation for each HOME-assisted unit:

- a. Photo ID and 214 Declaration for each person over 18 years
- b. 3rd party verification of income and assets at time of move in
- c. Copy of lease documents (addendums, disclosures, etc)-time of move-in
- d. TIC Form or 50058/59, if applicable

If certain items are found to be out of compliance during any type of monitoring, the Asset Manager documents the items in the monitoring letter. The agency has 30 days to correct the deficiencies. Once the all findings have been resolved, the Asset Manager notifies the agency in writing that they are in compliance.

MONITORING THE CONSOLIDATED PLAN

DOLA monitors its progress in achieving goals and objectives of the Consolidated Plan through its Oracle database; the Integrated Disbursement Information System (IDIS); through periodic reports to the State Legislature; and in completing the Performance Evaluation Reporting System report for HUD. Compliance with program requirements including timeliness of expenditures are assessed programmatically on an ongoing basis and through accounting and internal audit functions of DOLA.

Lead-Based Paint

Lead-Based Paint Hazard Reduction

DOLA/DOH recognizes the serious health risks for children from lead poisoning due to contact with untreated lead-based paint and dust in the State's housing stock. To help protect children from these health risks, DOH works closely with subgrantees, contract agencies, and the Colorado Department of Public Health and Environment (CDPHE) to assure that the State's housing programs and projects comply with current requirements of Title X of the Community Development Act of 1992.

As of September 10, 2001, all provisions of Title X became enforceable in Colorado. These provisions include the regulations found in HUD's Lead Safe Housing Rule (24 CFR part 35). The staff of DOH reviews each proposed housing development program or project to ensure ongoing compliance with all applicable sections of Title X. The review is based on the type of project, the type, amount, and duration of financial assistance, and the age of the property. In addition, DOH makes all applicable training and technical resources available to local housing providers and developers.

CDPHE has statutory responsibility for the ongoing implementation of the statewide comprehensive plan to reduce childhood lead poisoning. The Environmental Protection Agency has authorized the CDPHE to provide training, certification, and enforcement programs surrounding lead poisoning and lead-based paint in the State. CDPHE is also responsible for compiling information on the number and location of children found to have elevated lead blood levels (great than 10 micrograms/deciliter). During the period 1996–2002, approximately 2.5% of all children between the ages of 6 months and 6 years of age tested statewide had elevated blood lead levels. In one Denver neighborhood, over 16% of the children tested had elevated blood lead levels. CDPHE and Medicaid educate parents on the sources and hazards of lead poisoning to increase the number of children tested every year statewide. These efforts resulted in a 40% increase in the number of children tested for possible lead poisoning from 2001-2002 (most recent data available).

Northeast Denver Housing Center (NDHC) is the single Lead Hazard Control Grantee in Colorado. Through its Lead Hazard Control Grant, NDHC responds to reported incidences of elevated blood level in lower in children in lower-income households across the State. In addition, NDHC provides comprehensive lead hazard identification and reduction activities in specific neighborhoods in the City of Denver. Information obtained from the 2000 Census and the Center for Disease Control (CDC) report, "Surveillance for Elevated Blood Lead Levels Among Children – US, 1997-2001" (September 2003), indicates that there are over 21,000 housing units with a lead hazard risk. The EPA considers housing units built before 1950 and currently occupied by households living below the poverty level to be at risk.

DOH will implement the following activities during the period of 2010–2015 to ensure statewide compliance with applicable lead-based paint regulations.

Activity 1: Enhance Existing Partnerships

DOH will continue to assist public and private efforts to reduce lead-based paint hazards across the State. This includes ongoing involvement in the Colorado Lead Coalition interagency work group, which develops and implements strategies for statewide lead hazard reduction and education efforts. Besides the Division of Housing, this coalition includes the U.S. Environmental Protection Agency, Denver Health, the U.S. Department

of Housing and Urban Development, the Colorado Department of Health and Environment and other agencies

Activity 2: Provide Lead Hazard Information to Housing Providers, Local Officials and Assisted Households

DOH provides all sub-grantees, contractors and local housing and service providers with the most current required publications for distribution to occupants of housing units assisted with Division funds. For example, DOH distributes the EPA Pamphlet, "Protect Your Family from Lead in Your Home" to local housing and service providers that, in turn, distribute this publication to all applicable households. DOH funded programs that receive lead hazard information include the Single-Family Owner-Occupied Rehabilitation Program, the Housing Choice Voucher Program, down payment assistance programs, and programs that support the acquisition and rehabilitation of rental properties.

Activity 3: Enhance Existing Delivery System and Technical Capacity

To comply with the regulations in the most effective and economical way, DOH increased its involvement in CDPHE's lead-based paint education activities and sponsored additional lead-safe work practice trainings around the State. DOH will continue to provide technical assistance to sub-grantees, contractors, and local housing and service providers about Title X requirements through web-based training, on-site visits, project underwriting and the distribution of best practice methods.

Estimate of units with Lead-based Paint

As noted in the chart below, an estimated 661,282 housing units (+/-10%) in Colorado contain lead-based paint. Of these, approximately 65% or 431,736 (+/-10%) may contain lead based paint.

DOH intends to coordinate applications for funding under the Lead Hazard Reduction Program – Healthy Homes Initiative on behalf of the entire state.

Estimate of Housing Units with Lead-Based Paint – State of Colorado								
Built Date Range	Total Units Built	Renter Units			Owner Units			Total Low Income Units
		Total rental units	Extremely Low	Low	Total owner units	Extremely Low	Low	
Pre-1940	145,236	56,435	34,453	18,934	88,801	18,214	32,771	104,372
1940-1959	54,530	22,286	12,970	8,329	32,244	5,775	14,349	41,423
1960-1979	61,516	168,400	88,644	67,551	293,116	39,258	90,488	285,941
Total	661,282	247,121	136,067	94,814	414,161	63,247	137,608	431,736

HOUSING

Specific Housing Objectives

1. Describe priorities and specific objectives for the next year.

This list of 2010 housing priorities and specific objectives below involves commitment and expenditure of current year HOME, CDBG, ESG and HOPWA. DOLA also has an a commitment to obligate NSP1 by December 10, 2010 and HPRP funds by July

Please also see the Appendix B for CPMP "SUMMARY OF SPECIFIC OBJECTIVES."

Project Type	Fund Source	Priority
Construction, rehabilitation or acquisition of rental housing for very low-income, homeless or special needs persons	HOME CDBG	High
Address Homelessness Through: Shelter operating support Transitional Housing Essential Services Homeless Prevention Rapid Re-Housing	ESG HPRP	High
Acquisition and Rehabilitation of Foreclosed Housing	NSP CDBG	High
Provide rental assistance, support services and other HOPWA-eligible assistance to persons with HIV/AIDS	HOPWA	Medium
Barrier removal for persons with special needs in single-family renter-occupied housing (rehab)	CDBG	Medium
Provide down payment assistance for first-time homebuyers	HOME	Low
Repair/rehabilitate very low-income, owner-occupied, single family housing	HOME CDBG	Low

2. Describe how available Federal, State, and local public and private sector resources will address identified needs during this Action Plan year.

Please refer to the table on page 6 for a list of federal, State and local resources that may be available to community development, housing and economic development projects. Agencies appearing on this list are **potential** partners, and may complement funding available through the HOME, ESG, CDBG, and HOPWA for construction of new housing units, preservation of existing affordable housing stock, reduction of homelessness and provision of housing/services to persons with HIV/AIDS. DOLA maximizes its funding resources by encouraging, or, in some cases, requiring local participation in community, economic and housing development activities. This assists us in addressing identified needs. Neighborhood Stabilization Program (NSP) funds will assist the State and local governments in acquiring, rehabilitating and either renting or re-selling foreclosed homes to combat the foreclosure problem in Colorado.

DOH envisions a process that utilizes both Private Activity Bonds and project-based Section 8, and incorporates supportive services that promote independence.

DOH intends to implement policies for funding architectural barrier removal projects in rental homes. DOH staff will update the existing "Program Guidelines For Single-Family Owner-Occupied Housing Rehabilitation" so that rental units are eligible if the tenant has a disability, so that the tenant (not the landlord) is the beneficiary for determining eligibility, and to allow funds to be granted (not loaned) to persons with disabilities.

Needs of Public Housing

1. Describe how the jurisdiction's plan helps address needs of public housing and encourage residents to become more involved in management.

The State does not operate public housing and therefore does not plan resident initiatives.

2. The jurisdiction shall describe the manner in which it will provide financial or other assistance to improving the operations of "troubled" public housing agencies during the next year.

There are four troubled housing authorities in the State: Alamosa, Burlington, Brush and Costilla. If the HUD Troubled Agency Recovery Center determines that these housing authorities are in need of assistance, it will contact DOH and the Division will request technical assistance from National Association of Housing and Redevelopment Officials (NAHRO) on behalf of those housing authorities.

3. Other Housing Issues: What is the availability of abandoned buildings suitable for conversion to housing?

Colorado does not have a central database for all abandoned buildings in the State, but because of the impact of foreclosures the State will explore alternatives. Many communities inventory abandoned buildings to determine potential reuse and conversion. Changes in market conditions can provide the impetus to redevelop. For example, an historic building in the Town of Georgetown resulted in a renovation that yielded affordable housing for the community. For properties with obvious potential, redevelopment will likely proceed with little prompting. There may be an opportunity to acquire, rehabilitate and convert to housing abandoned and foreclosed buildings using Neighborhood Stabilization Program (NSP) funds. The Division will actively pursue such opportunities through its NSP partner agencies.

Barriers to Affordable Housing

The State's rapid development from the early 1990's to early 2000's made growth management issues a concern for State and local elected officials in Colorado. Many communities undertook a close examination of public policies that guide the creation of transportation systems, water supply, open space, and housing. Many also adopted policies that growth should "pay its own way," resulting in sometimes complex impact fee structures. Many of these growth-control policies and fees remain in place.

Growth control policies can serve either as management tools – controlling and directing appropriate development – or as regulatory barriers – to prevent additional development. This is most apparent in housing development, which is affected by every tool a community might use to control growth. Tools include annexation and zoning policies, both in terms of the amount of land available for residential development and its density;

subdivision design and engineering standards; impact fees for infrastructure and other public facilities; building codes; limits on the number of building permits allowed each year; and regulations to protect environmental and cultural resources.

The Division defines regulatory barriers as either deliberate or de facto actions that prohibit or discourage construction of affordable housing without 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 assistance.

Local Regulatory Barriers to Affordable Housing

DOH identified five categories of land use regulations frequently cited as barriers to affordable housing. These include: (1) infrastructure financing, (2) zoning and subdivision controls, (3) building codes, (4) permitting and procedural rules, and (5) environmental regulations. DOH provides technical workshops on land use planning and on affordable housing to show communities how local governments could modify regulations to reduce their impact on affordable housing. DOH also works with each developer to negotiate a reduction in local regulatory cost during our application review process.

Financing Public Improvements: An Impact Fee is a direct payment for expanding roads, parks, and utilities. Land dedications are often required for larger developments to reduce the expansion cost of schools or parks. Local governments may also require an exaction, which places conditions on approval of new development for on-site or off-site improvements.

Zoning & Subdivision Controls: Zoning regulations affect density, housing size, accessory dwelling units, etc. The primary purpose of zoning restrictions is to separate incompatible land uses. These regulations also maintain real estate values by enforcing controls on the location, size, and appearance of all residential and commercial buildings. However, zoning regulations can limit the use of the most affordable types of housing – multifamily and manufactured housing – by limiting the amount of land zoned for this purpose. Subdivision regulations affect site plan design and engineering standards for streets and utilities.

Building Codes: A third type of regulation likely to affect a community’s affordable housing is the local building code. A building code serves the important public purpose of health and safety by governing the use and installation of materials and design and construction standards for the building. A local building code plays a vital role in protecting not only the occupants of the building but also its long-term value.

Permitting and Procedural Rules: Application fees & review schedules are part of every local approval, including annexation, zoning, site plan, subdivision, and building permits. Sometimes these have open-ended approval timelines, and fees can be charged at any point in the process. Delays in the approval process add uncertainty and risk to an already expensive investment.

Environmental and Cultural Protection: Developers often encounter the Clean Water Act, the Endangered Species Act, the National Environmental Policy Act, and the National Historic Preservation Act when developing or redeveloping affordable housing. Local governments are required to follow each of these federal mandates in their development procedures and policies. The unpredictability of these regulations may discourage private investors.

Local Land Use Policies

DOH may contract with an outside firm to update the examination of land use barriers, including impact fees, tap fees, and planning and zoning fees, and issue a report that analyzes its findings.

EFFECTIVENESS IN REDUCING IMPACT OF LAND USE REGULATION

DOH provides technical assistance to local governments that want to modify land use regulations in order to encourage affordable housing development. During our application review process, the Division makes it a priority to assess a local government's financial contribution compared to the impact its regulations and policies have on the total project cost.

TECHNICAL ASSISTANCE

The primary way the Division will provide technical assistance is through its ongoing discussions with local governments during project funding. The Division will also provide workshops for local government officials about regulatory barriers as requested.

Energy-Efficient Design and Construction

The Department of Local Affairs places a high priority on energy efficiency and sound environmental design in pursuing its goal of livable communities. At the same time, the State Housing Board has a stated goal to increase affordability and long-term sustainability of Colorado's affordable housing by using sustainable and energy-efficient design. Given these common goals, the Board approved a policy that supports energy efficient design in 2007, amending the policy in 2008 to require projects to substantially meet one of the energy-efficiency standards listed below.

In 2010, the Division of Housing (DOH) will encourage inclusion of energy-efficient design methods early in the project planning process and provide training opportunities to developers, project owners and project managers on the benefits of efficient design. DOH staff members present energy-efficiency information to the State Housing Board as part of each project summary.

Minimum Energy Code Requirement

- ❖ For single family and low-rise (up to 3 stories) housing projects:
Projects funded shall substantially meet Low-Water Landscaping (e.g. Denver Water Board Standards), and one of the following (listed in order of preference):
 - Enterprise Community Partners, Green Communities Criteria 2008 or later
 - U.S. Green Building Council, LEED for Homes, Silver or above
 - The most recently released International Energy Efficiency Codes (IECC)
 - U.S. Environmental Protection Agency, Energy Star 2011 for New Homes
 - U.S. Green Building Council, LEED for Homes, Certified
 - U.S. Environmental Protection Agency, Energy Star for New Homes

- ❖ For commercial and residential projects above 3 stories:
Projects funded shall substantially meet Low-Water Landscaping (e.g. Denver Water Board Standards), and one of the following (listed in order of preference):
 - Enterprise Community Partners, Green Communities Criteria 2008 or later
 - U.S. Green Building Council, LEED for New Construction version 2.2 or later, Silver or above
 - The most recently released International Energy Efficiency Codes (IECC)
 - U.S. Green Building Council, LEED for New Construction version 2.2 or later, Certified

Energy Star Building Performance Standards

In 2002, U.S. Department of Housing and Urban Development (HUD) and the U.S. Environmental Protection Agency (EPA) entered into a memorandum of understanding to promote the use of Energy Star Building Performance Standards in HUD's affordable housing programs. DOH encourages the use of the Colorado Energy Star Standards Program in affordable housing projects. More information concerning the Colorado Energy Star Program is available at <http://www.e-star.com/index.html>. Funding applicants will also indicate the number of proposed housing units that meet the Colorado Energy Star Standards Program criteria.

Partner Programs

DOH works closely with the Governor's Energy Office and Energy Outreach Colorado to assist project developers and property owners with access to technical assistance and funding for energy-efficiency improvements. In addition, the Division's single-family housing rehabilitation programs assist in improving the efficiency of the existing housing stock by using low-interest loans to homeowners. The State intends to coordinate applications for the Local Government Energy Efficiency Block Grants, and other Energy Efficiency Programs.

HOME Specific Program Description

I. Fund Distribution

DOH anticipates an allocation of at least \$7,262,808 in HOME Investment Partnership funds for federal fiscal year 2010 with 10%, \$726,280, dedicated to program Administration. The Division will distribute any funds received, whether less or more than this amount, using the methodology that follows.

Because the amount of HOME funds available is much smaller than the need, DOH will use a new, competitive application process. Funding applications for each project type will occur with the following frequencies:

Project Type	Frequency
Home Buyer Assistance Programs	1x/year
Rental Development Projects (new construction, acquisition, rehabilitation of existing structures), Special Needs Housing Projects (shelters, seniors, disabled, transitional), Subdivisions	9x/year
Operating funds for non-profits, housing studies	1x/year
Single-Family, Owner-Occupied Rehabilitation Programs	1x/year
Pre-development loans	Monthly

This project schedule is effective April 2010.

The Division may end or defer consideration of housing proposals when no funds are available to commit, or when proposals are incomplete or premature.

In addition to establishing a schedule for reviewing and approving applications, DOH has also created a set of minimum standards that an application must meet in order to move forward in the approval process. The table below describes the new minimum standards:

Minimum Criteria Table

A. Demonstrate need for the project by means of:
1. Third party market study, and
2. Local housing needs assessment and strategic plan, and
3. Local government supporting documentation that substantiates the need and expresses support for the proposal
4. All three are required except under special circumstances based on local conditions.
B. Administrative Capacity: Adequate overall management capability for both for-profit and non-profit organizations as demonstrated by:
1. Applicant has no unresolved financial audit findings.
2. Applicant has a compliance plan to ensure that federal and State regulations and reporting will be met, including but not limited to:
Evidence of experience with:
a) Davis Bacon Wages
b) Section 3 and MBE/WBE
c) Fair Housing
d) Uniform Relocation
e) Lead Based Paint and other environmental hazards
3. Property Management Experience
a) Property Management plan that ensures rent and

affordability compliance
b) Tax Credit compliance (if applicable).
4. Applicant Monitoring Record
a) Monitoring finding resolution for on-site visits
b) Issues with quarterly compliance reports have been resolved
5. Applicant reporting and pay requests are timely and accurate
a) Applicant is current with all Division of Housing required reporting
b) Pay requests must be timely, accurate, and current before processing a new grant
6. Previous project experience not required, but DOH will request additional information
C. Completed Application
1. Public hearing completed
2. Documents signed
3. Required documents submitted
4. Complete project budget with sources and uses
D. Project Readiness to Proceed;
1. Third party capital needs assessment for rehabilitation projects (not required if applicant can demonstrate in house capacity and experience to perform needs assessment)
2. Confirmed local political support (letter)
3. Local financial support
4. Expected planning and zoning approval within 90 days of State Housing Board approval
5. Substantial amount of other funds committed. All other funds applied for or in the application process with the expectation of commitment within 90 days from the State Housing Board approval
6. Construction and/or acquisition start date
7. Construction cost estimate
8. Relocation and/or replacement housing required relocation plan and budget submitted.
E. Project will comply with DOH Energy Performance Standard Policy (1/10)
F. Project will comply with Affordability Period Policy (1/10)
G. Project will comply with Consolidated Action Plan Annual Funding Priorities Policy (1/09)

Applications for HOME should reflect local needs and be consistent with the State’s Consolidated Plan. The Division has developed tools that analyze applications and guide potential applicants, the **Cost and Effectiveness Rating Instrument (CERI)** and the **Funding Gap Analysis Spreadsheet**. DOH staff members review applications to ensure that proposals meet the federal requirements for each program, including the HOME program.

DOH staff and the State Housing Board use CERI and the Funding Gap Analysis Spreadsheet to evaluate the relative merits of funding applications. Two separate assessments determine the Division’s Cost Effectiveness Rating. The sum of these two assessments, the cost of housing a person and the type of housing being developed, measure the cost and effectiveness of each development. The Division’s development staff will use the following procedures on rental and homeowner projects with single sites.

Division of Housing's Cost Effectiveness Rating

DOH staff complete each of the scales below to determine the cost effectiveness rating for a project.

Step One: Cost Per Person Housed

By completing the development cost page of the Housing Development Analysis Spreadsheet, DOH uses the total development expense to calculate the cost per person housed. The total development expense is divided by the estimated number of people housed in the proposed development. The total number of people housed in the development is determined by multiplying the total number of bedrooms by 1.5 people for family and 1 for efficiencies and Single Room Occupancy (SRO). This number per bedroom is based on the California Affordable Housing Cost Task Force Policy Report, 1993. The cost per person is the result of this calculation. The following is an example:

The total number of bedrooms for this example is 180. Since this is a family rental, the number of bedrooms (180) is multiplied by 1.5 persons per bedroom. If this example included efficiencies, single-room occupancy units, or only seniors, the person per bedroom could be adjusted to one.

$$180 \text{ bedrooms} \times 1.5 \text{ persons per bedroom} = 270 \text{ persons}$$

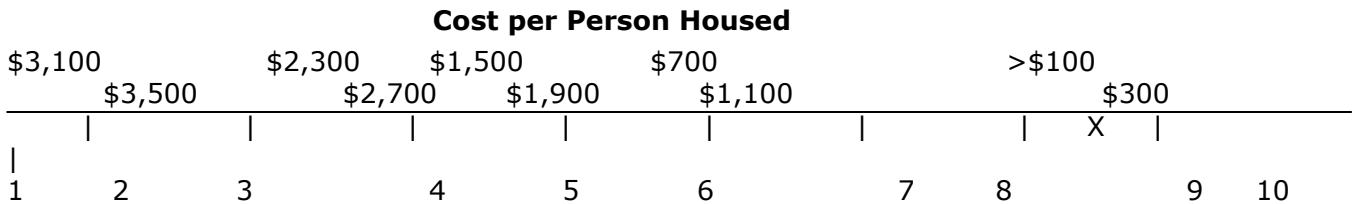
The total development expense for this project is \$4,870,000. This number is divided by the number of persons housed by the development.

$$\$4,870,000 / 270 = \$18,037$$

The answer, \$18,037 is the amount of development expense required to house one person. To accurately measure the total impact, the per-person cost is divided by the affordability period. In this example, the affordability period is 30 years.

$$\$18,037 / 30 = \$601 \text{ per year}$$

How does this cost compare to other developments financed by the Division? The estimated average per unit cost of a two-bedroom apartment financed by the Division is \$70,000. To draw this comparison, DOH uses a scale that gives a range for the construction cost per person housed. This range is \$35,000 to \$11,667. These costs are divided by the minimum 10 years and the maximum 50 years for affordability to determine the following scale.



A numerical value of 8 would be given to this result. This value is marked by the X.

Step Two: Externalities

An assessment is made of a proposed housing development’s effectiveness as a place to live. Ten factors are used to measure a housing development’s social, environmental, and personal impact on individual residents or the community in general. The Division of Housing uses a list of ten externalities to make this determination.

The Externalities Matrix

Externalities Matrix - Each external factor below should be scored positively or negatively based on the measure indicated.	+1	-1
1. Project Impact/Need - The project meets an affordable housing need evidenced by market data.		
2. Public/Private Commitment - The project has local government or community financial support.		
3. Management Capability - The project developer has the capability of completing the project in a timely and satisfactory manner.		
4. Consistency With Local Land Use Plans - Utilities, infrastructure, transportation and public services are available to the project without undue hardship or excessive cost.		
5. Environmental Impact - The project will not have a detrimental impact on air quality, water quality, noise levels, view corridors or other locally determined areas of environmental concern.		
6. Social Impact - The project will not have a detrimental social impact on the community or the residents.		
7. Special Needs Population - Households residing in the project include persons with physical or mental disabilities or independent or assisted housing for seniors.		
8. High Growth Area - Counties with a greater than average growth in population or housing cost over the last two years.		
9. Preservation of Existing Affordable Housing - The project would acquire and/or rehabilitate existing affordable rental housing.		
10. Serving Persons With Extremely Low Incomes - The project would provide at least 5% of their rental units to persons with incomes below 30% AMI.		

Each factor receives either a +1 or a -1 in scoring each externality. The total score is then compared to the following range:



Step Three: Rent Savings

The DOH Rent Savings Rating, return on investment, compares the amount of DOH investment in a project to household rent savings. The rent savings is the amount of household income saved by a family or individual who is paying a subsidized rent compared to a market rent. The difference between subsidized rents and market rents can vary widely in Colorado. Development staff will use the following procedures for rating the rent savings of each new construction/rehabilitation project.

DOH development staff will complete the attached Rent Savings matrix for each proposed rental project. The “Market Rents” section will list the market rents for the entire project by bedroom size. The sources for market rents include: The DOH Multifamily Vacancy & Rental Survey, the Denver Metro Apartment Vacancy & Rent Survey, current market area appraisals, and in the absence of any market data, other comparable rent sources. The “Proposed Rents” section will list the market and affordable rents developers are

proposing to charge households. The difference between the total of Market and Proposed Rents will be listed as Annual Rent Savings for each household.

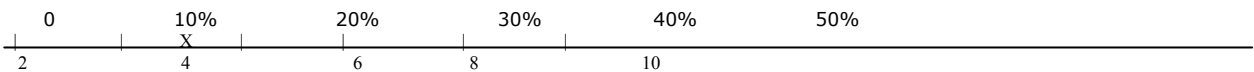
The DOH development staff will enter the requested DOH subsidy amount. This will be used to calculate the per unit subsidy amount for rent restricted units and the return on investment shown as a percentage of the savings per unit and the DOH subsidy per unit. The following examples show that the DOH return on investment is 20%.

Rent Savings Worksheet

Market Rents				Proposed Rents			
	Rents	#-units	Total Rent		Rents	# units	Total Rent
OBR		0	0	OBR	0	0	0
1BR	543	14	7602				0
2BR			0				0
3BR			0	1BR	250	6	1500
4BR	0	0	0		350	6	2100
	Total MKT rent		\$7,602		400	2	800
				2BR	0	0	0
					0	0	0
					0	0	0
Monthly Rent Savings:		\$3,202		3BR	0	0	0
Annual Rent Savings:		\$38,424			0	0	0
Total Units		14					0
Annual Savings/unit:		\$2,745		4BR			0
DOH Subsidy:		195000					0
DOH Subsidy/unit		13928.5714					0
				Total Proposed rent			\$4,400
*Sav per unit/DOH sub per unit:			20%				

*The Return On Investment (savings per unit/DOH subsidy per unit) in this example is calculated by dividing the Annual Rent savings per unit, \$2,745, by the DOH Subsidy per unit, \$13,928.

Return On Investment from Rent Savings

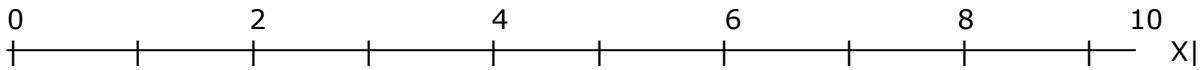


Step Four: Leveraging

The Division uses its funding to fill a financing gap for affordable housing developments. By filling this gap with either a loan or grant, the Division forms partnerships with other financing sources to complete the funding needed for financial feasibility of a development. By sharing the risk with other funding partners, the Division “leverages” its resources with funding from private and public investors. The “leveraging ratio” shows the amount of funds from other sources the Division is able to match or secure by

its investment. This leveraging ratio is measured on a ten-point scale. Each dollar leveraged equals one point, up to a maximum ratio of 10 to 1. For developments able to leverage more than \$10 for every \$1 from DOH, the scale is limited to a maximum score of 10. In the example, the Division invests \$200,000 and leverages an additional \$4.6 million. This scores 10 on our leveraging scale.

Amount Leverage



Rating



Step Five: Calculate the Cost Effectiveness Composite Score - the total of all four of the above factors.

The Division of Housing's Gaps Analysis Spreadsheet

The second tool used by DOH staff is a **gaps analysis spreadsheet**, used to analyze project development cost, income and expense. This analysis determines how much debt a project can reasonably service, and the amount of gap funding required for the project to proceed. A variety of sources, including DOH-administered funding, fill that "gap."

The combination of these two tools allows the State Housing Board (SHB) to target limited resources to the housing activities with the highest need in an individual community. The amount of subsidy required can also be determined. Development staff can provide community-housing developers with specific guidance regarding project development. This allows development staff to work in the planning stages, guiding and modifying projects before they go before the SHB.

Early in the process, DOH staff provides feedback to developers regarding the appropriateness of development concepts. This early intervention is needed because developers must incur predevelopment expenses, sometimes in excess of \$100,000, before a project can be brought before the SHB. DOH staff members discourage Developers from submitting requests that do not meet DOH priorities. While staff works with developers to modify projects to meet DOH standards, only projects that meet the priority target populations are cultivated.

The results of the staff review are forwarded to the Executive Director of the Department of Local Affairs, and brought to the Colorado State Housing Board, an advisory board. The consultation with the board is usually at a regularly scheduled monthly hearing, but also may be by telephone or mail. The Department Executive Director considers staff reviews and any advisory committee recommendations and makes the final funding decisions based on the project review factors.

In making funding decisions as well as proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he or she deems necessary or appropriate, consistent with the project review factors. These may include, but are not necessarily limited to: providing more or less funding than requested, proposed, or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis;

changing terms, uses, and conditions; and permitting projects to be amended to include additional, fewer, or different project activities.

DIRECT ADMINISTRATION: The Department of Local Affairs may choose to administer HOME funds directly if it determines that a specific project would benefit from such administration.

GEOGRAPHIC FUND DISTRIBUTION: The Department of Local Affairs intends to distribute HOME funds by considering both geographic and population needs. Funding decisions include consideration of prior housing projects funded within the area as well as quantified need level driven by population distribution, including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan. Projects that occur in high growth areas, assist special populations and preserve existing affordable housing are considered high priority projects.

PROGRAM INCOME:

HOME Program income includes, but is not limited to:

- ❖ Proceeds from the sale or long-term lease of real property acquired, rehabilitated or constructed with HOME funds or matching contributions; rehabilitated, or constructed with HOME funds or matching contributions, minus the costs incidental to generating that income;
- ❖ Payments of principal and interest on loans made with HOME or matching funds, and proceeds from the sale of loans or obligations secured by loans made with HOME or matching contributions
- ❖ Interest or other return on investment of HOME and matching funds
- ❖ Interest on program income
- ❖ Any other interest or return on the investment of HOME and matching funds.
- ❖ Not all income is considered program income. Some examples of items that are not considered program income include:
 - Repaid loans guaranteed with HOME funds are not considered program income and are not subject to HOME requirements
 - Recaptured HOME funds are the repayment of original HOME investments, and are technically not program income.

II. Community Housing Development Organizations

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The Division of Housing expects the amount available for CHDOs to be up to \$1,089,421.

T

he Division of Housing accepts applications for CHDO Operating Grants twice a year, April 1st and October 1st. The Division will award CHDO Operating Grant funds on an as-needed basis, taking into consideration five priorities:

1. Representation in underserved areas
2. Response to community housing needs as identified by Housing Needs Assessments
3. Local match provided
4. Established CHDOs that are continuing to add units to their portfolio
5. Demonstrated capacity to complete the project(s) as outlined in the Memorandum of Understanding.

CHDO Certification

The Division must formally certify a local housing organization at the time of each application for operating grants and CHDO-eligible housing projects in order to receive CHDO funds. Certification as a CHDO requires a local housing organization to confirm the CHDO certification requirements per 24 CFR Part 92.208 by submitting copies of the following:

- ❖ Proof that the organization is legally organized under State and local law
- ❖ The organization's charter
- ❖ The organization's articles of incorporation
- ❖ The organization's bylaws
- ❖ A description of the organization's geographic service area
- ❖ The organization's IRS tax-exempt ruling (either conditional or final)
- ❖ A list of the organization's board of directors, including whether they represent the low-income community or the public sector
- ❖ The organization's experience/activities within its geographic service area for at least the past year
- ❖ A description of the staff's experience with housing projects, or that of any consultants to be hired
- ❖ Certification of the organization's financial accountability standards, in conformance with 24 CFR 84.21, "Standards for Financial Management Systems"
- ❖ A business plan
- ❖ A Memorandum of Understanding (MOU) with DOH stating that the CHDO intends to use HOME CHDO set-aside funds to develop units of affordable housing within 24 months of the date of the agreement that specifies the expected uses for the funds

DOH will provide a certification letter to each CHDO to confirm the organization's CHDO status upon review and approval of the documents listed in this section.

Organizations send their CHDO Certification documents directly to the DOH Regional Housing Development Specialist one month prior to submitting an application for DOH funds. The Division of Housing Loan/Grant Application is used to request CHDO Operating and CHDO Set-Aside funds and must include all documents indicated on the "Checklist for Attachments A – H" and the "Checklist/Matrix for Supporting Documents" to be considered complete. This includes a CHDO Project Budget and a Staff Allocation Plan.

DOH anticipates that CHDOs will undertake acquisition, rehabilitation, homebuyer programs, and new construction activities, and that some CHDOs may want to apply for project-specific technical assistance loans.

III. Other Forms of Investment

The Division of Housing does not provide any forms of investment to projects other than those described in 92.205(b) of the HOME regulations.

IV. Refinancing

The Division of Housing may use HOME funds to refinance existing debt on an eligible single-family, owner-occupied property when it uses HOME funds to rehabilitate the unit, if the refinancing will reduce overall housing costs for the owner and make the housing more affordable.

The Division may also use HOME funds to refinance existing debt on multifamily rehabilitation, or new construction projects if refinancing is necessary for continued long-

term affordability and is consistent with State-established guidelines. To qualify, the proposed project must meet one of the following criteria:

- ❖ Rehabilitation is the primary eligible activity. This means that the amount of HOME funds for rehabilitation must equal or exceed the amount of HOME funds used to refinance existing debt on the property. The minimum ratio of rehabilitation costs to refinancing costs must be 1 to 1, or a minimum rehabilitation cost of \$5,000 per unit;
- ❖ A review of management practices should demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met, and that it is feasible to serve the targeted population over the proposed affordability period;
- ❖ The application must state whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
- ❖ The required period of affordability will be a minimum of 30 years;
- ❖ The State will accept applications for refinancing statewide; and,
- ❖ The State will not use HOME funds to refinance multifamily loans made or insured by any Federal program, including CDBG, unless additional affordable units will be income-restricted to low-income households or the affordability period is extended.

V. Costs Related To Payment of Loans

If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, guaranteed or insured loan, the payment of principal and interest for such loan is an eligible cost only if:

- (1) The loan was used for eligible costs specified in this section, and
- (2) The HOME assistance is part of the original financing for the project, and the project meets the requirements of this part.

VI. Administration and Planning Costs

The Department of Local Affairs, Division of Housing (DOH) may expend ten percent (10%) of the HOME allocation for its HOME administrative and planning costs. 10% of HOME of Program Income that is retained at the local level counts towards the regular HOME administrative cap.

VII. Homebuyers Program

DOH will accept applications for homebuyer programs if they meet the guidelines for resale or recapture as required in 24 CFR 92.254. Homebuyer programs must meet the following federal requirements:

To Qualify as Affordable:

- ❖ The initial purchase price must not exceed 95% of the median purchase price for the type of single-family housing (1 to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the area as determined by HUD; or, its estimated appraisal value at acquisition, if standard, or after any repair needed to meet property standards in §92.251, does not exceed 95% of the median purchase price for similar type of single-family housing.
- ❖ It must be the principal residence of the owner whose family income qualifies (equal to or less than 80% of area median family income) at the time of purchase;
- ❖ Is purchased within 36 months if a lease-purchase agreement is used in conjunction with a homebuyer program acquire the housing;

- ❖ It meets the federally required resale restrictions or the federally required minimum affordability periods. However, the State will seek to maximize the affordability period for homeowner and rental properties. To maximize affordability, we have established a threshold of thirty years, but will make every effort to extend this period to 40 years or more.

STATE GUIDELINES FOR HOMEBUYER PROGRAMS

The State will ensure that any homebuyer program capitalized with HOME funds will meet the following requirements for the properties and prospective homeowners to participate in this activity.

ELIGIBLE ACTIVITIES: The Division of Housing may use HOME funds for acquisition or for the acquisition and rehab of homes for homebuyers whose incomes are equal to or less than 80% of area median income.

ELIGIBLE PROPERTY-OWNER: The prospective purchasing household must meet two key federally required criteria in order to be eligible.

- ❖ The household's gross income must not exceed eighty percent (80%) of the area median income. The purchasing household must be low income at the time they initially occupy the property, or at the time the HOME funds are invested, whichever is later. Verification of income eligibility is good for a period of six months.
- ❖
- ❖ The purchasing household must occupy the property as its principal residence. The deed and the loan documents (Promissory Note) between the buyer and seller should incorporate this requirement, and that subleases require written approval by the State.

ELIGIBLE PROPERTY TYPES: Property eligible for use in a homebuyer program is not restricted to federal properties or to other publicly held properties. The property can be PRIVATELY or PUBLICLY held prior to sale to the homebuyer. The property can be an existing property or newly constructed. Any property that will serve as the purchaser's principal residence, including:

- ❖ A single family property (one unit)
- ❖ A two to four unit property
- ❖ A condominium unit
- ❖ A manufactured home and lot
- ❖ A manufactured home lot
- ❖ A cooperative unit.

FORMS OF OWNERSHIP: For purposes of the HOME program, homeownership means ownership in fee simple title, or a 99-year leasehold interest in a one to four unit dwelling or a condominium unit, or ownership or membership in a cooperative or mutual housing project if recognized by State law as homeownership. The ownership interest may be subject only to the following: Mortgages, deeds of trust or other debt instruments approved by the State; any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME program restrictions on resale.

PROPERTY STANDARDS: Before property transfer, the house must be inspected for health and safety defects. The prospective purchaser must be notified of the work needed to cure defects and the time needed to complete the repairs.

Acquisition Only -- Property must meet local housing standards or codes at the time of initial occupancy. If no standards exist, the property must meet the Housing Quality Standards (HQS) of the Housing Choice Voucher Program.

Acquisition and Rehabilitation -- Where the property needs rehabilitation, it must be free from any defects that pose a danger to the health or safety of occupants before occupancy and not later than 6 months after property transfer. Within 2 years of property transfer to the homebuyer, the property must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion.

New construction -- Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials. HOME-assisted construction must meet the accessibility standards of the Fair Housing Act and Section 504.

All rehabilitation and new construction projects assisted with HOME funds must meet local codes, rehabilitation standards, ordinances and zoning ordinances. In the absence of local requirements, projects must meet the following:

- ❖ One of three model codes--Uniform Building Code (ICBO); National Building Code (BOCA); Standard Building Code (SBCC)
- ❖ Council of American Building Officials One to Two Family Code (CABO);
- ❖ Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926.

PROPERTY VALUE AT TIME OF PURCHASE: The initial purchase price may not exceed 95% of the median purchase price for each housing type. The State will establish the area median value by In accordance with the guidance provided in HUD's January, 2009 [HOMEfires Vol. 10 No. 1](#) (which supersedes HOMEfires Vol. 9, No. 3), participating jurisdictions are authorized to use either the Section 203(b) mortgage limits established as of February, 2008 or the actual 95 percent of median sales price limits for their areas, whichever is higher or establish the value through a community-wide market analysis.

HUD has issued a [Value Limits spreadsheet](#) containing the current limits for each county in the U.S. HUD will periodically update these limits. DOLA/DOH will use this spreadsheet to establish the area median value. A qualified appraiser or qualified staff of a HOME program administrator may establish the value of a property through an appraisal.

INCOME QUALIFICATION AND AFFORDABILITY: There are NO federal requirements that the homebuyer remain low income after purchase of the unit. There is no federal requirement that determines a minimum or maximum amount for the monthly housing costs (PITI) or, that the homeowner's PITI remain affordable to the homebuyer. However, the State sets a maximum household income of 80% of the area median income to determine eligibility for home ownership programs.

RESALE RESTRICTIONS OR RECAPTURE PROVISIONS: A person who buys a home using HOME-funded down payment assistance may sell that home during the affordability period, but HOME regulations require either full or partial repayment of the HOME assistance. Consistent with those regulations, the State will accept either the resale

restriction or the recapture provision for maintaining the affordability of housing in Homebuyer Program Policies submitted in applications requesting HOME funding. The restrictions and recapture provisions are the following:

OPTION ONE – Recapture the HOME Investment and Create another Affordable Unit

HOME funds subject to recapture include any development subsidy or direct assistance to the homebuyer that reduced the purchase price from fair market value to an affordable price, or any down payment or subordinate financing provided on behalf of the purchaser.

- ❖ The property may be sold during the affordability period with full or partial repayment of the HOME assistance. Recaptured funds must be used for more HOME-eligible activities.
- ❖ Recapture entire amount - require repayment of the entire investment.
- ❖ Reduction during affordability period - the amount recaptured may be reduced on a pro rata basis for the time the homeowner has owned and occupied the housing measured against the affordability period.
- ❖ Shared net proceeds - If the entire amount cannot be recaptured while allowing the owner to recoup their down payment and capital investments in the property, the proceeds may be shared based on the following formula;
- ❖ *HOME share of Net Proceeds:*
 - $\text{HOME investment} / (\text{HOME investment} + \text{Homeowner investment}) = \% \text{ of HOME } \$ \text{ to be recaptured}$
 - $\% \text{ of HOME } \$ \text{ to be recaptured} * \text{Net Proceeds} = \text{Amount of HOME funds to be recaptured}$

OPTION TWO – Resale of the Existing Property to Another Low-income Buyer

The subsequent purchaser must be a low-income family (80% or less of area median income) that will use the property as its principal residence.

- ❖ The sale of the property to the new low-income family must be at a price that allows for "fair return on investment, including any improvements" to the seller (the former homebuyer).
- AND ALSO,
- ❖ The property must be affordable to a reasonable range of low-income purchasers.
 - ❖ Housing may be presumed to meet all of the resale requirements (i.e., fair return, affordable, and that the subsequent buyer is low income) during the period of affordability without enforcement mechanisms if this presumption is supported by a local market analysis.
 - ❖ The market analysis of the neighborhood must indicate that the housing is and will continue to be available and affordable to a reasonable range of low-income families.

AFFORDABILITY PERIOD RESTRICTIONS on sale of the property are waived if the homeowner defaults on the first mortgage and foreclosure proceedings are initiated. However, affordability restrictions are revived if, during the original affordability period, the owner retains ownership of property.

The amount of development subsidy required to produce the unit in excess of the fair market value is not subject to recapture. If HOME funding is used only for the development subsidy in excess of the fair market value, Option Two, the resale option, must be used.

Regardless of whether recapture or resale occurs, the owner may sell the property at any price to any new homebuyer after the required affordability period based on the amount of HOME assistance ends.

FORMS OF SUBSIDY: Acceptable homeownership uses of HOME funds are down payment and closing cost assistance, interest subsidies, direct loans, or grants for acquisition, rehabilitation of existing units and/or construction of new units. The program may use one or more of the above forms of subsidy.

If the HOME funded subsidy is:

- ❖ down payment and/or closing cost assistance, it must be in the form of a secured debt, such as a deferred loan to help enforce the principal residency and resale provisions;
- ❖ an interest subsidy paid directly to the first mortgage lender in order to reduce the interest rate on the loan, there must be a provision that a proportionate refund will be provided to the State or its state recipient or sub-recipient if the private loan is prepaid before the loan maturity date;

UNDERTAKING AND MAINTAINING HOMEOWNERSHIP: Subgrantees will be required to provide or arrange for homebuyer counseling that will enable clients to understand and maintain homeownership.

VIII. Tenant-Based Rental Assistance Program (TBRA)

The Department of Local Affairs, Division of Housing, may accept applications for operating a tenant-based rental assistance program from a public housing authority or any other entity with the capacity to operate a rental assistance program within their community or region. Home-eligible communities can apply for tenant-based rental assistance. DOH will offer tenant-based rental assistance for a maximum of two years to address special needs populations. TBRA will target those with incomes at or below 30% AMI. Each participating household will be required to access social services provided by their county of residence.

DOH considers TBRA an essential part of our approved housing strategy for 2010. The Division judges each TBRA application by its effectiveness in addressing a community's affordable housing needs, but also specifically weighs the TBRA method of assistance with less costly alternatives.

The Division of Housing will evaluate applications based on the following factors:

1. Evaluation of the TBRA proposal:

- ❖ Immediate need due to displacement caused by natural disaster, job loss, domestic violence, or other emergency family situations.
- ❖ Program responds to local market conditions. For example, in 2009-2010, the foreclosure crisis's impact on the housing market increased the rental vacancy rate, but rental units are still unaffordable for very-low income, special needs and homeless households without assistance.
- ❖ Contains a strategy for developing additional permanent rental housing supply.

- ❖ Requires a minimum financial contribution by the tenants.
- ❖ The projected rents are consistent with local market conditions.
- ❖ The ability to provide supportive services for households receiving TBRA

2. Program design factors:

- ❖ Must specify the local market conditions that led to the choice of this option
- ❖ May select families according to written tenant selection policies and criteria that are consistent with the purposes of providing housing to extremely low, low or moderate income families and are reasonably related to preference rules established under section 6(c)(4)(A) of the Housing Act of 1937
- ❖ May select eligible families currently living in units designated for rehabilitation or acquisition with HOME funds without requiring that the family meet the written tenant selection policies and criteria. Families selected may use the tenant-based assistance in the rehabilitated or acquired unit or in other qualified housing. These families must use the tenant-based assistance within Colorado
- ❖ May select eligible families currently residing in rental units that are designated for rehabilitation using HOME program funds without requiring that the family be placed on the Public Housing Authority's Housing Choice Voucher waiting list
- ❖ Specify if the contract for assistance will be paid to the landlord or directly to the assisted family
- ❖ Specify the term of assistance, which may not exceed 24 months, but may be renewed, subject to the availability of HOME funds and the required HOME match of twenty-five percent (25%) non-federal monies
- ❖ May use HOME funds to provide loans or grants to eligible extremely low, low, or moderate-income families for security deposits as delineated in 24 CFR 92.210
- ❖ Certify that in operating the program they will adhere to additional requirements as delineated in 24 CFR 92.211
- ❖ Certify that the tenant will not pay more than thirty percent (30%) of his/her adjusted income for rent
- ❖ Certify that the rent of the unit is reasonable as compared to rent charged for comparable unassisted units in the same area
- ❖ Certify that housing occupied by a family receiving tenant-based assistance under the HOME program must meet Section 8 Housing Quality Standards
- ❖ Certify that the amount of monthly assistance may not exceed the difference between 30% of the tenant's adjusted monthly income and the Section 8 Existing Fair Market Rent for the area, after adjustments for bedroom size.
- ❖ No project-based subsidy

IX. Affirmative Marketing Procedures and Requirements

The Department of Local Affairs, Division of Housing (DOH), will adopt the affirmative marketing procedures outlined below for HOME-assisted housing containing five or more housing units and will require all grantees to adopt affirmative marketing plans specific to local conditions. The procedures may include:

- ❖ Methods for informing the public, owners and potential tenants about Federal Fair Housing laws and the grantee's affirmative marketing policy. Suggested

methods may include use of the Equal Housing Opportunity logotype or slogan in press releases and in solicitations for owners, distribution of the policy to media and interested public groups, and written communications to fair housing and other groups.

- ❖ Requirements and practices each owner will use to carry out the affirmative marketing policy. Grantees may require owners to advertise vacant units in newspapers of general circulation and minority media if available, to display the Equal Housing Opportunity logo or fair housing poster in rental offices, and/or to notify the PHA of vacant units.
- ❖ Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach. Individual owners may undertake special outreach efforts, or the grantee may do so on behalf of all owners. Special outreach may be accomplished through the following methods:
 - Newspaper announcements in general circulation newspapers and/or ethnic, neighborhood, community, or school newspapers;
 - Announcements in church or school bulletins, posters, or oral presentations to community organizations; and,
 - Posters publicizing the program placed in grocery stores, job center sites, community centers, churches, schools, or other places where potential tenants may visit.

Each unit of general local government that subgrants the administration of this program must adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of 24 CFR 92.351.

The grantee must maintain a file that contains copies of all marketing efforts and the records necessary to assess the results of these actions. DOH staff will inspect this file to evaluate the marketing efforts. The file should contain copies of newspaper ads, memos of phone calls, copies of letters and any other pertinent information.

DOH will monitor, at least annually, the compliance efforts made by its grantees and owners. DOH staff will review and approve the affirmative marketing plans; compare predetermined occupancy goals to actual occupancy data that the owner will be required to maintain, and review outreach efforts on the part of the grantee and/or owners.

If the grantee and/or owner fail to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other actions DOH may deem necessary.

X. Minority and Women Business Outreach Program

In accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350, the Department of Local Affairs, Division of Housing (DOH), will prescribe procedures acceptable to HUD to establish and oversee a minority outreach program. The program shall include minority and women-owned businesses in all contracting activities entered into by the State to facilitate the provision of affordable housing authorized under this Act or any other Federal housing law applicable to the State.

DOH will encourage the use of women- and minority-owned businesses in bids for the various programs throughout the State under the Colorado HOME program through coordination with the Governor's Minority Business Office established in 1989. The outreach program, at a minimum, will:

- ❖ Develop a systematic method for identifying and maintaining an inventory of certified minority and women-owned business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products
- ❖ Use the local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs
- ❖ Develop informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs
- ❖ Develop solicitation and procurement procedures that help MBEs and WBEs participate as vendors
- ❖ Sponsor business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations
- ❖ Require that all grantees and sub recipients must maintain data on the use and participation of minority and women business enterprises as contractor/subcontractors in HOME-assisted program contracting activities
- ❖ Owners must identify projects that were bid by minority- and women-owned entities, and the number of minorities or women hired because of activities that use HOME funds

HOME MATCHING REQUIREMENTS

The Division of Housing matches HOME funds with State loan funds spent on HOME eligible activities, local funding used in HOME projects, foundation funds used in HOME projects, and other HOME eligible match sources.

Home Program Objectives, Outcomes and Indicators

Create a Suitable Living Environment

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective: Meet the need for housing facilities for the homeless</i>				
SL-1(2) Fund shelter or transitional housing	Suitable Living Environment	Accessibility	Accessibility to a suitable living environment	# units assisted FY 2010 20 FY 2011 20 FY 2012 20 FY 2013 20 FY 2014 20
SL-1(3) Provide funding to create permanent supportive housing units for chronically homeless	Suitable Living Environment	Accessibility	Accessibility to a suitable living environment	# of units assisted FY 2010 15 FY 2011 15 FY 2012 15 FY 2013 15 FY 2014 15

Create Decent Housing

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective: Preserve the existing supply of affordable rental housing</i>				
DH-1(6) Fund rehab only of existing affordable housing rental projects	Decent Housing	Availability	Availability of decent housing	# of households FY 2010 60 FY 2011 60 FY 2012 60 FY 2013 60 FY 2014 60

DH-2(2) Fund acquisition and rehab of rental units to create decent affordable housing	Decent Housing	Affordability	Affordability decent housing	# of units FY 2010 400 FY 2011 400 FY 2012 400 FY 2013 400 FY 2014 400
<i>Long-Term Objective: Increase the supply of affordable rental housing to meet community needs</i>				
DH-1(3) Fund tenant-based rental assistance for special populations, homeless or HIV/AIDS.	Decent Housing	Affordability	Affordability of decent housing	Number of units FY 2010 60 FY 2011 60 FY 2012 60 FY 2013 60 FY 2014 60
DH-2(1) Fund new construction of rental units to increase the affordability of decent housing	Decent Housing	Affordability	Affordability of decent housing	Number of units FY 2010 350 FY 2011 350 FY 2012 350 FY 2013 350 FY 2014 350
<i>Long-Term Objective: Increase home-ownership for low- and moderate-incomes</i>				
DH-2(3) Fund low- and moderate income home-ownership opportunities to increase affordability of decent housing	Decent Housing	Affordability	Affordability of decent housing	Number of units FY 2010 125 FY 2011 125 FY 2012 125 FY 2013 125 FY 2014 125
<i>Long-Term Objective: Preserve home-ownership for low- and moderate-income</i>				
DH-1(4) Fund single-family, owner-occupied housing rehab to preserve accessibility of decent housing for very low-, low- and moderate-incomes	Decent Housing	Availability	Availability for the purpose of providing decent housing	Number of households FY 2010 130 FY 2011 130 FY 2012 130 FY 2013 130 FY 2014 130
<i>Long-Term Objective Create an adequate supply of housing for persons with special needs coupled with services .</i>				
DH-1(1) Fund permanent supportive housing units for special populations, (excluding chronically homeless and HIV/AIDS)	Decent Housing	Availability	Availability for the purpose of providing decent housing	Number of units assisted FY 2010 75 FY 2011 75 FY 2012 75 FY 2013 75 FY 2014 75

HOMELESS

Specific Homelessness Prevention Elements

1. Sources of funds that may be used in 2010-2010 to address and prevent homelessness:

Funding Sources:	
McKinney Vento Homeless Assistance (SHP)	\$13,196,674
State Tax Check-off for Homeless Prevention	\$ 150,000
Emergency Shelter Grant (ESG)	\$ 946,933
Community Development Block Grant (CDBG)	\$ 35,000
HOME Partnership (for transitional housing)	\$ 100,000
Homeless Prevention and Rapid Re-housing Program (HPRP)	\$ 8,154,036
TANF Supplemental	\$ 4,700,000

2. How will the action plan address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.

The action plan will target funding to meet the needs of communities for services, homeless shelters and transitional housing. DOH will continue to provide financial assistance to projects that create permanent supportive housing for chronically homeless individuals or families in coordination with the Continua of Care. There are no additional units of transitional housing proposed at this time.

Obstacles to completing these action steps include lack of adequate funding for new projects within the Supportive Housing Program (SHP) funding stream. Due to the nature of their clientele, transitional housing projects require operating dollars to pay a portion of client rents that are often sporadic at best. Despite efforts to encourage client stability and promote employment, families often encounter seasonal or "start-stop" employment situations. There are barriers to the entry of new projects into the Continuum of Care system because funding is insufficient.

3. Describe the planned action steps that the jurisdiction will take over the next year aimed at eliminating chronic homelessness.

ACTION STEPS

- (1) DOH will coordinate its efforts with the three Colorado Continua of Care (CoCs): Metropolitan Denver Homeless Initiative; Homeward Pikes Peak and the Balance of State to fund units for the chronically homeless.
- (2) DOH will continue to provide financial assistance to projects that create permanent supportive housing for chronically homeless individuals in coordination with those Continua of Care.
- (3) DOH will assist the Continua of Care by funding capacity-building activities where necessary.
- (4) DOH will fund nonprofit organizations using HOME, ESG, HPRP, HOPWA, CDBG and CSBG funding to provide supportive services or appropriate housing for chronically homeless persons.

(5) DOH will collaborate with the Colorado Department of Human Resources to use TANF funds for rapid re-housing of the chronically homeless.

Potential development of additional permanent supportive housing units:

The Fort Collins Housing Authority Community Dual Diagnosis Treatment Shelter + Care Program will provide at least four (4) units of permanent supportive housing.

Obstacles to completing these action steps include lack of adequate funding and agency capacity to develop housing solutions.

4. Homelessness Prevention—Describe planned action steps over the next year to address the individuals and families with children at imminent risk of becoming homeless.

DOH will continue its activities to prevent homelessness, using funding from the Emergency Shelter /Solutions Grant (ESG), Community Development Block Grant (CDBG), Homeless Prevention and Rapid Re-housing (HPRP) programs; State TANF Supplemental dollars; and possibly discretionary Community Services Block Grant (CSBG) dollars. In response to the extremely high foreclosure rate in the State of Colorado, DOH implemented a "foreclosure prevention" program, utilizing private dollars. Many of those facing foreclosure are households that encountered predatory lending practices without a good understanding of the pitfalls of various loan products, without household budgeting skills, and unready for the responsibilities of homeownership. These households are at risk of homelessness.

5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

The Division of Housing participates in Colorado Community Interagency Council on Homelessness (CICH), which has a Discharge Coordination subcommittee that coordinates, facilitates and promotes development and implementation of community-wide discharge planning policies. This subcommittee facilitates meetings with city, county and State corrections, public hospital, community mental health centers, and the foster care system; shares community organizing and advocacy strategies among regional CoC groups and individual homeless service providers and provides information on best practices with participating agencies.

Emergency Shelter/Solutions Grants (ESG)

The goal of the Colorado Emergency Shelter Grants (ESG) Program is to assist homeless persons by providing better facilities, a complete continuum of supportive services at emergency shelters/transitional housing programs, and to assist potentially homeless persons by providing expanded prevention programs.

Program Objectives

- ❖ To support the operating costs of emergency shelters
- ❖ To assist in the prevention of homelessness
- ❖ To assist in improving the quality and range of services necessary for a complete continuum of care that encourages self-sufficiency for the homeless.
- ❖ To increase the availability of emergency and transitional housing programs
- ❖ To include homeless families and individuals to the maximum practicable extent in maintaining, renovating, operating, and constructing homeless facilities.

Program Strategies

The Division of Housing will employ four strategies in the 2010 Federal Fiscal Year in its distribution of \$946,933 in ESG funds. DOH will give priority to ESG non-entitlement areas and reduce or eliminate funding to ESG entitlement areas. The State may provide CDBG in lieu of ESG in rural non-entitlement areas.

DOH will give priority to projects that are consistent with the following strategies:

- ❖ Applicants must leverage resources, including local, State, federal and private funding and develop a comprehensive approach to the provision of emergency shelter and services for the homeless.
- ❖ Applicants must document their ability make a significant contribution to the elimination of homelessness.
- ❖ Applicants must provide strong, coordinated case management for service delivery to receive priority consideration for funding.
- ❖ Applicants must provide suitable approaches to homeless prevention.

II. Emergency Shelter Grant Utilization

DOH anticipates that it will receive an ESG allocation of \$946,933 for FY 2010.

III. Eligibility

Units of local government or nonprofit organizations within the State of Colorado are eligible to apply for Emergency Shelter Grant funding. Local governments may apply for assistance on behalf of nonprofit organizations or may deliver services directly. The State may distribute Emergency Shelter Grant funds directly to private nonprofit organizations.

If a nonprofit agency applies directly to the State for ESG funds, federal regulations require that they submit a letter with their application certifying approval of the application by the relevant unit of local government. In determining the relevant unit of local government for this certification, the local agency needs to determine its primary service area. If the primary service area is a town or city, the agency should seek approval of the town or city government. Programs whose primary service area is county wide or covers multiple towns and unincorporated areas, should ask approval of county governments. As a condition of grant award, applicants and grantees must complete the appropriate Emergency Shelter Grants Program Certifications, have proof of Internal Revenue Service (I.R.S.) 501(c) status, and submit current I.R.S. W-9 Federal tax identification forms.

Local certifications include:

- ❖ Emergency Shelter Grant Program Assurances and Certifications;
- ❖ Certification of Local Approval for Nonprofit organizations;
- ❖ Certification of Exemption from requirements of the National Environmental Protection Act (See Environmental Review Section IX.), and;
- ❖ Certification of Consistency with the appropriate approved Consolidated Plan.

NOTE: Please see Appendix D for the list of jurisdictions have Consolidated Plans: Officials in those respective jurisdictions will provide Certifications of Consistency with their Consolidated Plan. DOH will provide Certifications of Consistency to non-entitlement jurisdictions.

State Certifications include:

- ❖ Emergency Shelter Grant Assurances and Certifications Program;
- ❖ Prohibition of the use of federal funds for lobbying certification;
- ❖ Certification of consistency with the 2010-2015 Consolidated Plan.

IV. Eligible Activities

The activities listed below are eligible for Emergency Shelter Grant Program funding.

- ❖ Payment for costs of operation and maintenance which include such items as insurance, utilities, operating staff, and furnishings;
- ❖ Essential services;
- ❖ Homeless prevention services;
- ❖ Grant administration (for local governments or subdivisions thereof).

The ESG program places a 30% cap for essential services, a 30% cap on homeless prevention services, a 10% cap for staff operations and a 5% cap for administration. The Division of Housing will comply with these caps.

V. Allocation and Selection Criteria

Describe the process for awarding grants to State recipients, and describe how the allocation will be made available to local government.

Colorado uses an application process to solicit proposals for its ESG Program.

The State will prioritize projects in ESG non-entitlement jurisdictions (local governments) for ESG funding; however, the State may elect to award Community Services Block Grant (CSBG) or Community Development Block Grant (CDBG) funding to qualified non-entitlement local governments in lieu of ESG funding. The State will utilize a NOFA process in 2010 with applications due back by April 5, 2010.

Applicants must prioritize the activities for which they are requesting funding and should develop programs that address supportive service needs and homelessness prevention. A grant review committee will judge how well proposed projects meet evaluation criteria and will score applications based upon the following criteria. The review will be primarily internal, based on agency performance in meeting standards.

AGENCY NAME				APPLICATION #			
SCORING CRITERIA FOR 2009 ESG GRANT PROGRAM APPLICATION							
Applicant is a qualified 501(c)(3) ?		Yes	No	if "No" Agency is DISQUALIFIED			
Application received on time?		Yes	No	if "No" Agency is DISQUALIFIED			
1. Location of Agency							
20 points	Located in (non-ESG Entitlement Area)			Located in ESG entitlement Area (Adams, Aurora, Denver or Colorado Springs)			SCORE
			20 points	5 points			
2. Length of Time Agency has received ESG from the State of Colorado?							
15 points	More than 10 Years	Less than 10 years, but more than 5 years	Less than 5 years but more than 3	Less than 3 years but more than 2	Less than 2 years		SCORE
		15 points	10 points	5 points	3 points	0 points	
3. Applicant compliance or agency status with regard to Homeless Management Information Systems as reported by the Continuum of Care/DOH (or is exempt)?							
15 points	Complete & accurate participation in HMIS for HUD programs (or not required)	Accurately enters HMIS info, but not yet fully implemented	Enters HMIS, but has issues related to completeness and accuracy	Existing nonprofit agency w/ equipment and staff, but needs training	New Agency Start-up, or Refuses Participation, or needs equipment and training		SCORE
		15 points	10 points	5 points	1 points	0 points	
4. Applicant correctly filled out application, including all required attachments, certificates, signatures, copies. No blank questions.							
5 points (1 Point each)	Answered all questions	All required signatures	All forms / certificates submitted	Correct Number of Copies	Neatness		SCORE
Check if applies							
5. Applicant identifies and documents NEED for shelter and/or services							
10 points	Applicant identifies an urgent NEED for shelter or services	Applicant presents a strong NEED for shelter or services	Some unmet NEED exists for shelter or services	No other provider exists in region	Low level of NEED exists for shelter or services,	Applicant does not prove the NEED	SCORE
		10 points	8 points	6 points	4 points	2 points	0 points
6. Proposed Project Budget							
10 Points	Well-documented. All items are eligible, necessary, & reasonable.	Budget documented; Most items are eligible, necessary & reasonable	At least one eligible and documented category	No eligible requests			SCORE
		10 points	8 points	6 points	0 points		
7. Match Requirement (Dollar for Dollar)							
10 points		Agency meets 1 to 1 match	Agency doesn't meet match				SCORE
		10 points	0 points				
8. Ability to Meet Insurance Requirements							
5 points	Agency currently meets or will meet all insurance requirement	Agency currently meets or will meet Parts 1, 2,3,5, & 6	Agency currently meets or has ability to meet some requirements	Agency meets few of the insurance requirements	Agency does not have financial resources to obtain insurance	Agency lacks insurance and/or is not insurable	SCORE
		5 points	4 points	3 points	2 points	1 point	0 points
9. How are Agency Reports Submitted? (New agencies see substitute 9 & 10 below.)							
5 points	Always timely/accurate (T&A)	Overall T&A	Mostly T&A	Often late with errors	Neither T&A	No reports submitted	SCORE
		5 points	4 points	3 points	2 points	1 point	0 points
10. Agency spent all dollars from previous year?							
5 points	Yes	No, but Asset Mgr approved	No, didn't spend all \$				SCORE
		5 points	3 points				

SUBTOTAL EXISTING AGENCIES :												
NEW AGENCIES: SUBSTITUTE THIS QUESTION FOR Q 9 AND 10												
The following question will be substituted for Questions 9 and 10, for new applicants or those who did not receive 08-09 grant funding. APPLICATIONS WILL BE SCORED ON MANAGEMENT CAPACITY AS RATED BY THEIR ASSIGNED HOUSING DEVELOPMENT SPECIALIST												
AGENCY MANAGEMENT CAPACITY AS RATE BY HOUSING DEVELOPMENT SPECIALIST												
10 Points	Existing program with excellent staff capacity and track record	Existing program with good staff capacity	Existing program some staff capacity	Existing program, but lacks capacity	New program start-up	New nonprofit						
	10 points	7 points	5 points	3 points	1 point	0 points						SCORE
SUBTOTAL POINTS NEW AGENCIES:												

Program requirements will be the same for CDBG-funded homeless service projects and ESG-funded projects. The funding cycles will also be the same. All applicants must show at least a dollar-for-dollar, or 1:1 match for ESG funds requested.

VI. Reallocation

Any local government or nonprofit organization that fails to enter into a contract within sixty days from the date of the award notice will subject their award to recapture and reallocation. Any local government or nonprofit organization that fails to request reimbursement for eligible activities within sixty days from the contract execution date will subject their funds to recapture and reallocation.

VII. Monitoring and Reporting

Each local government or nonprofit agency receiving grant funds will submit to the State a quarterly report about accomplishments and expenditures. Quarterly reports will be due 20 calendar days after the end of each quarter. The State will perform risk-based grantee monitoring at least annually and provide required reports to HUD.

VIII. Environmental Review

Colorado assumes federal responsibility for assessing environmental effects of the proposed Emergency Shelter Grant activities in accordance with 104(g), Housing and Community Development Act of 1974, [procedural provisions of the National Environmental Protection Act (NEA)], and regulations contained in 24 CFR Part 58. Unless the project involves rehabilitation, conversion, or major repairs, repairs with costs greater than \$500, project activities are exempt from NEA requirements.

IX. Homeless Management Information System (HMIS)

Colorado will continue to coordinate HMIS training activities through the Colorado Coalition for the Homeless for both the Metropolitan Denver Homeless Initiative area and the Balance of State. Homeward Pikes Peak conducts HMIS training for El Paso County and Colorado Springs agencies. A statement of "Assurances and Certifications" must be signed by each subgrantee to secure the requirement for subgrantee participation in HMIS. HMIS Systems Operators for Colorado's CoCs will issue Compliant Agencies Lists that certify that each agency compliance with HMIS.

X. Projected Emergency Shelter Grant Schedule

(Subject To Change)

February, 2010	Application Training
March 5, 2010	ESG Notice of Funding Availability published
April 4, 2010	ESG application deadline
April 19, 2010	Internal pro/con; if new
June 1, 2010	Contracts sent to subgrantees
June 21, 2010	Contracts due back to DOH
July 1, 2010	Effective starting date of FY 2010 funding
July 28, 2010	ESG Training

Emergency Shelter Activities, Objectives and Outcomes

Create a Suitable Living Environment

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective: Meet community needs for homeless shelters and transitional housing</i>				
SL-1(1) Fund operations and essential services for emergency shelter or transitional housing to ensure availability of a suitable living environment	Creating a Suitable Living Environment	Accessibility	Accessibility for the purpose of providing suitable living environment	#of homeless people assisted FY 2010 4000 FY 2011 4000 FY 2012 4000 FY 2013 4000 FY 2014 4000

Create Decent Housing

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective: Prevent Homelessness</i>				
DH-2(4) Provide ESG funding through qualifying nonprofit organizations to prevent homelessness and ensure decent, affordable housing	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# of households assisted FY 2010 700 FY 2011 700 FY 2012 700 FY 2013 700 FY 2014 700

COMMUNITY DEVELOPMENT

Small Cities Community Development Block Grant

- 1. Identify jurisdiction's priority non-housing community development needs eligible for assistance by CDBG category shown in the Community Development Needs Table: public facilities, public improvements, public services and economic development.**

The State does not prioritize non-housing community development needs eligible for assistance. Rather, it funds projects based on local government priorities and who have applied for funding. Please refer to the State's CDBG review process for specific project evaluation criteria used for economic development and public facility projects.

- 2. Does the Plan include a Neighborhood Revitalization Strategy or Target Area where activities are carried out in a concentrated manner?**

The Department of Local Affairs plans to implement a pilot program called the Colorado Livable Communities Initiative (CLCI). The goal of the initiative is to improve the quality of life at the local level and create communities of lasting value by using the Department's existing service delivery structure to identify community challenges, and then collaborate with local governments and organizations, and with other State and federal agencies, to work across disciplines to find solutions to those challenges. Solutions may involve land use, economic development and redevelopment, workforce housing, and sustainable energy policy among other efforts.

The CLCI plan involves the following steps:

- A. Development of a sustainability index (checklist) that
 - (1) Allows communities to do a self-assessment on a variety of livability criteria;
 - (2) Allows the Department to identify the subject areas (e.g. attainable workforce housing, main street redevelopment, fiscal health, etc.) where a community may need assistance and help the community prioritize its needs.
- B. Regional managers will designate one community in their region that could benefit from catalytic engagement. The Department will select two to four as pilot communities in the Livable Communities Initiative. The remaining communities will still receive hands-on assistance from a regional manager, and may be selected in a later round for assistance from the initiative.
- C. Once DLG has identified pilot communities and they have agreed to participate, the Department will form Livable Community Teams to begin helping those communities address the identified challenges. In selecting team partners, the division will lean heavily on existing partnerships already established by staff, such as those with Division of Housing, Downtown Colorado, Inc., LiveWell Colorado, the Governor's Energy Office, the university TA programs, Office of Workforce Development, DPCR, OEDIT, the Colorado Brownfields Foundation, Great Outdoors Colorado (GOCO), etc.
- D. Through targeted technical assistance (including finance and budget), the team will work to increase the knowledge of local government staff and elected officials on the relevant topics (e.g., best practices for oil and gas regulation, implementation of progressive land use practices, etc.) with an eye toward increasing the livability and sustainability of the community.
- E. The department will seek to maximize the use of a wide variety of available grant resources (Community Revitalization Partnerships, CHPG, CDBG, HOME, CSBG,

Waste Tire, Housing Neighborhood Stabilization Program and Energy Impact) to assist targeted projects.

- F. At the same time, the team will seek to leverage funds from various participating State agencies and foundations to achieve coordinated job creation, attainable workforce housing, better transportation systems, improved environmental quality and educational opportunity.
- G. One goal of the initiative is to improve coordination of State agency missions and strategic plans to better support a collaborative local government vision for jobs, housing, transportation, education and environment.
- H. Part of the success of this initiative will be in targeting local government communities with the potential for progress, and agreeing upon measured outcomes early on in the process to clearly define local expectations.
- I. Finally, it is the hope of the Department that this effort results in the creation of local teams that have the leadership, attitude and knowledge to continue these approaches/efforts after the DOLA livability team exits.

Program Engagement

- A. Demography, Division of Housing (DOH) and the Workforce Development Office will help to identify trends and opportunities to link jobs, housing, transportation, education and environment. Housing assessments funded by DOH (and even CHPG) may prove especially useful in this effort.
- B. Each division of DOLA will evaluate how it can augment assistance to selected communities.
- C. DOLA Regional Managers will chair the DOLA Livable Community Teams.
- D. A local champion will chair local community teams.

3. Identify specific long- and short-term community development objectives in accordance with statutory goals and CDBG objective to provide decent housing, suitable living environment and expand economic opportunities for low- and moderate-income persons.

Create a Suitable Living Environment

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective: Help communities identify, prioritize and address their sustainability goals.</i>				
SL-3(1) Fund acquisition of property for use as public facility to help create or maintain a suitable living environment	Creating a Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	# low/moderate income people w/ access to public facilities in their neighborhood 2010 400 2011 400 2012 400 2013 400 2014 400

SL-3(2) Provide funding for construction or reconstruction of public facilities that primarily benefit low/moderate income persons	Creating a Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	# persons served as a result of public facility improvements 2010 7,500 2011 7,500 2012 7,500 2013 7,500 2014 7,500 # of public facilities constructed and improved 2010 5 2011 5 2012 5 2013 5 2014 5
SL-3(3) Provide funds for planning/capacity building related to infrastructure and capital improvements	Creating a Suitable Living Environment	Sustainability	Sustainability to create suitable living environments	# persons benefitting from the planning 2010 400 2011 400 2012 400 2013 400 2014 400
<u>Long-Term Objective:</u> Meet community needs for shelter or transitional housing				
SL-1(2) Provide funds to create/preserve emergency shelter to ensure accessibility to a suitable living environment	Creating a Suitable Living Environment	Accessibility	Accessibility to provide a suitable living environment	# homeless shelter beds assisted 2010 10 2011 10 2012 10 2013 10 2014 10
SL-1(1) Fund essential services and shelter operations with CDBG to increase/retain access to a suitable living environment	Creating a Suitable Living Environment	Accessibility	Accessibility for the purpose of providing suitable living environment	# homeless shelter beds assisted 2010 10 2011 10 2012 10 2013 10 2014 10

Create Decent Housing

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<u>Long-Term Objective:</u> Preserve the existing supply of affordable rental housing				
DH-1(6) Fund rehab only of existing affordable housing rental projects	Decent Housing	Availability	Availability for the purpose of providing decent housing	# of households assisted (For unit goals refer to HOME section)
<u>Long-Term Objective:</u> Increase the supply of affordable rental housing to meet community needs				
DH-2(2) Provide funds for Acquisition and rehab of rental units to create decent affordable housing	Decent Housing	Affordability	Affordability to create decent housing	# of units assisted (For unit goals refer to HOME section)
<u>Long-Term Objective:</u> Increase homeowner-ship for low/mod-income households and minorities				
DH-2(3) Fund Home-ownership for low-and moderate-income households to make decent housing affordable	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# of units assisted (For unit goals refer to HOME section)

<i>Long-Term Objective: Preserve home-ownership for low- and moderate- income households</i>				
DH-1(4) Provide rehab funding for single-family, owner-occupied housing to preserve accessibility of decent housing for very low-, low- and moderate-income households	Decent Housing	Availability	Availability for the purpose of providing decent housing	# of households assisted (For unit goals refer to HOME section)
DH-2(4) Provide funds to prevent homeless and ensure decent affordable housing	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# of persons avoiding homelessness 2010 500 2011 500 2012 500 2013 500 2014 500
DH-3(1) Foreclosure prevention was removed as a Con Plan Activity				
DH-3(2) Fund housing needs assessments that help communities sustain housing balance	Decent Housing	Sustainability	Sustainability of decent housing	# of needs assessments 2010 2 2011 2 2012 2 2013 2 2014 2
<i>Long-Term Objective Create an adequate supply of special needs housing with supportive services</i>				
DH-1(1) Provide funds for permanent supportive housing units for special need populations,	Decent Housing	Availability	Availability for the purpose of providing decent housing	# of units assisted (For unit goals refer to HOME section)

Create Economic Opportunity

Strategy	HUD Program Goal	HUD Objective	Outcome Statement	Indicator
<i>Long-Term Objective: Provide financial and technical assistance to businesses to create or retain jobs</i>				
EO-3(1) Provide financial assistance to business loan funds that provide funds for technical assistance and economic development activities that focus on creating or sustaining jobs.	Expanded Economic Opportunity	Sustainability	Create livable communities by sustaining economic opportunity	# of jobs created or retained 2010 100 2011 100 2012 100 2013 100 2014 100
EO-3(2) Fund public infrastructure for businesses to create or retain jobs	Expanded Economic Opportunity	Sustainability	Create livable communities by sustaining economic opportunity	# of jobs created or retained 2010 100 2011 100 2012 100 2013 100 2014 100
EO-3(3) Provide funding for completion of planning or feasibility studies for businesses or industries that will create or retain jobs	Expanded Economic Opportunity	Sustainability	Create Livable communities by sustaining economic opportunity	# of jobs created or retained 2010 4 2011 4 2012 4 2013 4 2014 4

CDBG Program Description

I. Foreword

The State of Colorado, Department of Local Affairs, administers the "Small Cities" Community Development Block Grant (CDBG) program for non-entitlement jurisdictions of the State.

The Division of Local Government is responsible for housing, public facilities and community development. The Department's Division of Housing has "lead" responsibility for housing and homeless assistance projects funded through the program. The Department's Division of Local Government (DLG) is responsible for CDBG-assisted public facilities, economic development and community development projects, as well as overall coordination of the State's CDBG program.

The mission of the CDBG program is to improve the economic, social and physical environment of eligible cities and counties in ways that enhance the quality of life for low- and moderate-income residents.

II. Introduction

The Housing and Community Development Act of 1974 established the federal Community Development Block Grant (CDBG) program. The program purpose is to help communities meet their greatest community development and redevelopment needs, with particular emphasis on assisting persons of low and moderate income. The overall program consists of three major elements:

- ❖ The "**entitlement**" program." The U.S. Department of Housing and Urban Development (HUD) directly administers CDBG to jurisdictions that meet certain thresholds. Entitlement communities are those cities within a metropolitan area that have a population of 50,000 or more, or are designated as a "central city," and counties that are within a metropolitan area that have a combined population of 200,000 or more in their unincorporated areas and non-entitlement municipalities. There are 20 entitlement jurisdictions in Colorado, not eligible for State CDBG. Please refer to Appendix D for the list of entitlement jurisdictions.
- ❖ The "**non-entitlement**," or "**Small Cities**," program. This portion of the overall program assists communities that do not qualify for the entitlement program. The State assumed responsibility for administration of this portion of the CDBG program starting in federal Fiscal Year 1983.
- ❖ The **Neighborhood Stabilization Program (NSP)** is available to fund acquisition, rehabilitation and rent or resale of abandoned and foreclosed homes as part of the Housing and Economic Recovery Act of 2008. The State follows its Action Plan for NSP funds which can be found at the following URL address:
http://www.dola.state.co.us/DOH/NSP/ACTION_PLAN_Final_121108.pdf

Local Government and Citizen Review and Comment

The State's annual Performance and Evaluation Report provides a basis for review and comment on the performance of the State. Pursuant to the State open records law and the federal CDBG law, records on use of any prior year and future Small Cities CDBG funds by the State or a local government or recipient must be available for access by citizens and units of general local government. The State's records are available through the Department of Local Affairs, 1313 Sherman Street, Room 521, Denver, Colorado.

The public may examine these records in the State's offices and obtain copies for a fee during regular working hours.

The State will provide to citizens and to units of general local government reasonable notice of, and an opportunity to comment on, any proposed substantial changes in these program guidelines or in the use of CDBG funds.

Compliance with Federal and State Requirements

DOLA developed a CDBG Guidebook, orientation sessions and applicant workshops as tools to assist grantees in complying with the State award terms and Federal regulations. CDBG staff will also provide ongoing technical assistance and conduct on-site monitoring reviews to ensure federal and State compliance.

III. Goal and Objectives

Goal: Colorado's goal in administering the CDBG program is to operate a program that is responsive, attentive and solutions-oriented by providing technical assistance and financial resources to local governments and communities throughout Colorado to achieve community development that is revitalizing and sustainable.

Primary Objective: The primary objective of the State's program is the development of viable urban communities, by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, the State will use not less than seventy percent (70%) of federal Fiscal Years 2010, 2011, and 2012 funds and State program income for project activities that benefit persons of low and moderate income.

Broad Objectives: The federal Housing and Community Development Act of 1974 establishes three broad national objectives for the CDBG program:

- ❖ (1) Benefit persons of low and moderate income;
- ❖ (2) Prevent or eliminate slums or blight; and
- ❖ (3) Address other urgent needs.

The State will achieve its primary objective through a program that gives maximum feasible priority to funding activities that benefit persons of low and moderate income, or aid in the prevention or elimination of slums or blight. The State may also provide funding for activities that grantees certify meet other community development needs that have arisen during the preceding 18-month period and have a particular urgency.

Additionally, the State and Congress intend that CDBG funds should supplement local financial support for community development activities, rather than reduce it below the level of such support prior to the availability of CDBG assistance.

Benefit to Persons of Low and Moderate Income

Except as otherwise specified in federal law and regulations, the Department of Local Affairs (DOLA) will determine that a local project activity addresses the broad national objective of "benefit to persons of low and moderate income" if at least fifty-one percent (51%) of the beneficiaries of the CDBG-funded project activity are low- and moderate-income persons.

Low- and moderate-income persons are those who are members of households (families for economic development purposes) whose annual incomes do not exceed

HUD-prescribed income limits, which are based on eighty percent (80%) of median family income. DOLA posts these HUD income limits on its website at: <http://www.dola.state.co.us/dlg/fa/cdbq/index.html>

Types of activities that benefit low- and moderate-income persons include:

- ❖ (1) Housing
- ❖ (2) Community Development
- ❖ (3) Economic Development

Prevention or Elimination of Slums or Blight

Section X contains the requirements for a project activity to meet the broad national objective of "prevention or elimination of slums or blight." For determining whether a local project activity addresses this broad national objective, the definition of "slum" is the definition of "slum area" contained in 31-25-103 C.R.S., as amended, and, similarly, the definition of "blight" is the definition of "blighted area" contained in 31-25-103, C.R.S., as amended.

Address Other Urgent Needs

To comply with the national objective of meeting community development needs having a particular urgency, DLG will consider an activity to address this objective if the applicant certifies that conditions exist which:

- ❖ pose a serious and immediate threat to the health or welfare of the community,
- ❖ are of recent origin or recently became urgent,
- ❖ the grantee is unable to finance on its own; and
- ❖ other sources of funds are not available.

A condition will be considered "of recent origin" if it developed or became critical within 18 months preceding the grantee's certification.

Urgent needs include, but are not limited to flood, fire, blizzard, tornado, earthquake, disease or other natural disasters; explosion, or contamination of water supplies.

IV. Eligible Activities and Recipients

Eligible Activities: All CDBG-funded projects must be an eligible activity according to Section 105(a) of Title 1 of the Housing and Community Development Act of 1974 as amended.

Eligible Recipients: Eligible cities and towns are those with populations of less than 50,000 or counties with populations of less than 200,000, provided the cities, towns or counties do not participate as members of HUD Urban County Consortiums. Please see Appendix D for a list of jurisdictions that are ineligible to receive State CDBG.

The State encourages arrangements between and among eligible entities to ensure adequate provision of common or related community development activities and services. Also, municipalities and counties may contract with other entities or parties (Councils of Governments, Regional Planning Districts, Special Districts, Local Development Corporations, Downtown Development Authorities, Urban Renewal Authorities, Housing Authorities, non-profit corporations, etc.) to carry out project activities as provided for under statutes (including 31-51-101 (1) (c), 30-11-101 (1) (d),

29-1-203 and 29- 1-204.5, C.R.S., as amended), ordinances and resolutions, and State and local financial management procedures.

Multi-Jurisdictional Projects

A "multi-jurisdictional" project is one in which two or more municipalities and/or counties carry out an activity or set of closely connected activities that address an identified common problem or need. Multi-jurisdictional projects must meet the following specific requirements:

- ❖ Participating municipalities or counties must authorize one of the participating entities to act as a representative for all of the participants. The designated entity must assume overall responsibility for ensuring the entire project complies with all program requirements. A legally binding cooperation agreement between the designated entity and all other directly participating municipalities and counties must spell out the overall responsibility and any related individual responsibilities.
- ❖ To meet the citizen participation requirements of Section 104(a)(2) of the Housing and Community Development Act of 1974 ("the Act"), as amended, all the requirements listed in paragraph 2 of "Grantee Responsibilities," p. 123, must be met, including the requirements that:
 - ❖ Each participating jurisdiction must hold a public hearing; and
 - ❖ Each participating jurisdiction must make the proposed and final project plan/application for the combination of project participants available in each of the participating jurisdictions.
- ❖ To meet the citizen participation requirements of Section 104(a)(3) of the Act, each participating jurisdiction must have and follow a detailed citizen participation plan (or certify that it is complying with the State's plan which addresses the six areas of concern specified in paragraph 3 of "Grantee Responsibilities," p. 124.
- ❖ To meet the requirements of Section 104(d) of the Act, each participating jurisdiction must have and follow a Residential Anti-displacement and Relocation Assistance Plan. (See paragraph 5 of "Grantee Responsibilities," p. 124)
- ❖ To meet the requirements of Section 106(d)(5) of the Act, each participating jurisdiction must make and comply with the displacement, fair housing and other certifications described in paragraphs 6, 7, and 8 of "Grantee Responsibilities."

V. Method of Funds Distribution

The State expects to receive an allocation of approximately \$10,546,315 in FFY 2010. Of this amount, about \$10,129,926 will be available for commitment to local projects, and about \$416,389 (3% of total, or \$316,389 + \$100,000 = \$416,389) will be available to the State for administration of the program.

The State plans to use its CDBG award, plus any funds deobligated from local governments and previous annual grant remaining balances, for public facility, economic development and housing activities. Because funds are distributed through a competitive process, the State cannot predict the ultimate geographic distribution of CDBG resources.

DOLA will distribute CDBG resources through a competitive process to eligible non-entitlement local governments through the divisions who administer these programs. The Division of Housing administers housing programs, the Division of Local Government administers public facility and economic development programs.

No less than seventy percent (70%) of funds received by the State during the period of FFYs 2010, 2011, and 2012 will be used for project activities that benefit low- and moderate-income persons.

CDBG Program Income:

“Program Income” means gross income received by a Grantee: the State, unit of general local government (UGLG) or a sub-recipient of a unit of local government (sub-grantee) that was generated from the use of CDBG funds, except that program income does not include the total amount of funds less than \$25,000 received in a single year that is retained by a unit of general local government and its sub-grantees. When such income is generated by an activity that is partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. DOH definition of Program Income includes, but is not limited to the following:

- ❖ Payments of principal and interest on loans made using CDBG funds;
- ❖ Proceeds from the sale of loans made with CDBG funds;
- ❖ Proceeds from the sale of obligations secured by loans made with CDBG funds
- ❖ Interest earned on funds held in a revolving fund account; and
- ❖ Interest earned on program income pending disposition of such income;
- ❖ Program Income does not include: loan servicing fees received by a Grantee that result directly from a loan.

Administrative Caps for CDBG Program Income

3% of CDBG RLF (Program Income) that is retained at the local level counts toward the 3% regular CDBG administrative cap.

CDBG Revolving Fund (RLF)

RLF means a separate fund (with a set of accounts that are independent of other program accounts) established for the purposes of carrying out specific activities which, in turn, generate payments to the fund for use in carrying out such activities.

Miscellaneous Income

CDBG Program Income Converted to Miscellaneous Income: The Division of Housing has approved applications from nonprofit organizations under Section 105(a) (15) for designation as “nonprofit organizations serving the development needs of the communities in non-entitlement areas,” and income generated by their activities is now Miscellaneous Income rather than Program Income. Therefore, the Program Income reporting threshold of \$25,000 received in a single year does not apply. These CDBG funds are used to establish and support housing organization loan funds throughout the State, funding housing rehabilitation and down payment assistance programs that will be fully controlled and administered by the nonprofit organizations.

Recapture

DOH reserves the right to recapture Program Income, RLF or Miscellaneous Income from communities which fail to adequately meet the DOH Program Income (PI, RLF and Miscellaneous) statutory and regulatory requirements. DOH will evaluate the Grantee’s ability to effectively administer a local RLF at the time of application approval and time of annual reporting. If it is determined that the local RLF is not being satisfactorily administered. DOH has maximum feasible deference in determining the definition of “continuing the same activity.” Program Income, RLF or Miscellaneous Income returned to the State from the Grantee’s and Sub-grantees will be used to make new housing activity grant awards. DOH may choose to request that program income be returned with the intent of redistributing it in a new open contract in order to maintain adequate

program oversight by tracking administrative costs and beneficiary information through our established process.

Interim/Short-Term Financing Grant Program

In order to maximize the use of these funds, which are available under letters of credit from HUD, the State may choose to use the funds to provide grants to eligible recipients for interim or short-term financing of eligible economic development, housing and public facilities activities that are consistent with the federal and State program goals and objectives. The State will use program income or other funds paid to the State under the Interim/Short-Term Financing Grant Program to meet its other grant commitments to recipients.

Because the availability of funds for subsequent use depends on the payment of these funds from the initial user, there is some risk to subsequent users. The State will minimize this risk through the use of irrevocable and unconditional letters of credit (to be required by recipients of borrowers, so that letter of credit proceeds will be available to the State through recipients) and/or other appropriate measures.

For proposals under Interim/Short-Term Financing Grants, the State will consider:

- ❖ Proposed direct benefit of the project activities to low- and moderate-income persons.
- ❖ The nature and extent of the effect of interim/short-term financing on project cost, feasibility and benefit, including the consequences of not providing a grant for the interim/short-term financing.
- ❖ The likelihood that program income or other funds will be available to the State in the amount and at the time proposed by the recipient so that the State will be able to meet its other grant commitments to recipients.
- ❖ If the interim/short-term assistance is to be provided to a private, for-profit entity to carry out an economic development project, the State will determine whether the assistance is "appropriate" (as required by federal statute, regulation and policy).

Regular Grant Program Funding

Three divisions of the State utilize CDBG funds: the Division of Local Government, the Division of Housing, and the Office of Economic Development and International Trade. These divisions collaborate to create a seamless approach to funding community development needs. The State will set approximate funding for the three major categories of projects and activities for FFY2010 as follows:

	Program Income FFY2010	
Economic Development	\$0	\$3,376,642
Housing	\$0	\$3,376,642
Public Facilities/Community Development	<u>\$0</u>	<u>\$3,376,642</u>
	\$0	\$10,129,926

More or less than these amounts for each project category may actually be awarded, depending on the relative quality and quantity of proposals received and on State priorities.

The State will provide information upon request, for those communities interested in applying for guaranteed loan funds under subpart M, the Section 108 Loan guarantee program as well as give consideration to funding multi-year and/or multipurpose applications.

Maximum and Minimum Grant Amounts

The Department of Local Affairs has set no absolute limits to the amount of funding an applicant may request. The Department suggests that \$600,000 be considered the maximum grant guideline for public facility or community development projects. There is no suggested maximum for housing projects. There is no maximum limit for economic development projects. Suggested guidelines vary based on the use of funds.

Review Process for Housing, Public Facilities, and Community Development Proposals

(1) The Department of Local Affairs will consider public facilities and community development proposals during specified application periods or in conjunction with funding cycles established by the Department. DOLA will post application cycles on its web page and advise local government associations and regional organizations of application opportunities.

(2) The term "community development proposals" includes such projects as public improvements in downtown or other commercial areas, public and private non-profit tourist facilities and attractions, public and private non-profit business incubators, and rehabilitation of publicly and privately owned non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts, or when such properties are of key historic or commercial importance to a community or neighborhood.

(3) Because housing, public facility and economic development projects are administered by separate DOLA divisions, the application review and award process is different for all. However, all CDBG applications will initially be reviewed for the following:

- ❖ Applicant Eligibility
- ❖ Activity Eligibility
- ❖ National Objective Eligibility
- ❖ Consolidated Plan Funding Priorities
- ❖ The project's benefit to low- and moderate-income persons or households
- ❖ Public facility applications are reviewed by CDBG staff and are evaluated on the following:
 - ❖ Demonstrated need
 - ❖ Implementation of the project and maintaining its operation
 - ❖ Number and economic status of individuals affected by the need
 - ❖ Level of Urgency
 - ❖ Project's readiness to go
 - ❖ Management capacity (whether or not the local government has organizational/financial capacity and authority to address the need).

No rating points are assigned; however, a consensus is reached on level of funding recommendation that will be made. The funding recommendation is forwarded to the Executive Director of the Department of Local Affairs. The Department Executive Director considers staff review recommendations and makes the final funding decision based on the project review factors.

In 2010, the Division of Local Government will implement a pilot competitive application process, in which multiple grant applications are reviewed, rated and ranked, and grants are awarded to those applicants that most closely meet the selection criteria established by the Division of Local Government. Typically, review criteria are based both on programmatic requirements and on an applicant's ability to carry out the grant.

Review criteria may include, but are not limited to the following:

- ❖ Project need
- ❖ Project sustainability
- ❖ Financial and administrative capacity of the applicant
- ❖ Geographic coverage
- ❖ Applicant's past performance as a grantee of the State

(4) The Department may end or defer consideration of public facilities/community development proposals when funds are exhausted or proposals are incomplete or premature.

Housing proposals will be considered during specific application periods by the Division of Housing (DOH). DOH may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature. Business development proposals involving the provision of financial assistance for private-for-profit and nonprofit businesses will be received and considered on a continuous basis by the governor's Office of Economic Development and International trade. The Governor's Financial Review Committee reviews business development proposals and makes final funding decisions.

The Division of Housing Applications. Regional field and program staff review each application and reach a consensus on a recommended level of funding, although they do not assign points. Recommendations range from full funding, to high or low partial funding, to no funding.

The staff forwards the results of its review to the Executive Director of the Department of Local Affairs, who may consult with the State Housing Board or other advisory groups on the proposal. The consultation may be by telephone or mail, or may involve a meeting or hearing. The State Housing Board has set a competitive application cycle for each HUD activity type that will allow for the direct comparison of programs, developments and agencies to ensure funding of those projects with the best merits. The State Housing Board will allocate dollars by activity type.

DOH will use CDBG funds for homeless services in *non-entitlement* areas only, consistent with funding provided to the ESG program.

The Governor's Office of Economic Development and International Trade (OEDIT) will receive and consider business development proposals involving the provision of financial assistance for private-for-profit and nonprofit businesses. OEDIT staff will evaluate proposals using the major factors noted in section (3) on page 118. The Governor's Financial Review Committee reviews business development proposals and makes final funding decisions.

Review Process for Business Development Proposals for Private Businesses

The Colorado Governor's Office of Economic Development and International Trade (OEDIT) will accept and consider business development proposals that involve providing financial assistance to private for-profit and non-profit businesses (except for financing

for “community development proposals,” as previously described) on a continuous basis. Such proposals include those that would provide:

- ❖ funding through local or regional loan funds,
- ❖ infrastructure to benefit specific businesses and
- ❖ feasibility/planning studies to benefit specific businesses.

The OEDIT may end or defer consideration of business financing proposals when funds available for such projects are exhausted and when applications are incomplete or premature. Staff members will evaluate proposals using the same three major factors as noted above for housing, public facilities, and community development proposals. The Colorado Governor’s Financial Review Committee will review the economic development proposals and make final funding decisions.

Review Factors

For projects including supportive human services activities (including job training and day care aspects of economic development projects):

- ❖ How are such activities critical to the accomplishment of overall objectives?
- ❖ Will CDBG funding supplant local, federal or state assistance available for activities?
- ❖ Is the requested CDBG assistance for such activities sufficient to complete the activities, or must the activities continue in order to achieve overall objectives?
- ❖ What percentage of total project costs will be spent on these activities?

For economic development projects:

- ❖ How many permanent jobs (both full-time and part-time) will the proposed project create and/or retain?
- ❖ Are the required factors used to determine that assistance to a private, for-profit entity “appropriate?”
- ❖ What types of permanent jobs will be created or retained?
- ❖ What effect will the proposed project have on the local tax base?
- ❖ Does the proposal give adequate consideration to the relationships between job training needs, resources available, and the proposed project?
- ❖ When the proposed project involves public improvements in the central business district, are the proposed improvements being undertaken in designated slums or blighted areas?
- ❖ When the proposed project involves industrial sites and/or facilities, is a prospect “in hand?”

For economic development projects that involve grants or business loan funds or loan guarantees:

- ❖ At what point will the full amount of the loan(s) be repaid, if applicable?
- ❖ Is the local selection process for grants, loans, and other forms of assistance open and equitable, and does it address the greatest needs to the extent feasible?

For site acquisition and/or other development projects:

- ❖ Does the site meet lender or other site selection standards?
- ❖ Are preliminary engineering/architectural designs or plans, specifications and cost estimates or studies completed? What is the completion date for final plans, specifications and cost estimates?
- ❖ Has the applicant completed the proper studies to demonstrate that there is a market for the proposed project and that it is financially feasible?

c. Is the proposal consistent with local development strategies and coordination with other activities.

For all projects:

- ❖ How long has the proposed project been a priority or identified in an approved plan?
- ❖ What is the priority for the proposed project relative to other CDBG and Impact requests?
- ❖ Is the proposed project compatible with existing local planning regulations, such as zoning ordinances and subdivision regulations?
- ❖ How is the proposed project part of and consistent with an overall local capital improvements and maintenance plan and budget?
- ❖ If the community is included in an adopted development strategy or comprehensive plan for a larger geographic area, is the proposed project compatible with such a strategy or plan?
- ❖ How long has the proposed project represented a documented need?
- ❖ To what extent does the proposed project complement, supplement or support other local, State or federal projects, programs or plans already in effect or to be implemented?
- ❖ Is there duplication of effort or overlap?
- ❖ To what extent does the proposed project further related local projects or plans?
- ❖ If the proposed project lends itself to a multi-jurisdictional approach, has the applicant adequately considered such a joint approach?
- ❖ When projects involve public improvements in the central business district, are downtown public improvements being undertaken in coordination with, or by a representative local economic development organization?

2. Public and Private Commitments. This factor evaluates the extent of public and private commitment to the proposed project. Staff members will consider both the amount or value and the viability of those commitments. Communities are strongly encouraged to take primary responsibility for resolving their housing, economic development and public facilities problems. In specific projects, this may involve making financial commitments; adjusting development regulations, user rates and fees, and capital construction and maintenance programs; creating improvement districts; establishing development and redevelopment authorities; and generally sharing in or leveraging funds and management for development and redevelopment.

a. Local Financial Commitments.

For all projects:

- ❖ To the extent of their abilities, have the local government, project participants and beneficiaries engaged and/or committed to engage generally in taxing efforts to address their own continuing development and maintenance needs?
- ❖ To the extent of their abilities, have the local government and local project participants and beneficiaries appropriated/committed funds specifically for the proposed project and/or committed to alter fees to ensure the success of the specific project?
- ❖ When the proposed project involves business loan funds or loan guarantees, what is the ratio of private and/or local public investment to the amount of CDBG funds requested? How was this determined?
- ❖ When the proposed project involves public improvements in the central business district, has the private sector demonstrated a commitment to reinvest (e.g., through formation of an improvement district or through committing to business loans)?
- ❖ When a proposed development project requires interim and/or permanent financing, is the needed financing firmly committed? If not, is there a conditional or preliminary commitment, and what is the likelihood that a firm commitment will

be made?

b. Local Non-Financial Commitments

For all projects:

- ❖ If necessary, has the community committed to alter local regulations to ensure the success of the project?
- ❖ Has the community made good faith efforts to involve residents, including low- and moderate-income persons and minorities, in assessing community needs and developing strategies to address its needs?
- ❖ Have the directly affected parties in the community demonstrated active support for the project?

c. Other Commitments

For all projects:

- ❖ Have any grant funds been sought for or committed to the proposed project?
- ❖ What are the sources, amounts and availabilities of these grant funds?

3. Management Capability. The purpose of considering this factor is to evaluate the ability of the local government submitting the proposal to administer the project as described.

a. Staff and Contractors

For all projects:

- ❖ Does the local government have adequate and experienced programmatic and fiscal staff and contractors, or has the applicant thoroughly considered the types of staff and contractor experience and qualifications necessary to carry out the project, including extensive statutory and regulatory requirements?
- ❖ How have the local government and its contractors performed in the past in carrying out development and redevelopment activities, and any type of activity with extensive statutory and regulatory requirements?
- ❖ To what extent will local government staff be directly involved in project management?
- ❖ What criteria and procedures will the local government use for selecting contractors?
- ❖ Have the roles and responsibilities of project participants been clearly established?

For economic development projects:

- ❖ Has the local government established an advisory or decision-making committee knowledgeable in economic development matters, including small business support, industrial recruiting, business loan funds, etc.?
- ❖ Does the jurisdiction have business management experience sufficient to review pro forma, cash flow statements and business plans? If not, how will these tasks be accomplished?

b. Budget

DOLA staff will compare administrative and other costs with those of other similar proposals.

For all projects:

- ❖ Are the proposed administration and overall project budgets (including appropriate development and operating budgets in the case of development projects) adequate, reasonable and realistic given the project work plan?

c. Statutory and Regulatory Compliance

- ❖ Does the proposed project involve or result in residential displacement? If so, has the applicant taken all reasonable steps to minimize displacement? Is there a plan to replace all low/moderate income housing demolished or converted, and to assist persons being relocated?
- ❖ Does the proposed project involve real property acquisition or relocation of any persons or businesses? Does it trigger Uniform Relocation Act requirements? Are cost and time requirement estimates reasonable?
- ❖ Are estimated labor wage costs reasonable? (Especially, has the applicant considered whether the proposed project is subject to Davis-Bacon prevailing wage requirements?)
- ❖ Is the proposed project in a floodplain or geological hazard area, or does it affect cultural or historic resources? Are there other environmental considerations? If so, what mitigation measures are proposed and what alternatives have been considered?

VI. Technical Assistance

The State will continue a coordinated technical assistance program to assist communities with CDBG project management and project formulation and planning, particularly in coordination with State programs such as Impact grants, housing grants and loans, and economic development funds. The State will target special project management technical assistance to communities that have never administered a CDBG grant, and to those that have experienced or are experiencing difficulty in administering a CDBG grant. Project formulation and planning assistance will be targeted to communities that need more long-term technical assistance to prepare for CDBG or other State funding in the future, and that have committed to undertake overall development and maintenance planning and budgeting efforts.

To provide consistent guidance to CDBG recipients, the Department of Local Affairs will have a CDBG staff specialist. State technical assistance may be in the form of personal contact with local government officials and staff, workshops, brokering assistance from private or local public sources, and documents and materials. Staff members have prepared a CDBG Guidebook that is available online at www.dola.state.co.us/LGS/FA/cdbg.htm. The Guidebook contains information on Project Start-up, Financial Management, Reporting, Environmental Review, Civil Rights, Acquisition, Relocation, Labor and Construction, Project Close-Out, and Monitoring. All sections are available in PDF or Word format. DOLA also gives this Guidebook to grantees in hard copy at the time of award.

VII. Grantee Responsibilities

Municipal and county governments are strongly encouraged to take primary responsibility for resolving housing and community development problems. In specific projects, this may involve adjusting development regulations, user rates and fees and capital construction and maintenance programs, creation of improvement districts, and generally sharing in or leveraging funds and management for development and redevelopment.

Local governments and project sponsors are also strongly encouraged to use advisory committees and assessment tools in evaluating needs and in formulating, implementing and modifying local development and redevelopment strategies. Use of such committees or tools can often lend continuity and objectivity to the planning and development process. Additionally, applicants must comply with the following specific requirements by addressing the preceding "Review Factors" and providing specific certifications and statements:

1. Develop a community development plan that gives maximum feasible priority to activities that will benefit persons of low and moderate income, or aid in the prevention or elimination of slums or blight. An applicant may also certify that specific activities are designed to meet other community development needs that have arisen during the preceding 12-month period and have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.
2. Provide opportunities for citizen participation, public hearings, and access to information in a timely manner with respect to its community development plan, specifically including:
 - ❖ Furnishing citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;
 - ❖ Publishing a proposed project plan/application in a manner that affords affected citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and the community development performance of the applicant;
 - ❖ Holding one or more public hearings to obtain the views of citizens on community development and housing needs;
 - ❖ Providing citizens with reasonable access to records regarding its past use of CDBG funds;
 - ❖ In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;
 - ❖ Making the final project plan/application available to the public;
 - ❖ In the event it is awarded CDBG funds by the State, the jurisdiction must provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in this paragraph for the preparation and submission of the final project plan/application.
3. Follow a detailed citizen participation plan which:
 - ❖ Provides for and encourages citizen participation, particularly by persons of low and moderate income who are residents of slum and blight areas and areas in which CDBG funds are proposed to be used;
 - ❖ Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;
 - ❖ Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;
 - ❖ Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance. These hearings shall be held after adequate notice at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
 - ❖ Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
 - ❖ Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

4. Prior to submitting a proposal for funds, identify and document community development and housing needs, including the needs of low- and moderate- income persons, and the activities to be undertaken to meet such needs.
5. Follow a residential anti-displacement and relocation assistance plan which shall in the event of such displacement, provide that:
 - ❖ Governmental agencies or private developers shall provide comparable replacement dwellings for the same number of occupants as could have been housed in the habitable low- and moderate-income dwelling units that were demolished or converted to a use other than for housing for low- and moderate-income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under Section 8 of the United State's Housing Act of 1937;
 - ❖ Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;
 - ❖ Relocation shall be provided for all low- or moderate-income persons who occupied housing demolished or converted to a use other than for low- or moderate-income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income, provide either:
 - ❖ Compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or
 - ❖ If elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under sub-clause (I) to permit the household to secure participation in a housing cooperative or mutual housing association:
 - ❖ Persons displaced shall be relocated into comparable replacement housing that is:
 - decent, safe, and sanitary
 - adequate in size to accommodate the occupants
 - functionally equivalent
 - in an area not subject to unreasonably adverse environmental conditions.
6. Will not plan or attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) CDBG funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG; or (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the State that it lacks sufficient funds received from the State to comply with the requirements of (A).
7. Conduct and administer its program in conformity with the Civil Rights Act of 1964 and The Fair Housing Act.
8. Complete a self-evaluation of its current policies and practices to determine whether they meet the requirements of Section 504 of the Rehabilitation Act of 1973 as amended and the HUD implementing regulations at 24 CFR Part 8.
9. Comply with other provisions of Title I of the Act and other applicable federal and state laws and regulations. (A summary of many of the federal laws and regulations is contained in Section VIII.)

Finally, it should be noted that, to the greatest extent permitted by federal law and regulations, it is the State's intent that the local governments' monitoring and evaluation of projects be in accordance with program and financial oversight responsibilities to their citizens under State statutes and fiscal rules. Principal matters for monitoring and evaluation will be project progress, financial management, subcontracts, documentation, project benefit to low- and moderate- income persons, and compliance with federal and state laws and regulations. The State shall require quarterly financial and program performance reports, a completion performance report and other reports. An audit is required. Information requested will provide the State with a basis for evaluation of grantee performance. In addition, the reports will provide additional assurance of compliance with applicable federal and State laws and regulations.

VIII. Federal Laws and Regulations Applicable To the State-Administered Community Development Block Grant Program

National Environmental Policy Act of 1969 (42 USC 4321 et seq.), as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.

National Historic Preservation Act of 1966 (16 USC 470 et seq.), as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.) requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.

The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.) prohibits undertaking certain activities in flood plains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.

Flood Disaster Protection Act of 1973 (42 USC 4001), placing restrictions on eligibility and acquisition and construction in areas identified as having special flood hazards.

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.), requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.

Safe Drinking Water Act of 1974 (42 USC 201, 300 et seq., 7401 et seq.), as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

The Endangered Species Act of 1973 (16 USC 1531 et seq.), as amended, requiring that actions authorized, funded, or carried out by the federal government do not

jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.

The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.), as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse affect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.

The Clean Air Act of 1970 (42 USC 1857 et seq.), as amended, requiring that federal assistance will not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.

HUD Environmental Criteria and Standards (24 CFR Part 51), providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.

Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC 5301), known as the "Barney Frank Amendment," and the HUD implementing regulations requiring that local grantees follow a residential anti-displacement and relocation assistance plan that provides for the replacement of all low/moderate income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which provides for relocation assistance for all low/moderate income households so displaced.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. -- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, -- Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24), providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to State or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to \$22,500 for each qualified homeowner or up to \$5,250 for each tenant are required to be paid.

Davis-Bacon Fair Labor Standards Act (40 USC 276a - 276a-5) requiring that, on all contracts and subcontracts which exceed \$2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)

Assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any subcontractor or sub-recipient during any

period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.) requiring that mechanics and laborers employed on federally-assisted contracts which exceed \$2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.

Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c)) prohibiting and prescribing penalties for "kickbacks" of wages in federally-financed or assisted construction activities.

The Lead-Based Paint Poisoning Prevention Act -- Title IV (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.

Section 3 of the Housing and Community Development Act of 1968 (12 USC 1701 (u)), as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the unit of the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.

Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309), as amended, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.

Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d)) prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.

The Fair Housing Act (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap and familial status.

Executive Order 11246 (1965), as amended by Executive Orders 11375 and 12086, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of \$2,000.

Executive Order 11063 (1962), as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.

Section 504 of the Rehabilitation Act of 1973 (29 USC 793), as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.

Age Discrimination Act of 1975, (42 USC 6101), as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990, requiring that a recipient of HUD funds certify that they have adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against

individuals engaged in nonviolent civil rights demonstration; or fails to adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

Government-wide Restriction on Lobbying, (P.L. 101-121), prohibits spending CDBG funds to influence or attempt to influence federal officials; requires the filing of a disclosure form when non-CDBG funds are used for such purposes; requires certification of compliance by the State; and requires the State to include the certification language in grant awards it makes to units of general local government at all tiers and that all sub-recipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than \$10,000 and not more than \$100,000 for each failure.

Department of Housing and Urban Development Reform Act of 1989 (24 CFR Part 12) requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.

Public Law 110-289, Housing and Economic Recovery Act of 2008 (HERA), pertaining to the Neighborhood Stabilization Program funding.

Public Law 111-5, American Recovery and Reinvestment Act of 2009 (ARRA), as it pertains to the Neighborhood Stabilization Program (NSP1 and NSP2); Community Development Block Grant – Recovery Program (CDBG-R); and Homeless Prevention And Rapid Re-housing Program (HPRP).

X. Definitions - Slums and Blight

State Statutory Definitions

Blight Area. Blighted area, per CRS §31-25-103, means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare:

- (a) Slum, deteriorated, or deteriorating structures;
- (b) Predominance of defective or inadequate street layout;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Unusual topography or inadequate public improvements or utilities;
- (g) Defective or unusual conditions of title rendering the title nonmarketable;
- (h) The existence of conditions that endanger life or property by fire or other causes;
- (i) Buildings that are unsafe or unhealthy for persons to live or work in because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- (j) Environmental contamination of buildings or property;
- (k) (Deleted by amendment, L. 2004, p. 1745, § 3, effective June 4, 2004.)
- (k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements; or
- (l) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area,

"blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection 2.2, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare. For purposes of this paragraph (l), the fact that an owner of an interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

Blighted Structure. A blighted structure has one or more of the following conditions: (1) Physical deterioration of buildings or improvements; (2) Abandonment; (3) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; (4) Significant declines in property values or abnormally low property values relative to other areas in the community; or (5) Known or suspected environmental contamination; (6) The public improvements throughout the area are in a general state of deterioration. The State also accepts local determinations.

Slum Area. Slum area, per CRS §31-25-103, means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare.

Federal Regulatory Definitions and Clarifications

Activities meeting the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. Activities to address slums or blight on an area basis. An activity will be considered to address prevention or elimination of slums or blight in an area if:

- ❖ The area, delineated by the grantee, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;
- ❖ Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;
- ❖ Documentation is maintained by the grantee on the boundaries of the area and the condition which qualified the area at the time of its designation; and
- ❖ The assisted activity addresses one or more of the conditions that contributed to the deterioration of the area.

Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

2. Activities to address slums or blight on a spot basis. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities that eliminate specific conditions of blight or

physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

XI. Eligible Activities

Eligible activities and services under the Community Development Block Grant (CDBG) Program are those which are:

- ❖ consistent with the stated program goal and objectives; and
- ❖ included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974 (the "Act"), as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations,
- ❖ included as eligible activities under the Housing and Economic Recovery Act of 2008 (HERA), Title III,
- ❖ included as eligible activities under the American Recovery and Reinvestment Act of 2009 (ARRA), Title III.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

According to the 2008 American Community Survey, 11.4% of all Colorado families had incomes below the poverty level. The poverty rate is defined as a family of four earning less than \$22,050 a year. For an individual, the poverty line is set at \$10,830. The percent of persons living in poverty in Colorado escalated over the past decade. In 2000, the poverty rate was 9.2%

Employment

For any household, family or individual, the fundamental “antipoverty strategy” is a good job. Thus, the key element for lifting people out of poverty is jobs – creating and retaining job, helping people acquire the right skills to fill those job, and connecting the unemployed to jobs.

The Office of Economic Development and International Trade (OEDIT) focuses its use of CDBG funding on job creation. By helping provide businesses and local governments with the funding and infrastructure they need to grow and maintain a healthy business environment, OEDIT enables businesses to create and retain jobs, most (at least 51%) of which must be filled by people with low to moderate incomes.

HUD’s formula grants to DOLA also contribute to creating and retaining jobs in Colorado, although that is not their primary purpose. DOLA has recently begun analyzing the number of jobs created by its use of funds. This analysis indicates that DOLA investments of HUD funds for community development and housing created 1,284 jobs during 2009 alone.

The Temporary Assistance to Needy Families (TANF) Program is an essential tool Colorado uses to help people become employed. Each Colorado county designs how it will administer TANF funds to help reduce poverty. The TANF system is highly dependent on TANF families receiving job training, housing, childcare, transportation, family health care, educational support and continuous employment. Providing training and employment opportunities to TANF recipients has been a challenge for many counties, especially those with limited job availability.

In accordance with federal statutes, the Colorado Works Program imposes a 60-month cumulative lifetime limit for receipt of basic cash assistance, and requires most adult recipients to be in a work activity within 24 months of being deemed job-ready.

Housing and Supportive Services

Coordination of supportive services is a key factor in helping families escape poverty. Federal departments including Agriculture, Education, Health and Human Services, and Housing and Urban and Development have asked state departments to plan and coordinate their supportive service programs and create a unified plan for requesting future block grant federal funding. Local governments and non-profits must also coordinate supportive services in their local areas to apply for new program funding. The coordinated linking of job training, education, employment opportunities, childcare, transportation, housing and food stamps will enable poverty-stricken families in poverty

to receive all the benefits they need to become self-sufficient and get off the welfare rolls.

In 2010, the Department of Local Affairs will continue to lead the state in designing programs that can become models for communities throughout Colorado. The Department will receive a \$4,700,000 TANF Supplemental grant from the Colorado Department of Human Services to complement its Homelessness Prevention and Rapid Re-housing Program Grant. The Department will also implement the Colorado Livable Communities Initiative as a holistic approach to community development issues that affect economic opportunity and social well-being.

Other examples include the use of the Division of Housing's funding as a catalyst for other sustainable housing efforts. The Division will allocate Neighborhood Stabilization Program (NSP) funding to local governments and nonprofit agencies for activities that will stabilize neighborhoods in areas highly impacted by foreclosures. Twenty-five percent of the DOH NSP allocation must assist persons who earn less than 50 percent of the Area Median Income (AMI).

The State submitted a competitive application for over \$52,000,000 in NSP2 funds which, if awarded, will provide assistance to additional Colorado communities.

The Division of Housing finances hard project costs such as housing construction or rehabilitation, or soft costs such as rental subsidies through its other housing programs. The direct impact of housing development is quality housing and additional construction jobs for a community.

Colorado Housing Finance Authority (CHFA) also explores ways to provide low-interest loans for housing development that serves families at 30% of AMI. The Division and CHFA, as well as other housing agencies, often coordinate their funding in order to make affordable housing projects successful. CHFA and DOH are also collaborating to preserve affordable housing projects that have financial problems due to the economic slow down, resultant vacancy issues and intense market competition.

DOH may receive Housing Development Grant funds for State fiscal year 2010 for affordable housing, homeless shelters or transitional housing units. When available, these State funds are the most flexible of the Division's funding, and allow tailored community solutions to help ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

DOH believes that supportive services linked to housing are the key to helping homeless families escape poverty. DOH, Supportive Housing and Homeless Programs (SHHP) and the Colorado Interagency Council on Homelessness actively work to promote independence by connecting housing with supportive services. These services may include job training, education, employment, childcare, transportation, housing and food stamps.

The Housing Choice Voucher Family Self-Sufficiency (FSS) program provides a framework and time line for reducing dependency on public assistance and is administered by the Department of Local Affairs, Division of Housing and Department of Human Services, Supportive Housing and Homeless Programs. Nonprofit housing agencies, housing authorities and service providers offer the FSS program locally.

- ❖ The Division of Housing currently works with 11 FSS programs in Colorado and provides approximately \$60,000 to fund FSS-related staff. Between 125 and 140 families participate in the program. 71 families have current escrow accounts in

various communities with the Division, and 130 individuals have successfully graduated.

- ❖ Many of the Division's Housing Choice Voucher contractors who administer the FSS programs have developed innovative ways to provide support to the families they serve. Two agencies have developed revolving emergency loan programs so that when a family needs funds for necessities, they can take out a low- or no-interest loan. One agency provides \$25 to \$50 incentives when an FSS client completes a GED, vocational or college course. Other innovative approaches exist.
- ❖ SHHP currently collaborates with seven Colorado service providers in an FSS program that assists 37 persons with disabilities and formerly homeless families. Seventeen households have escrow accounts, and 15 persons with disabilities have successfully graduated.

The Division of Housing also operates a Housing Choice Voucher Special Needs Program to coordinate organizations that provide supportive services. This program offers rental assistance to seventy-five families through the Homeless with Substance Abuse initiative. Five hundred disabled families receive rental assistance through independent living centers. Forty families receive assistance through the Colorado AIDS project; and one hundred families in the Families Unification Program receive rental assistance, as well as 167 families who are homeless or at the risk of being homeless.

Although it is not a DOH program, it is important to note that the Department of Human Services (DHS) Supportive Housing and Homeless Programs (SHHP) division administers a Housing Choice Voucher rental subsidy program for persons with disabilities and homeless families. SHHP partners with 60 local mental health centers, developmental disabilities service providers, independent living centers, homeless service providers, and county departments of human services to provide housing to persons with special needs. SHHP administers 3,314 Housing Choice Vouchers for the special needs population, and 450 Shelter Plus Care vouchers for previously homeless persons with disabilities. Included in the SHHP programs are the following projects for special populations:

- ❖ 170 units for the Housing Choice Voucher Welfare-to-Work program
- ❖ 100 Family Unification program vouchers for youth aging out of foster care,
- ❖ 50 Project Access vouchers to assist younger persons with disabilities in moving from institutions into the community;
- ❖ 260 Veterans Administration Supportive Housing vouchers that provide permanent housing to homeless veterans.

Non-Homeless Special Needs Housing

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

A Department of Local Affairs, Division of Housing (DOH) priority regarding non-homeless special needs housing is to assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services to increase independence. A "person with special needs" is one who requires supportive services to fully address his or her housing needs. "Special populations" include persons with physical disabilities, mental illness, developmental disabilities, people with HIV/AIDS and frail elderly persons. DOH plans to help create at least 100 special need units annually.

ANALYSIS

People with special needs are among the lowest income persons in Colorado. Those living on SSI or small Social Security checks cannot afford to pay market rents or market rates at assisted-living facilities. People living on SSI in Colorado have to spend 92% of their income for an efficiency rental unit in Colorado. 10,276 persons with disabilities need subsidized housing in Colorado according to estimates by Supportive Housing and Homeless Programs (SHHP).

Division of Housing Strategies for Special Needs Housing

Create Decent Housing

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective:</i> <i>Assist in creating an adequate supply of housing for persons with special needs coupled with services that increase independence</i>				
DH-1(1) Provide funding for permanent supportive housing units for the homeless, HIV/AIDS and special populations	Creating a Suitable Living Environment	Accessibility	Accessibility for the purpose of providing suitable living environment	Number of persons assisted 2010 100 2011 100 2012 100 2013 100 2014 100

2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

HOME, CDBG and State Housing Development Grants, if available, will assist in the creation of permanent supportive housing. DOH consults with the Colorado Housing Finance Authority (CHFA), HUD, Rural Development (RD) and faith-based housing development organizations to identify forthcoming projects: the project "pipeline." Ongoing coordination of resources for projects in the pipeline ensures appropriate cost sharing of affordable housing projects. Additionally, DOH requires that local governments or community resources participate in such projects to the maximum extent possible.

Housing Opportunities for People with AIDS (HOPWA)

1. Provide a brief description of organization, service area, program contacts, and an overview of the range/type of housing activities.

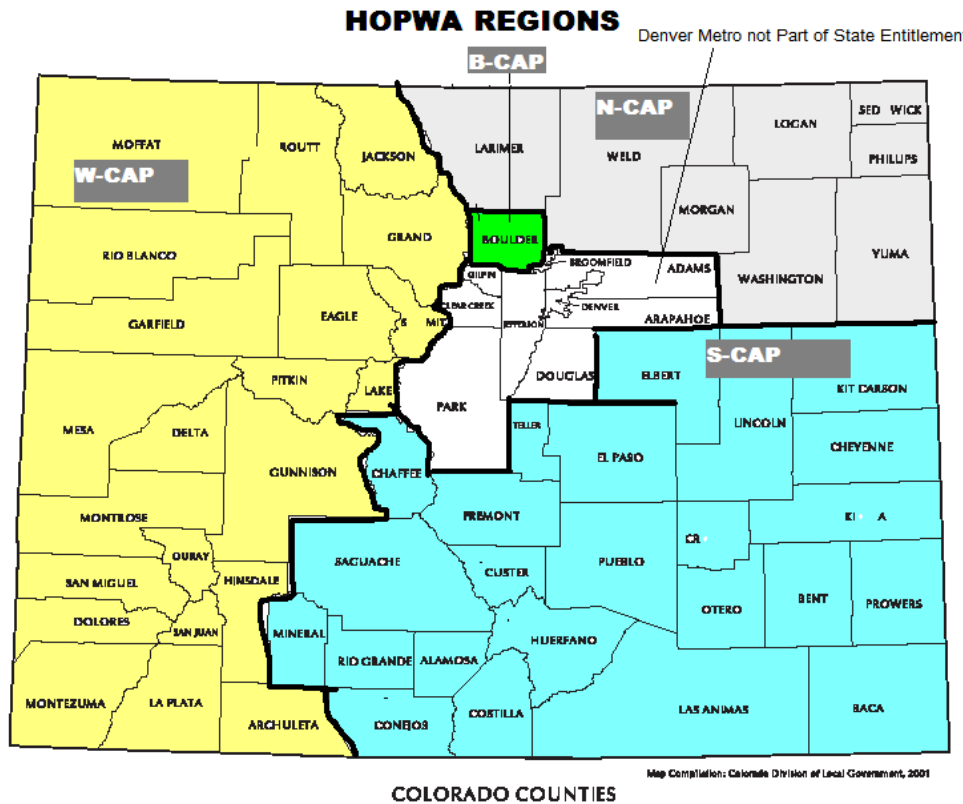
The four regional AIDS Projects sponsor Colorado's Housing Opportunities for People with AIDS (HOPWA) Program. The sponsors are:

- ❖ *Northern Colorado AIDS Project: (N-CAP) Contact: Jeff Bassinger*
- ❖ *Boulder Colorado AIDS Project: (B-CAP) Contact: Ana Hopperstad*
- ❖ *Southern Colorado AIDS Project (S-CAP) Contact: Lisa Pickruhn*
- ❖ *Western Slope Colorado AIDS Project (W-CAP) Contact: Mary Beth Luedtke*

Colorado AIDS Project is the subrecipient that helps project sponsors administer the program. The Colorado AIDS Project (CAP) formed the first community-wide response to the HIV/AIDS crisis in 1983.

Colorado AIDS Project Contacts: Melanie Hill, Housing Services Manager
Robert George, Director of Client Services

HOPWA Eligible Activities include Tenant-Based Rental Assistance, Supportive Services, Short-Term Rent, Mortgage and Utilities (STRMU), Permanent Housing Placement, Housing Information and Resource Identification, and Technical Assistance.



Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.

The statewide sponsor agencies provide supportive services for all low-income persons with HIV/AIDS, both homeless and at risk of homelessness, through comprehensive needs assessment and case management. This HOPWA-funded case management helps clients develop a long-range housing plan as well as access public benefits, mainstream resources, supportive housing, emergency financial assistance, primary care and other supportive services. During the year ended March 30, 2009, this program provided case management and supportive services to 79 qualified households. HOPWA funds provided Tenant-based Rental Assistance (TBRA) to 62 of those households, while another 17 received short-term help with their rent, mortgage or utility payments (STRMU).

1. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.

Achievement targets were based on conservative service capacity estimates and our HOPWA program exceeded them in every year of the 2005-2010 Consolidated Plan. However, only 79 out of an estimated 342 households in need (23%) received assistance through HOPWA funding. The number of people in need of assistance from this program continues to expand. In June, 2009 the population of those living with HIV/AIDS in the balance of state area reached 1,110; the number of people seeking assistance grew at a faster than normal rate because of unemployment or underemployment in 2008 and 2009.

At the same time, recent rental surveys indicate that although vacancy rates are increasing, rents are not coming down proportionately.

2. Report on annual HOPWA output goals for the number of households assisted during the year in:

- ❖ Short-term rent, mortgage and utility payments to avoid homelessness:
- ❖ During the most recent fiscal year, 17 households received STRMU assistance exceeding the goal of 15. All of these households achieved housing stability.
- ❖ Rental assistance programs:
- ❖ 62 households received tenant-based rental assistance during the past fiscal year, 12 more than our goal of 50. 58 of these households achieved housing stability.
- ❖ Housing facilities, such as community residences and SRO dwellings, where funds are used to develop/operate these facilities. Include assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
- ❖ The State of Colorado does not receive enough funding to support housing development or operation of facilities.

3. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.

Altogether, Federal Programs other than HOPWA provided \$388,755 in housing assistance and \$1,146,035 for supportive services and other non-direct housing costs. The State of Colorado provided \$84,909 for housing assistance and \$137,630 in related costs. Local governments supported housing with \$112,686 and related costs with \$22,605. Private sources provided \$484,677 for housing and \$172,260 for related costs. These leveraged funds provided rental assistance for 40 additional households during the

past fiscal year.

4. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Con Plan.

HOPWA Funds were distributed according to the distribution of people living with HIV/AIDS, together with regions represented by our sponsor agencies. The table below shows the distribution of funds by region and category. Please refer to the map above to see the geographic area each sponsor covers.

Sponsor Agency	Tenant-Based Rental Assistance	Supportive Services	Short-term Rent, Mortgage or Utility Assistance	Permanent Housing Placement	Total Per Sponsor
WCAP	\$20,807	\$6,000	\$12,729	\$12,000	\$51,536
SCAP	\$157,391	\$14,400	0.00	0.00	\$171,791
NCAP	\$37,417	\$9,600	\$4,519	0.00	\$51,536
BCAP	\$64,717	\$4,000	0.00	0.00	\$68,717
Totals by Category	\$280,332	\$34,000	\$4,519	\$12,000	\$330,851

5. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.

Transportation is a barrier to HOPWA-funded service delivery in rural areas. Clients have difficulty getting to and from the agency, and case managers often travel hundreds of miles in a month to reach their clients. Lack of sufficient Housing Choice vouchers means it is more difficult to move a household off of HOPWA funding so more households can be served. The Fair Market Rent in many areas of the state is low relative to real-world rents, making it difficult for clients to qualify for assistance. Both lack of funding and neighborhood resistance are barriers to creation of more affordable housing for people with HIV/AIDS.

6. Please describe expected trends facing the community in meeting needs of persons living with HIV/AIDS and provision of services to people with HIV/AIDS.

Our sponsors consider the high unemployment rate that stems from the current economic downturn to be a source of concern. Unemployment has already led to an increase in the number of people seeking assistance, and the sponsors anticipate that this will continue. We project that the number of households in need will increase by about 20% each year over the next 5 years unless the economy improves. If HOPWA funding for the State increases at its historic rate of 5.7%, the gap between need and available resources will grow much wider.

Since the beginning of the epidemic, community organizations have been on the front lines offering information on how to prevent HIV and AIDS and providing services to those affected with the disease. Additionally we have seen a rise in organizations dedicated to reaching groups that are hardest hit by AIDS, particularly women and minorities.

Health plans are also playing an important role in this fight. With their wide networks of doctors and hospitals, health plans can help those living with HIV and AIDS identify an HIV specialist with whom they feel comfortable. In addition, health plans can put patients in touch with case managers who can help them keep track of medical appointments, tests and prescriptions.

7. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

The State monitored its subrecipient and client records from the sponsor agencies in February 2009. HUD monitored the State in September, 2009. The only formal evaluation expected in the next year is that the subrecipient (CAP) will monitor the sponsor agencies at least twice.

RESOURCES:

Describe how Federal, State, and local and private-sector resources may be used to address identified needs for the year covered by the Action Plan.

The Division of Housing provides HOPWA funding for rental assistance, supportive services, operating expenses, housing information and resource identification, and short-term rent and utilities. DOH may fund grants for creation of units through Community Development Block Grant (non-entitlement areas), HOME, Permanent Supportive Housing, Supportive Housing for Persons with Disabilities (Section 811), Federal Low Income Housing Tax Credits, and other federal, State and local funding sources, and HUD Housing Choice Vouchers and Homeownership programs.

Funding Sources	
Housing Opportunities for Persons with AIDS (HOPWA)	\$392,424
Ryan White Funding	unknown
Local Government Contributions	unknown
Private Donations	unknown
Community Development Block Grant (CDBG)	\$ 225,000
HOME Partnership (for transitional housing)	\$ 300,000

Specific HOPWA Objectives

Create Decent Housing

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective Assist in creating an adequate supply of housing for persons w/ special needs coupled with services to increase independence</i>				
DH-1(3) Fund Rental Assistance targeted to homeless, special need and HIV-AIDS households to ensure that decent housing is attainable	Decent Housing	Affordability	Affordability for the purpose of creating decent housing	HOPWA-assisted households 2010 65 2011 65 2012 65 2013 65 2014 65
DH-2(4) Fund Homeless Prevention (for HOPWA, short-term rent, mortgage and utility assistance) to promote housing stability and ensure that decent housing is affordable	Decent Housing	Affordability	Affordability for the purpose of creating decent housing	HOPWA-assisted households 2010 18 2011 18 2012 18 2013 18 2014 18
DH-1(2) Fund permanent housing placement and resource identification services to make decent housing more available to persons with HIV/AIDS	Decent Housing	Availability	Availability for the purpose of creating decent housing	HOPWA-assisted households 2010 13 2011 13 2012 13 2013 13 2014 13

Create a Suitable Living Environment

DOLA Strategy	HUD Program Goal	HUD Objective	HUD Outcome Statement	DOLA Indicator
<i>Long-Term Objective Provide funding for supportive services that foster independence</i>				
SL-1(1) Provide funding for supportive services for Homeless or HIV/AIDS clients to create housing stability and foster independence	Decent Housing	Availability	Availability for the purpose of providing decent housing	Number of clients assisted FY 2010 83 FY 2011 83 FY 2012 83 FY 2013 83 FY 2014 83

Housing Opportunities for People with AIDS Formula Program Description

I. Program Description

The Division of Housing expects to receive roughly \$400,000 in HOPWA funding from HUD and will work with a consortium of four Colorado Aids Project (CAP) agencies to assist persons living with HIV/AIDS. The CAP agencies may use these funds to provide tenant-based rental assistance, emergency assistance, and/or to provide housing coordination services and supportive services to low income persons/families living with HIV/AIDS.

II. Program Services

HOPWA funding will help clients access housing and related supportive services. Funds will enable low-income Coloradans living with HIV/AIDS and their families to achieve housing stability and gain access to health-care and related supportive services.

III. Funding Allocations

The Division of Housing works with a consortium of four Colorado AIDS Project (CAP) agencies to determine distribution of the expected \$400,000 allocated to the State of Colorado for federal fiscal year 2010. The funding will be distributed statewide according to the incidence of HIV/AIDS and the sponsors' ability to use the funds. The Division of Housing will also use up to 3% of funding for administrative costs. Colorado AIDS Project, the subrecipient, will use up to 7% of funding for its administrative costs.

IV. Program Oversight

The Division of Housing will have oversight of the grant and will observe all spending caps on administration of this grant.

V. Program Objectives

The department will follow the reporting system established by HUD for the HOPWA program and report program outcomes according to the following outcome measures:

- ❖ Increase the number of eligible clients/households able to establish and better maintain suitable stable housing.
- ❖ Improve accessibility to health care and other support services for eligible clients/households.
- ❖ Reduce the risk of homelessness for individuals/families living with HIV/AIDS.

Analysis of and Overcoming Impediments To Fair Housing

The fair housing activities listed below recognize that the reduction or elimination of impediments is not likely to take place without the cooperation of public and private sector entities.

(1) LACK OF AFFORDABLE HOUSING

Affordable Housing Supply

- I. Colorado Division of Housing (the Division, or DOH) will work with local governments to help fund Housing Needs Assessments that provide a consistent baseline of housing information across all Colorado counties.
- II. DOH will continue to participate in and facilitate the "housing pipeline" with other agencies including the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Agriculture Rural Development (R.D.) the Colorado Housing and Finance Authority (CHFA). The pipeline will collaborate to maintain the current supply of affordable rental units and to increase the supply of new units when warranted by the market.
- III. The Division will work with owner-occupied housing rehab programs and determine if a renter-occupied housing rehabilitation program is feasible.
- IV. DOH will prioritize funding and production of units for households making less than 30% of the Area Median Income (AMI).
- V. DOH will work with the Colorado Housing Finance Authority (CHFA), U.S. Department of Agriculture (USDA) and other state and federal agencies to maintain the www.coloradohousingsearch.com database that enables Colorado households to search for affordable housing.
- VI. DOH will participate in discussions that research options for resources for a mechanism that can provide long-term, adequate and flexible funding for affordable housing and homeless projects.
- VII. The Division will continue to enforce use restrictions on the rental housing projects that it funds so that rents will remain affordable.
- VIII. Cooperate with other agencies to create a statewide homeless plan for housing and services.

Impact Development Fees

- I. Work with local governments during the strategic planning process to encourage infrastructure funding methods that do not increase the price of producing affordable housing.
- II. Annually, publish "Affordable Housing: A Guide for Local Officials" as a tool for local governments in creating affordable housing and reducing regulatory barriers.

Land Costs

- I. Encourage local jurisdictions to contribute land or otherwise reduce the land cost in the housing equation.
For example: local governments may allow more density, thereby reducing land costs; or, they could assemble parcels for redevelopment and sell at low cost or contribute the land to affordable housing projects.
- II. Encourage/fund land banking or land trusts that are available for future affordable housing projects.

Housing Planning for All Income Levels

- I. Work with local jurisdictions to assist them as they develop local Strategic Housing Plans that result in achievable housing goals.
- II. Incorporate planning for a statewide homeless plan.

"Gentrification" of Existing Neighborhoods

- I. Work with local governments, for-profit and nonprofit housing developers to identify solutions to increased rents or displacement issues in urban renewal areas.

(2) HOUSING FOR PERSONS WITH DISABILITIES

Production of an Adequate Supply

- I. Provide incentives to housing developers to exceed Section 504 accessibility requirements in the production of housing for persons with disabilities.
- II. Establish a program that can assist landlords in modifying units to meet accessibility standards in order to increase the supply of accessible units.
- III. Encourage local housing and disability service agencies to conduct tenant training programs to increase client knowledge of fair housing rights.
- IV. Use Home Partnership or State Housing Grants to fund permanent housing units for persons with HIV/AIDS.

(3) FORECLOSURES

- I. Partner with Federal lending agencies, state agencies and lending institutions to establish a Foreclosure Prevention Hotline.
- II. Fund housing counseling and foreclosure prevention activities so that homeowners receive timely, accurate and helpful information to enable them to retain homeownership.

(4) NEED FOR FAIR HOUSING EDUCATION

- I. Establish a Fair Housing contact at the Division of Housing.
- II. Provide/coordinate training for Fair Housing with other statewide, federal and nonprofit housing agencies including CCRD, CHFA, Colorado Department of Human Services, Supportive Housing and Homeless Programs (SHHP), Fannie Mae, Freddie Mac, Colorado Coalition for the Homeless (CCH), Colorado AIDS Project statewide disability organizations and other fair housing leaders.
- III. Ensure that all partners provide webpage links to the Colorado Civil Rights Division (CCRD) and the U.S. Department of Housing and Urban Development (HUD), along with information about Fair Housing regulations.
- IV. Conduct a series of neighborhood events. Invite free speakers to discuss tenants' rights, relocation benefits, rehabilitation programs, home-buying, techniques, financing, legal information, etc.
- V. Request that HUD conduct or fund Fair Housing testing

(5) HOMEOWNER ASSOCIATIONS (HOAs)

- I. Work with statewide partners to develop better education for homeowners' associations, homeowners and renters concerning Fair Housing practices.

(6) NIMBY

- I. Continue to promote awareness of the need for affordable housing in Colorado communities.
- II. Partner with the Division of Local Government, the Colorado Municipal League and Colorado Counties Incorporated and Housing Developers to promote "best planning practices" that involve neighborhoods and the public at the beginning of the housing development process.

(7) LANGUAGE/CULTURAL BARRIERS

- I. Translate key documents regarding Fair Housing, Landlord-Tenant Relationships, Homeownership, etc. to Spanish and/or other common languages for online access.

- II. Encourage other affordable housing practitioners to also translate and provide documents for online access.

(8) FAMILIAL STATUS

- I. Work with partner agencies to conduct Fair Housing training that informs local governments about familial status issues.

(9) LAND USE REGULATION

- I. The Divisions of Housing and Local Governments will continue to provide technical assistance to rapidly growing rural communities in developing comprehensive plans local codes and zoning ordinances.
- II. CDOH will continue to update and distribute written material such as "Affordable Housing: A Guide for Local Officials," "Housing Colorado Reports" and information on regulatory barriers.

(10) PREDATORY LENDING PRACTICES

- I. Provide online information and training such as the "Puzzle of Homeownership" to increase knowledge of existing and potential homeowner's surrounding homeownership and lending practices.
- II. Continue to work with statewide Fair Housing leaders to provide written and electronic versions of brochures on predatory lending.
- III. Continue to conduct training with agencies that receive CDOH funding regarding fair lending practices.

(11) TRANSPORTATION

- I. Encourage local governments to create housing that creates a jobs-housing balance, including transit-oriented development and land banking.
- II. Incorporate and evaluation of transportation issues as part of Housing Needs Assessment and Strategic Planning processes.

(12) LANDLORD/TENANT ISSUES

- I. Illegal Evictions. Encourage housing providers and service agencies to conduct tenant-training programs to reduce the number of incidents in those markets.
- II. Need for Timely Response from Landlords.
Take actions that encourage landlord responsiveness to tenant rights.

(13) HOUSING DISCRIMINATION

- I. Provide Fair Housing information online and in written format.
- II. Encourage housing for a variety of income types and abilities.

(14) STEERING

- I. Provide Fair Housing information online and in written format.

(15) INCOME/WAGE LEVELS VS. COST TO RENT OR PURCHASE

- I. Encourage dialogue and local government planning about jobs housing balance.

(16) HOUSING VISITABILITY

- I. Encourage developers applying for Division of Housing funding to perform an analysis of the visitability of proposed single and multi-family units for both rental and homeownership projects.

(17) INSUFFICIENT HOUSING FOR HOMELESS PERSONS

- I. Actively work with the Colorado Community Interagency Council on Homelessness to create strategies to address homelessness in the State.
- II. Encourage the CCICH to create a collaborative taskforce that addresses the issues of homeless persons who have criminal backgrounds so they are able to get back on their feet and be productive members of society.

The Division of Housing monitors housing projects for compliance with Fair Housing and accessibility issues. In Colorado, Fair Housing complaints are forwarded to the Colorado Civil Rights Division or to HUD for disposition.

Consolidated Plan Summary

The Department of Local Affairs will continue to use funding granted by the Department of Housing and Urban Development to help communities create and sustain a higher quality of life for their residents. The Department, through the Division of Local Government, Division of Housing and the Governor’s Office of Economic Development and International Trade will coordinate its efforts to use these funds for the maximum benefit of the people of Colorado by creating good jobs, improved infrastructure and public facilities and decent, affordable housing in strong, livable communities.