

COLORADO DIVISION OF HOUSING

PHA Plans

5 Year Plan for Fiscal Years 2001 - 2004

Annual Plan for Fiscal Year 2001



APPROVED BY STATE HOUSING BOARD: APRIL 11, 2000
SUBMITTED TO HUD DENVER OFFICE: APRIL 17, 2000

HUD 50075

OMB Approval No: 2577-0226
Expires: 03/31/2002

NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH
NOTICES

**PHA Plan
Agency Identification**

PHA Name: Colorado Division of Housing

PHA Number: CO911

PHA Fiscal Year Beginning: (07/2000) State Fiscal Year 2001

Public Access to Information:

Information regarding any activities outlined in this plan can be obtained by contacting the main administrative office of the PHA:

Colorado Division of Housing
Teresa Duran, Program Manager
1313 Sherman Street, Room 518
Denver, CO 80203
(303) 866-2033

Locations For PHA Plans and Supporting Documents

The PHA Plan is available for public inspection at the main administrative office of the PHA (listed above), PHA field offices and the PHA website at www.state.co.us (search under government, Department of Local Affairs, Division of Housing).

Colorado Division of Housing
Pueblo Field Office
Rick Hanger
132 W. B. Street #260
Pueblo, CO 81003
(719) 544-2466

Colorado Division of Housing
Grand Junction Field Office
Bill Whaley
222 South Sixth St. #409
Grand Junction, CO 81501
(970) 248-7302

PHA Plan Supporting Documents are available for inspection at the main business office of the PHA at:

Colorado Division of Housing
1313 Sherman Street, Room 518
Denver, CO 80203
contact: Teresa Duran

5-YEAR PLAN
DOH FISCAL YEARS 2001 - 2005
For the Period July 1, 2000 - June 30, 2005

MISSION

The mission of the Colorado Division of Housing (DOH) is to ensure that Coloradans live in safe, decent and affordable housing. We do this by helping communities meet their housing goals. In addition to providing adequate and affordable housing, the DOH promotes economic opportunity and a suitable living environment free from discrimination.

DEPARTMENT OF LOCAL AFFAIRS STRATEGIC PLAN

Colorado Division of Housing, in conjunction with the Department of Local Affairs, prepares an annual strategic plan which identifies DOH objectives and action items to address the affordable housing needs of Colorado communities. The DOH uses information from the Affordable Housing Needs Impact Report, the Colorado Consolidated Plan, consultations with other housing providers, public hearing input, housing market, special needs, population and employment data to develop these objectives. These strategies and action items are then used as benchmarks to increase the production of affordable housing and to develop the individual work objectives of DOH staff to improve program delivery and customer service in the state of Colorado.

DOH HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

OBJECTIVES:

- #1 To increase the capacity of local housing and service providers by furnishing information, education, training and additional capital sources so that they are better able to meet the housing needs of their communities.

- #2 To increase and preserve the supply of affordable, decent, safe, and sanitary rental units through moderate and substantial rehabilitation and new construction for extremely low, low and moderate income households.

- #3 To increase and preserve homeownership for extremely low, low and moderate income people.

- #4 To provide affordable, decent, safe and sanitary housing opportunities for extremely low, low, and moderate income people needing housing linked with supportive services which may help people maintain or achieve independent living.
- #5 To increase and/or expand the availability of emergency shelter facilities, transitional housing opportunities and prevention programs for homeless persons, victims of violence, natural disaster, government action and formerly homeless persons.

The above DOH objectives are fully addressed in the 1999 Colorado Consolidated Plan.

DOH developed their PHA State Agency Plan in conjunction with the Consolidated Plan. Through this effort, the housing needs of low-income Coloradans have been identified and action steps have been implemented to address these needs. The Division of Housing PHA Plan strategic goals are listed below.

DOH STATE AGENCY PLAN STRATEGIC GOALS AND ACTION ITEMS

DOH Strategic Goal: To increase the number of 30% AMI families receiving rental assistance and leverage funds to create additional housing for 30% AMI families. (HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing).

Action Items:

- Apply for additional rental vouchers so that additional families in the state will have the opportunity to be assisted with rental assistance.
- Increase the 75% federal mandate of serving 30% AMI families by an additional 10%.
- Leverage private or other public funds to create additional housing opportunities. For households with incomes below 30% AMI transitioning from welfare to work and for households transitioning from homelessness.
- Partner with local housing providers to create 40 “step up” rental housing units by providing equity for acquisition of older units with rents affordable to these households.

DOH Strategic Goal: To increase the number of families receiving rental assistance who are disabled, homeless, displaced due to domestic violence or a natural disaster.

Action Items:

- Apply for additional special population rental vouchers (homeless with substance abuse or mainstream for persons with disabilities) so that additional families in the state will have the opportunity to be assisted with rental assistance.
- Implement DOH Section 8 program admissions preference for those who are homeless or are a victim of domestic violence or a natural disaster.
- DOH will respond to a natural disaster within 24 hours of a Governor's Declaration of Disaster.
- DOH staff will assist in coordinating efforts to place victims in emergency housing and provide rental assistance if the family is eligible.

DOH Strategic Goal: Improve the quality and delivery of the Section 8 Rental Assistance program.

Action Items:

- Improve Section 8 program management by reviewing and revising (if needed) the current quality control processes in place regarding HQS inspection and payments to landlords.
- Revise factors for monitoring frequency status to better identify projects at risk of having monitoring findings.
- Provide on-site and Internet based training and publications on Section 8 federal funding regulations, grant management, organizational management and homeownership design.
- Sponsor twice yearly a DOH Section 8 Contractor training to review DOH policy and federal regulation which govern the program.
- DOH will provide funds and improve staff assistance to agencies approved for online access to the Colorado Employment Benefits System database. This service benefits housing authorities throughout the state of Colorado.
- DOH Quality Assessment Team will conduct annual quality of service survey, DOH staff will review survey and identify areas of improvement concerning the Section 8 Program. These suggestions will be utilized to develop future action items.

DOH Strategic Goal: Increase assisted housing choices.

Action Items:

- Increase voucher payment standards for Section 8 Contractors in high rental cost areas of the state by 10% where warranted.
- Provide information to Section 8 Contractors and PHAs on how to gather data which will justify increase the payment standard from HUD by 20%.
- Update the DOH Tenant briefing packet to improve the information on housing choices.
- Implement a flexible voucher homeownership program that can be adapted to all communities within the state.
- Coordinate DOH Homeownership Downpayment and Single Family Owner Occupied Rehabilitation Programs with Section 8 Contractors who are interested in implementing a voucher homeownership program in their community.

DOH Strategic Goal: Promote self-sufficiency and asset development for assisted households. (HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals).

Action Items:

- Increase the number of families enrolled in the Family Self-Sufficiency (FSS) Program by 100 by June 30, 2005.
- When made available, apply for HUD Welfare to Work Vouchers to increase rental assistance opportunities for those working toward self-sufficiency.
- Provide public and private grant information and technical assistance in preparing grants to the Section 8 Contractors so that they may be better able to operate their FSS programs.
- Continue to promote and support cooperation agreements at the local level between the Department of Human Services, Department of Labor and Employment and other supportive service providers.
- Implement DOH Section 8 program admissions preference for those currently working or who are enrolled or previously enrolled in educational, training or upward mobility programs who have an interest in working toward self-sufficiency.
- Continue to set-up and administer escrow accounts for families participating in the FSS programs.

DOH Strategic Goal: Ensure equal opportunity and affirmatively further fair housing.
(HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans)

Action Items:

- Continue and improve is the distribution of information to Coloradans who contact the DOH wanting tenant/landlord and fair housing information.
- Develop a Fair Housing technical assistance brief to further educate citizens on affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability.
- Update the DOH Tenant briefing packet to expand the information on fair housing.

Annual PHA Plan DOH Fiscal Year 2001

ANNUAL PLAN TYPE

Streamlined Plan for administering Section 8 Only

EXECUTIVE SUMMARY

The Colorado Division of Housing was created by the Colorado Housing Act of 1970.

DOH provides coordination of the state's low - moderate income housing efforts. On February 1, 1983, the DOH entered into its first Annual Contributions Contract with HUD and received an allocation of Section 8 Certificate units. Today, the DOH administers roughly 1,500 certificates and vouchers in thirty-two counties of the state.

The Colorado Division of Housing (DOH) is a public housing agency, not a public housing authority. The DOH Public Housing Agency satisfies the statutory definition of a public housing agency that has been set forth in 24 C.F.R. 982.51. The DOH's legal jurisdiction is the state of Colorado. A legal opinion regarding this status was rendered on September 16, 1980 by the State of Colorado Department of Law Office of the Attorney General.

DOH emphasizes housing production and not the ownership and management of public housing units. For this reason, the DOH administers only the Section 8 Program through local housing agency contractors. These contractors focus on family eligibility and ensuring that housing units lived in meet housing quality standards. The DOH administers all financial aspects of the program, develops agency and administrative plan and provides guidance to contractors on the required federal regulations.

As stated in the Five Year Plan, DOH developed their PHA State Agency Plan in conjunction with the 1999 State of Colorado Consolidated Plan. Through this effort, the housing needs of low-income Coloradans have been identified and action steps have been implemented to address these needs.

COLORADO PROFILE

Colorado, located in the Rocky Mountain West, is a state with many faces. While best known for it's 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 Midwest plains, snow capped mountain peaks, and desert mesas. Encompassing 104,247 square miles, Colorado is the eighth largest state in the country. It is also the highest of the 50 states, with an average altitude of 6,800 feet. While our geographic area is large, Colorado is still ranked 23rd in the nation for total population. The total estimated population for Colorado in 2000 is 4,217,046.

Denver is the largest city in Colorado with an estimated population of 527,498 in 2000. The entire metro Denver area has a population of 2,046,803. The City is home to a booming high tech industry, three major Colleges and Universities, four major league sports teams and a thriving downtown area. Other major cities in Colorado include Boulder, Fort Collins, Greeley, Colorado Springs, and Pueblo.

Colorado is booming. Since suffering through a recession in the late 1980's and early 1990's, Colorado has shown a strong economic resilience that is the result of a diversification of industry and high growth in population from other states. The front range of Colorado has become known as a Mecca for high tech firms especially in the telecommunications and computer industries. The western slope of Colorado and mountain communities have had a large influx of new residents from states such as California and Texas. Many of these new residents are self-employed or retired. Colorado's population has grown an average of 2.2% from 1995 to 2000, and is expected to grow at an average rate of 1.8% from 2000 to 2005. The slight slowdown in growth is expected to occur because the cost of living in Colorado continues to rise above that of other areas of the country.

As Colorado's population grows, so do the number of households in the state. In October 1999, the Colorado Division of Housing (DOH) commissioned a new study of incomes to provide a clearer picture of what Colorado households earn. This report, *Incomes for Colorado and its Regions*, by the Center for Business and Economic Forecasting, gives us the number of Colorado households by income range for a number of household types. The study estimates that the number of Colorado households is 1,638,807 in 2000.

Colorado's median income has been rising over the past five years, and should continue to do so. According to the *Estimates of Households by Income for Colorado and its Planning Regions* report, “estimated median income grew 4.4% annually between 1990 and 1996. It accelerated to a growth rate of 6.8% per year in 1997 and 1998. This can be explained by a strong economy and the effects of a very

tight labor market on wages. Income growth is estimated to slow somewhat in 1999 and 2000 as both state and national economies are expected to slow”.

While Colorado’s economy has demonstrated strong growth, housing market appreciation exceeds wage increases. Colorado communities are often ranked near the top for growth in prices and real estate activity. Prices statewide continue to grow at an average rate of 8.5% per year for rentals and 8.7% per year for sale units. Across Colorado, towns are seeing an increase in real estate activity and prices are rising.

Housing and Community Development Needs

In 1998 and 1999, the Division of Housing has prepared the *Housing Needs Impact Report* for the Colorado legislature. This report outlines the need for more rental units for households earning between 0 - 60% of Colorado’s median renter income. The median renter income in Colorado was used to get a closer look at renter households. A renter household in Colorado at 60% renter median income (AMI) earns \$16,774.

The most recent report, prepared in November of 1999, concludes that there is a need for 22,896 new affordable rental units for households earning below 60% of renter median income, or \$16,774. This income is slightly higher than 30% of HUD’s median income for Colorado in 1999.

There are existing owners who are in danger of losing their homes because of life safety defects. Many older Coloradans live in homes that are old and in disrepair. While our economy has been growing, most of these households live on fixed incomes, many on Social Security. There are over 100,000 low or moderate income elderly owners in Colorado. Though the equity in their homes may have increased, many cannot afford to take out a commercial loan to make necessary repairs. As prices increase, other low income households are purchasing homes that need repairs right away or within the first few years of occupancy. These households, too, can benefit from low interest rehabilitation loans.

In 1999, there were 58,768 renter households in Colorado that earn between 60% and 80% of HUD’s statewide median income. These are households DOH and other funders serve through homeownership assistance programs. While interest rates are still low, homeownership can still be out of reach for many Colorado renters.

The Division of Housing estimates that there were only 2,980 affordable homes available to households within this income range in October 1999.

There is still not enough deep subsidy rental assistance available to the lowest income renters in Colorado. Over 70,000 renters earning close to HUD's 30% AMI limit or less in Colorado are estimated to be rent burdened. Most of the new units being created throughout the state are not affordable to these households. For the 95,095 renters at 30% or less AMI, a subsidy is often needed to make any unit affordable.

Over the next five years, the Section 8 Rental Contracts on 7,292 units will expire in Colorado. Many of these apartment buildings were originally financed with above market rents that will now be reduced to reflect the current market. These owners will have the option to sell their properties or maintain their ownership and renegotiate annually their rental contract with HUD. The Colorado Division of Housing is working with a number of owners and potential buyers to offer financing that keeps these units affordable.

Special Needs Housing

The Colorado Demographic Section projects that by the year 2020, 14% of Colorado's population will be 65 or older. This means that the number of seniors will almost double from 381,391 in 1997 to 754,167 in 2020. According to the Colorado Department of Local Affairs Demography Section, the expected rate of growth for the 60+ age group from 2000 to 2020 will be higher than for any other age group. Housing is an important component in serving the range of needs that our seniors have.

There are an estimated 57,408 renter households and 65,514 owner households earning between 0 - 50% AMI in Colorado that have a householder age 65 or older. Over 20,000 of these households are renters at 30% or less AMI. The Division of Housing estimates that in 2000, there will be 76,660 elderly persons in Colorado that need assistance with Instrumental Activities of Daily Living (IADL), and 40,700 that need assistance with Activities of Daily Living (ADL). This number will grow as Colorado's population ages. As seniors age, they need special housing programs that provide services and housing units.

Colorado's robust economy, while presenting many opportunities for residents, has created new and difficult housing challenges to the State's special needs population. This population includes individuals 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, have higher than normal medical expenses, may require assistance in activities of daily living (e.g. cooking, cleaning, personal care, etc.), and most significantly, have limited incomes that provide them few options in housing. 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 their need for special accommodations in their housing.

In Colorado, approximately 5 - 10% of the population, or 200,000 to 400,000 persons over the age of 16 have a severe disability. More than 160,600 persons are estimated to have a severe/chronic mental illness, approximately 120,000 are developmentally disabled, 100,000 are persons with physical disabilities,¹ and over 7,879 persons are living with HIV/AIDS.² Many of these individuals have dual or multiple diagnosis.

There are no current studies or counts estimating the number of accessible affordable units needed in Colorado. According to information gathered by the Colorado Department of Human Services Supportive Housing and Homeless Programs, however, there are an estimated 34,100 persons age 18 - 64 in Colorado receiving SSI or SSDI. 17,000 are already housed in affordable housing units. According to this analysis, this leaves 17,100 persons with disabilities who need affordable housing.

Homeless Needs

Homelessness is a problem in Colorado. While we know that the growth in Colorado's economy has made affording rent harder for many very low and low income households, it is difficult to accurately count the number of households that are homeless or in danger of being homeless in our state.

In 1990, census data showed that at least one in six (17%) of the people who are homeless in the U.S. live in rural areas. The Colorado Coalition for the Homeless estimates that 30% of those who are homeless in Colorado reside in rural areas. The 1999 Continuum of Care process found approximately 2,412 persons who are homeless on any given day in 24 non-metro counties in Colorado.

¹ Department of Labor and Employment. U.S. Census Bureau.

² 1999 Update - Metro Denver HIV/AIDS Housing Plan

**AGENCY PLAN
TABLE OF CONTENTS**

	<u>Page #</u>
Executive Summary and Colorado Profile	1
Table of Contents	6
Statement of Housing Needs	7
Statement of Financial Resources	23
Policies on Eligibility, Selection and Admissions	25
Rent Determination Policies	30
Operations and Management Policies	31
Grievance Procedures	35
Homeownership	36
Community Service Programs	37
Civil Rights Certifications	40
Fiscal Audit	41
Statement of Consistency with the Consolidated Plan	42

Supporting Documents Available for Review

- Division of Housing Administrative Plan
- Affordable Housing Needs Impact Report
- 1999 State of Colorado Consolidated Plan and Consistency Letter
- Division of Housing Vacancy Study
- Colorado Income for Regions Report
- Department of Local Affairs Strategic Plan

- PHA Legal Authority Opinion
- PHA Certifications of Compliance with the PHA Plans and Related Regulations

STATEMENT OF HOUSING NEEDS

BACKGROUND

Historically, Colorado housing markets have been cyclical in nature -- characterized by an inflow of new residents and increased housing costs. These boom times are often followed by periods of slow or no growth in which housing values remain stable or decline. These cycles and the depth of a future slowdown are inherently unpredictable. However, current forecasts predict continued population growth. While this trend may be offset by downturns in the national or world economy, local economists are generally optimistic that Colorado's economic diversity will lessen any future slowdown.

While economic diversity serves as insurance against future downturns, housing diversity can serve as a catalyst to preserve or enhance local communities. Mixed income housing provides stability for many types of workers and contributes to economic and environmental viability. Likewise, the lack of affordable housing may limit economic viability if new employers believe employees will have difficulty finding appropriate housing. The provision of income-diversified housing is further complicated by steady, significant growth. If housing is difficult to afford, young people entering the work force, single-income households or the elderly may be forced to move away -- leading to family disintegration and loss of a sense of community.

The economic impacts mentioned above are difficult to quantify currently. The impact of the housing industry on the Colorado economy is much less vague. Residential construction will generate at least \$2 billion in annual wage income between now and the year 2000. Fifty thousand Coloradans, including developers, architects, contractors, building trades workers, lenders, Realtors, insurance agents and home furnishings retailers, are employed in the residential construction industry. The housing industry has a significant impact on the local economy.

HOUSING NEEDS

Colorado's housing prices continue to rise, as do our population and incomes. However, as prices statewide continue to grow at an average rate of 8.5 percent per year for rentals and 8.7 percent per year for units for sale, many Colorado households are losing ground because wages in many of the largest sectors of Colorado's

economy are not keeping pace. Demand for resale homes in the metro Denver area far exceeds supply. Apartment vacancy rates continue to be low and rents keep climbing. Across the state, successful economic development efforts are affecting the real estate markets in many rural towns.

POPULATION GROWTH AND HOUSING SUPPLY

Colorado's population continues to grow. The number of new households in Colorado is expected to increase 30,438 between 1999 and 2000 - or 76,700 new people. The rate of growth is expected to slow, as it becomes harder for Colorado to attract new jobs because of rising housing prices and a consumer price index that is rising above other areas of the country.

Most of the state's economic forecasts call for a slowing of job growth and a slowing of personal income and wage and salary gains. The employment growth rate in Colorado has slowed to two percent as of June 1999 from almost four percent between 1997 and 1998. This slowdown is also happening in the Denver metro area, where job growth went from 3.8 percent to 2.3 percent between the summer of 1998 and 1999. While Colorado communities are often ranked near the top for growth in prices and real estate activity, none are listed in the top 25 U.S. Housing Markets index of communities with high job growth.

Colorado still has the ninth highest per capita personal income of all states, and a 6.1 percent increase over the year before. This rate of growth was the second-fastest among all states. Total personal income growth, driven by large increases in the construction, finance, insurance and real estate, transportation and public utilities and service industries, was 8.2 percent in 1998 - the highest of all states in the U.S.

While Colorado's growth may ease a bit in the next few years, there will be little relief in the housing market. The demand for housing in Colorado is still strong. Years of high demand and high population growth have kept, and will keep, builders busy into the future. U.S. Housing Markets ranks the top 50 "hot" real estate markets in the nation. Colorado still has five areas - Greeley, Fort Collins/Loveland, Grand Junction, Boulder/Longmont and Denver - in the top 25. Colorado Springs is ranked 42nd. The same report shows that Denver had the 6th highest increase in median sales prices for homes for the second quarter of 1999.

Many housing markets still show a need for rental units. The vacancy rate in the metro Denver area for the first quarter of 1999 dropped to 4.5 percent from 4.6 percent during the first quarter. The statewide vacancy rate dropped just slightly to 5.2 percent in

February 1999 from 5.1 percent in February 1998. A 5 percent vacancy rate is considered to be an equilibrium rate. This rate indicates that while the metro rental market is still strong, the demand for new rental units in some of the smaller areas of the state may be slowing somewhat. Areas like Eagle County, however, still have vacancy rates close to zero percent.

Rents in Colorado have increased at an estimated annual rate of 8.5 percent since 1990 and are still increasing. The average statewide rent increased by four percent in the six month period between September 1998 and February 1999.

Colorado's strong economy has pushed housing prices up higher than the increases in wages in many areas of the state. A recent analysis by HUD shows that while average wages in the front range of Colorado grew by 47 percent from 1989 to 1999, the average rent for an apartment unit grew 75 percent, and the average price of an existing single family home grew 79 percent.

While most sectors of Colorado's economy grew, some grew at faster rates than others. Colorado's service sector grew faster than any other in terms of number of jobs. The construction sector also grew for the fifth consecutive year. While these and other industries such as retail trade grew at a fast pace, their wage rates are not as high as some of the smaller employment sectors of the economy - some of which are losing jobs.

Colorado's average wage in 1998 was \$32,257 - a 7.3 percent increase over 1997. The average wage in the service sector was \$31,483, with some service sector job categories showing annual average wages such as those working in hotels and lodging hovering around \$17,000. The average annual wage in the retail sector - which added almost 10,000 jobs in 1998 - grew only 5.1 percent to \$17,191. Almost 400,000 Coloradans work in the retail trade sector.

DECLINING AFFORDABILITY

As a new report by HUD, *Waiting in Vain: An Update on America's Rental Housing Crisis* points out, while our national and state economies are growing, the number of families with worst case housing needs nation wide remains at the same level as in 1995. Our current strong economy forces "the poorest renters to compete for a shrinking pool of affordable rental units." The Consumer Price Index for Residential Rent rose 6.2 percent nationally between 1996 and 1998, much higher than the 3.9 percent rate of inflation for the period.

Colorado businesses are having trouble attracting workers to lower wage jobs. Statewide, signs are posted at retail centers asking for new employees. As the average price for a rental unit in the state rises above \$667, lower paid employees must move on or take more than one job to pay the rent. A person working retail in Colorado earning \$17,000 per year can only afford to pay \$425 per month for rent and utilities.

A recent study completed for the Southeast Business Partnership found that companies in the Denver Tech Center area are having the most difficulty finding clerical and service workers, those that earn wages too low to pay the average rent of \$711 for a two bedroom apartment. The rise in housing prices has hit the rural areas of Colorado as well. A recent article in the Pagosa Springs Sun cites a study released by the Cooperative Extension Service at CSU. “Basically, Archuleta County ranks in the top five in the state for living expenses, and in the bottom five for per capita income,” said Bill Nobles, the county extension agent.

RENTAL HOUSING

As Colorado’s rents continue to rise, it becomes harder for those households earning low wages to stay housed. Many working Coloradans cannot afford to rent in the communities in which they work.

MISMATCH MATRIX

To determine whether Colorado renter households can afford housing in our state and in their own communities, the DOH has 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. (See Appendix B). The model assumes each household is occupying (or would occupy) a unit in their affordability range. In reality, higher income households will occupy units affordable to households in lower income ranges to save on housing costs, while lower income households may be forced to occupy a unit too costly for them.

**Colorado Renter Housing Mismatch 1999
Number of Rental Units Per 100 Renter Households**

Household Incomes	0 - 30%	31% - 60%	61% - 80%
Colorado	46.4	54.6	117.1

The above analysis demonstrates that few rental units are available that are affordable to households making 30 percent or less of median renter income in Colorado. As incomes rise, not surprisingly, the number of affordable units increases. At 60 percent of median income, there are 54.6 rental units per 100 renter households that are affordable to rent in Colorado. There are more units affordable to renters at 60 - 80 percent of median income than there are units. Many of the households that earn 0 - 60 percent of median renter income are most likely living in these units.

This is the second year that the Division of Housing has calculated the mismatch ratio. The number of rental units per 100 households in the 0 - 30 percent category - 46.4 - is slightly lower than last year's mismatch ratio. This is true for the 31 - 60 percent categories - 54.6 - as well. The number of rentals per 100 households in the 61 - 80 percent category has decreased to 117.1 in 1999. These changes are largely due to a correction made to the *Estimates of Households by Income for Colorado and its Regions Report*. The Center for Business and Economic Forecasting, Inc. made a change to the number of owner households and renter households, which decreased the number of renter households in Colorado.

The above table illustrates that those at the lowest income levels have the smallest supply of rental housing available to them. It is also important to remember that this chart does not show how many of these units are actually occupied by these low income families. Many may be occupied by persons with higher incomes who have found a cheaper unit. Statewide, approximately 35,414 individuals earning 30 percent or less of the median income are in need of affordable housing units. These are food service workers, hotel bellhops, landscaping laborers, maids, field workers, or part-time workers earning less than \$11,000 in annual income. These individuals can only pay \$267 per month for housing expenses to avoid becoming rent burdened.

ESTIMATE OF ANNUAL NEED

Last year, DOH designed a new way of calculating the number of low income renter households in need of affordable housing and the number of new affordable units needed annually. Both this analysis and the mismatch matrix are used to identify the greatest housing needs in the state. These methods allow DOH to target specific income ranges when developing housing strategies. The next table illustrates this method for calculating the number of units needed in Colorado by income range.

First, data from the mismatch matrix is used to determine the renter households that are rent burdened. This is accomplished by subtracting the number of rental units affordable to households in that range from the actual number of households in each

income range. This number is multiplied by the monthly turnover rate as reported in the *Apartment Association of Metro Denver Apartment Vacancy and Rent Survey*. In September 1999, the Division of Housing began surveying the turnover rates for non-metro areas as well. The turnover rate represents the number of renter households who are moving between rental units in any given month and is an excellent way to determine demand for new units during an interval of time - those likely to move.

Both the Division of Housing *Multi-Family Apartment Vacancy and Rent Survey* and the *Metro Denver Apartment Vacancy and Rent Survey* count the exact number of vacant rental units by rent range at the time of the survey. This allows DOH to calculate a vacancy rate for rents at each of the affordable income ranges, and apply this vacancy rate to the total number of rental units in that range. A vacancy rate for a sampling of subsidized units for very low income renters was added this year to get a more accurate count of vacant subsidized units serving very low income households. The difference between the number of low-income households in the market for a rental and the number of vacant units, multiplied by 12 months, is the demand for new affordable units annually in Colorado.

Annual Demand for Affordable Rentals - Households Earning 0 - 30% Median Income		
Rent Burdened Households		35414
Likely to Move	x .055	1948
Minus Vacant Affordable Units	-	636
Likely to Remain Rent Burdened	=	1311
ANNUAL DEMAND	x 12	15937

Annual Demand for Affordable Rentals - Households Earning 31 - 60% Median Income		
Rent Burdened Households		35119
Likely to Move	x .055	1932
Minus Vacant Affordable Units	-	1352

Likely to Remain Rent Burdened	=	580
ANNUAL DEMAND	x 12	6959

This calculation shows that 35,414 households earning less than 30 percent of median income in the state need 15,737 affordable rental units in 1999. This is an increase over 1998, when the Division of Housing estimated that there was a need for 8,234 units for households at this income level. This increase has occurred for two reasons. First, lower vacancy rates result in 1,120 fewer affordable units available monthly. On an annual basis there are 13,440 fewer affordable units for rent.

A second factor influencing the number in need is the change in the income estimates used for the overlay comparison between the price of rental units and incomes. The income for both renters at 0-30% and 31-60% decreased from the previous year, leaving fewer units affordable to these households. The overall number of households attributed to the renter group decreased while the incomes for those remaining averaged less than previously reported.

For the 35,414 rent burdened households earning 30 to 60 percent of median income, there is a need for 6,959 new units. This number has decreased from 7,152 last year largely due to the same factor as mentioned above. The total annual need for affordable rental units is 22,696, a jump from last year's 15,386. The large increase is in the 0-30 percent category.

The information provided above demonstrates the need for the Section 8 Tenant-Based Rental Assistance Program to serve needy families between 0-30% of the median income range in the state, it also demonstrates the need for additional funding for new construction and rehabilitation of exiting units for families at the lower income range.

HOUSING NEEDS - SECTION 8 TENANT - BASED ASSISTANCE WAITING LISTS

As stated in the executive summary of this plan, the DOH is a state public housing agency with the jurisdiction for the state of Colorado. DOH currently contracts its Section 8 Tenant-Based Rental Assistance Program in thirty-two (32) counties within the state. In addition, the DOH administers portable vouchers in numerous counties where housing authorities do not exist. In October of every year, the DOH conducts a statewide housing survey to assess the number of families on Colorado's PHA waiting lists. Please note the following:

- The asterisk placed at the end of the housing agency name indicates that the DOH contracts with this organization to administer either all or a portion of their Section 8 tenant based program.
- The number of families on Colorado PHA waiting lists in October of 1999 is a snapshot in time. This number does not truly reflect the need of subsidized housing in Colorado. Note, that most of the PHAs are not accepting applications. Many PHAs do not accept applications on an on-going basis due to not wanting to give families false expectations of being served and to keep the waiting lists manageable.
- Also note, some PHAs are experiencing a high volume of calls weekly for housing.
- A question mark is placed in the areas where a PHA did not have the software capability or information tracking to answer some questions on the survey
- In addition to the income, race/ethnicity, number of elderly and disabled, the DOH posed additional questions in order to address other concerns such as turnover and average cost of a 2 bedroom/1 bath unit in their community. The following are the results of the October of 1999 Statewide PHA Survey:

	#		>30%	>50%	Families		Fami	
	on							
COLORADO		waiting	<30%	<50%	<80%	with	Elderly	with
HOUSING AUTHORITIES	list	AMI	AMI	AMI	Children		F a m i l i e s	Disabilities
1	ADAMS COUNTY	806	659	139	8	601	41	164
2	AKRON	7	3	3	1	0	7	0
3	ALAMOSA*	40	40	0	0	36	2	2
4	ARAPAHOE COUNTY*		145	0	0	0	106	39
5	ARAPAHOE HOUSE*	53	53	0	0	16		53
6	ARRIBA	0	0	0	0	0	0	0
7	ARVADA	211	209	2	0	121	93	64
8	ASPEN/PITKIN*	25	17	8	0	10	3	9
9	ATLANTIS*	190	123	63	4	42	2	190
10	AURORA	1426	1266	147	10	1146	23	139
11	BOULDER CITY	957	957	0	0	632	96	239
12	BOULDER COUNTY	735	622	111	2	480	116	251
13	BRIGHTON	63	0	63	0	50	3	17
14	BRUSH*	107	65	42	0	97	7	3
15	BURLINGTON	16	3	4	9	9	7	0
16	CALHAN	6	0	6	0	0	6	0
17	CENTER	12	3	6	3	9	1	2
18	CHEYENNE WELLS	19	4	10	5	11	4	2
19	CO HEALTH NETWORK*	150	150	0	0	11	0	50
20	CO DEPT. OF HUMAN SERVICES	718	574	144	0	22	14	718
21	COLORADO SPRINGS		2107	1575	532	0	1475	148
22	COMMERCE CITY*	192	157	34	1	153	39	62
23	CONEJOS*	23	23	0	0	13	4	8
24	COSTILLA	6	0	6	0	4	2	0
25	CRESTED BUTTE	0	0	0	0	0	0	0
26	DELTA	75	5	70	0	59	15	1
27	DENVER	5075	4804	253	14	3122	475	1466
28	DOUGLAS*	25	21	4	0	16	4	5
29	EAGLE*	27	16	11	0	20	1	2
30	ENGLEWOOD	819	677	121	21	482	101	219
31	EL PASO	0	0	0	0	0	0	0
32	ESTES PARK		0	0	0	0	0	0
33	FORT COLLINS	1284	852	216	36	792	252	156
34	FORT LUPTON	72	61	11	1	42	30	10
35	FORT MORGAN	13	12	1	0	0	11	2
36	FOUNTAIN	114	95	17	2	53	31	16
37	GRAND*	1	0	1	0	1	0	0
38	GRAND JUNCTION*	939	0	0	0	826	78	35
39	GARFIELD	43	19	24	0	29	3	5
40	GREELEY	909	700	109	0	618	10	70
41	HOLLY	14	0	0	6	6	6	0
42	HOLYOKE	1	0	1	0	0	1	0
43	HUDSON	10	0	0	0	0	0	0
44	JEFFERSON		697	190	348	159	330	175
								173

45	JULESBURG	4	3	1	0	3	1	0
46	LAKEWOOD	1895	1440	454	0	1561	129	398
47	LAMAR*	64	42	14	8	47	4	6
48	LA PLATA (SCR)*	126	87	39	0	97	6	23
49	LAS ANIMAS		27	19	6	2	16	0
50	LIMON*	18	12	5	1	9	8	3
51	LITTLETON	527	0	0	0	361	166	259
52	LOVELAND*	2093	1126	602	335	1583	245	265
53	LONGMONT	169	0	0	0	111	8	20
54	MEEKER	6	2	4	0	4	2	0
55	MOFFAT	38	0	15	11	0	38	0
56	MONTE VISTA	43	0	43	0	33	0	4
57	MONTEZUMA		292	292	0	0	139	33
58	MONTROSE*		112	94	18	0	92	4
59	OTERO*	12	3	7	2	9	1	2
60	PUEBLO*	2641	0	0	0	996	425	609
61	RANGELY	2	1	1	0	0	1	1
62	ROCKY FORD	9	9	0	0	9	0	0
63	SAN MIGUEL*	17	6	8	3	15	0	1
64	SHERIDAN	186	0	0	0	105	40	41
65	SPRINGFIELD	10	6	2	2	0	9	1
66	STERLING*	169	117	41	11	125	14	20
67	SUMMIT*	47	20	25	2	37	1	7
68	TRINIDAD	39	8	22	9	26	9	4
69	UPPER ARKANSAS AREA COUNCIL OF GOV.* (Chaffee, Fremont, Custer, Lake, Teller)	255	180	67	8	165	12	60
70	WALSENBURG	45	28	11	6	27	5	13
71	RAY	4	4	0	0	4	5	0
72	YUMA*	20	11	6	3	15	2	2
	TOTAL	27,002	16,806	3,759	677	16,428	2,986	6,225

COLORADO		#	waiting	Non		Native	Asian
HOUSING AUTHORITY		list	Hispanic	Hispanic	Total	Black	Other Ameri c a n Pacifi c White
1	ADAMS COUNTY	806	?	?	?	?	?
2	AKRON	7	0	7	7	0	0
3	ALAMOSA*	40	33	7	40	0	0
4	ARAPAHOE COUNTY*		145	47	86	133	41
5	ARAPAHOE HOUSE*	53	12	41	53	17	8
6	ARRIBA	0	0	0	0	0	0
7	ARVADA	211	63	0	63	10	0
8	ASPEN/PITKIN*	25	2	18	20	2	0
9	ATLANTIS*	190	0	0	0	0	1
10	AURORA	1426	96	152	248	812	51
11	BOULDER CITY	957	287	565	852	57	29
12	BOULDER COUNTY	735	196	539	735	31	22
13	BRIGHTON	63	48	15	63	0	0
14	BRUSH*	107	85	22	107	0	0
15	BURLINGTON	16	5	11	16	0	0
16	CALHAN	6	0	6	6	0	0
17	CENTER	12	11	1	12	0	0
18	CHEYENNE WELLS	19	8	11	19	0	0
19	CO HEALTH NETWORK*	150	45	95	140	10	0
20	CO DEPT. OF HUMAN SERVICES	718	86	632	718	43	7
21	COLORADO SPRINGS		2107	420	1010	1430	571
22	COMMERCE CITY*	192	80	112	192	29	12
23	CONEJOS*	23	0	0	0	0	0
24	COSTILLA	6	5	1	6	0	0
25	CRESTED BUTTE	0	0	0	0	0	0
26	DELTA	75	23	48	71	2	1
27	DENVER	5075	1036	1006	2042	804	18
28	DOUGLAS*	25	3	16	19	1	2
29	EAGLE*	27	10	13	23	0	3
30	ENGLEWOOD	819	0	515	515	185	48
31	EL PASO	0	0	0	0	0	0
32	ESTES PARK		0	0	0	0	0
33	FORT COLLINS	1284	312	888	1200	12	36
34	FORT LUPTON	72	44	28	72	0	0
35	FORT MORGAN	13	2	11	13	0	0
36	FOUNTAIN	114	17	97	114	16	4
37	GRAND*	1	0	1	1	0	0
38	GRAND JUNCTION*	939	150	742	892	28	16
39	GARFIELD	43	5	1	6	0	1
40	GREELEY	909	545	360	905	2	1

41	HOLLY	14	2	12	14	0	0	0	0
42	HOLYOKE	1	0	1	1	0	0	0	0
43	HUDSON	10	1	9	10	0	0	0	0
44	JEFFERSON		697	335	362	697	92	28	200
45	JULESBURG		4	1	3	4	0	0	00
46	LAKEWOOD	1895	688	663	1351	322	151	57	14
47	LAMAR*	64	35	25	60	0	2	1	1
48	LA PLATA (SCR)*	126	23	90	113	10	0	0	3
49	LAS ANIMAS		27	10	17	27	0	0	00
50	LIMON*	18	0	17	17	0	1	0	0
51	LITTLETON	527	116	327	443	63	11	12	0
52	LOVELAND*	2093	405	1688	2093	21	27	16	2029
53	LONGMONT	169	69	1400	1469	3	0	0	0
54	MEEKER	6	0	0	0	0	0	0	0
55	MOFFAT	38	0	0	0	0	0	0	0
56	MONTE VISTA	43	33	10	43	0	0	0	0
57	MONTEZUMA	292	28	228	256	2	34	0	0
58	MONTROSE*		112	30	64	94	0	0	216
59	OTERO*	12	5	7	12	0	0	0	0
60	PUEBLO*	2641	1350	532	1882	57	3	1	698
61	RANGELY	2	0	0	0	0	1	0	1
62	ROCKY FORD	9	8	1	9	0	0	0	0
63	SAN MIGUEL*	17	0	17	17	0	0	0	0
64	SHERIDAN	186	52	134	186	45	13	5	123
65	SPRINGFIELD	10	0	10	10	0	0	0	0
66	STERLING*	169	24	142	166	2	1	0	0
67	SUMMIT*	47	2	42	44	2	1	0	0
68	TRINIDAD	39	30	9	39	0	0	0	0
69	UPPER ARKANSAS AREA COUNCIL OF GOV.* (Chaffee, Fremont, Custer, Lake, Teller)	255	28	211	239	5	10	0	1
70	WALSENBURG	45	23	20	43	1	1	0	0
71	WRAY	4	0	4	4	0	0	0	0
72	YUMA*	20	2	18	20	0	0	0	0
	TOTAL	27,196	6,976	13,120	20,096	3,298	555	352	6,691

COLORADO HOUSING AUTHORITY		# on waiting list	Turn-list	PHA Accepting Over	Average 2 BDR Applications	Calls 1Bath	Weekly	F S S	Program
1	ADAMS COUNTY	7	10%	NO	\$450	5	NO		
2	AKRON	40	10%	NO	\$495	20	YES		
3	ALAMOSA*		145	16%	YES	750	12	YES	
4	ARAPAHOE COUNTY*	53	30%	YES	\$700	3	NO		
5	ARAPAHOE HOUSE*	0	10%	NO	\$300	1	NO		
6	ARRIBA	211	15%	YES	\$626	50	YES		
7	ARVADA	25	31%	YES	\$1,000	1	NO		
8	ASPEN/PITKIN*	190	?	YES	\$650	20	NO		
9	ATLANTIS*	1426	0%	YES	?	?	YES		
10	AURORA	957	18%	YES	\$827	20	YES		
11	BOULDER CITY	735	16%	YES	?	?	YES		
12	BOULDER COUNTY	63	10%	NO	\$600	30	NO		
13	BRIGHTON	107	5%	YES	\$460	150	YES		
14	BRUSH*	16	N/A	YES	?	?	YES		
15	BURLINGTON	6	15%	YES	\$450	2	NO		
16	CALHAN	12	3%	YES	\$470	5	NO		
17	CENTER	19	N/A	YES	\$350	2	NO		
18	CHEYENNE WELLS	150	5%	NO	\$800	50	NO		
19	CO HEALTH NETWORK*								
20	CO DEPT. OF HUMAN SERVICES	718	6%	YES	?	50	YES		
21	COLORADO SPRINGS		2107	20%	YES	\$600	80	YES	
22	COMMERCE CITY*	192	13%	NO	\$700	40	YES		
23	CONEJOS*	23	?	YES	\$495	1	NO		
24	COSTILLA	6	?	YES	\$300				
25	CRESTED BUTTE	0	?	NO	\$700	0	NO		
26	DELTA	75	27%	YES	\$425	3	NO		
27	DENVER	5075	?	NO	?	?	YES		
28	DOUGLAS*	25	5%	NO	\$925	10	YES		
29	EAGLE*	27	30%	YES	\$850	1	YES		
30	ENGLEWOOD	819	28%	NO	\$513	30	YES		
31	EL PASO	0	N/A	N/A	?	N/A	NO		NO
32	ESTES PARK		0	N/A	N/A	?	N/A		
33	FORT COLLINS	1284	8%	NO	?	200	YES		
34	FORT LUPTON	72	N/A	YES	\$550	8	NO		
35	FORT MORGAN	13	12%	YES	?	6	NO		
36	FOUNTAIN	114	15%	NO	?	10	NO		
37	GRAND*	1	36%	YES	\$715	5	NO		
38	GRAND JUNCTION*	939	9%	NO	\$400	100	YES		
39	GARFIELD	43	21%	YES	\$600	20	YES		
40	GREELEY	909	20%	YES	\$550	30	?		
41	HOLLY	14	?	YES	?	?	?		
42	HOLYOKE	1	8%	YES	\$300	1	NO		
43	HUDSON	10	2%	YES	?	5	NO		

44	JEFFERSON		697	15%	NO	\$650	50	YES
45	JULESBURG		4	N/A	YES	\$300	1	NO
46	LAKEWOOD	1895		15%	NO	\$650	547	YES
47	LAMAR*	64		33%	YES	\$450	6	NO
48	LA PLATA (SCR)*	126		10%	YES	\$700	15	NO
49	LAS ANIMAS		27	20%	YES	\$350	8	YES
50	LIMON*	18		26%	YES	\$500	5	YES
51	LITTLETON	527		10%	YES	\$650	100	NO
52	LOVELAND*	2093		12%	YES	\$615	150	YES
53	LONGMONT	169		13%	NO	\$505	40	YES
54	MEEKER	6		22%	YES	\$300	5	NO
55	MOFFAT	38		5%	YES	\$400	1	NO
56	MONTE VISTA	43		N/A	YES	\$425	25	NO
57	MONTEZUMA	292		10%	NO	\$500	13	YES
58	MONTROSE*		112	18%	YES	\$475	12	YES
59	OTERO*	12		20%	YES	\$400	30	NO
60	PUEBLO*	2641		18%	YES	\$494	100	YES
61	RANGELY	2		1%	YES	\$350	1	NO
62	ROCKY FORD	9		25%	YES	\$245	10	NO
63	SAN MIGUEL*	17		45%	YES	\$1,227	1	NO
64	SHERIDAN	186		17%	NO	\$730	12	YES
65	SPRINGFIELD	10		16%	YES	\$400	1	NO
66	STERLING*	169		25%	YES	\$450	20	YES
67	SUMMIT*	47		18%	YES	?	5	YES
68	TRINIDAD	39		11%	YES	\$450	3	NO
69	UPPER ARKANSAS AREA COUNCIL OF GOV.* (Chaffee, Fremont, Custer, Lake, Teller)	255		11%	YES	\$550	25	YES
70	WALSENBURG	45		N/A	YES	\$340	20	NO
71	WRAY	4		N/A	YES	\$425	1	NO
72	YUMA*	20		20%	YES	\$425	3	YES
	TOTAL		27,002					

STRATEGIES

Need: Shortage of affordable housing for all eligible populations.

Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:

- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction.
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required.
- Maintain or increase section 8 lease-up rates by providing technical assistance to DOH contractors in successful techniques in marketing the program to owners, particularly those outside of areas of minority and poverty concentration.
- Maintain or increase section 8 lease-up rates by providing technical assistance to DOH contractors in effectively screening Section 8 applicants to increase owner acceptance of program.
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies.

Strategy 2: Increase the number of affordable housing units by:

- Apply for additional section 8 units should they become available.
- Leverage affordable housing resources in the community through the creation of mixed - finance housing.
- Pursue housing resources other than public housing or Section 8 tenant-based assistance to increase affordable housing rentals.
- DOH will continue to assist other funding entities to increase annual statewide production of affordable rental units.

Need: Specific Family Types: Families at or below 30% of median

Strategy 1: Target available assistance to families at or below 30 % of AMI

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance.
- Employ admissions preferences aimed at families with economic hardships.
- Adopt rent policies to support and encourage work.

Need: Specific Family Types: Families at or below 50% of median

Strategy 1: Target available assistance to families at or below 50% of AMI

- Employ admissions preferences aimed at families who are working.
- Adopt rent policies to support and encourage work.

Need: Specific Family Types: The Elderly

Strategy 1: Target available assistance to the elderly:

- Apply for special-purpose vouchers targeted to the elderly, should they become available.
- Elderly families will have the same admission preference as those who are working toward self-sufficiency.

Need: Specific Family Types: Families with Disabilities

Strategy 1: Target available assistance to Families with Disabilities:

- Apply for special-purpose vouchers targeted to families with disabilities, should they become available.
- Encourage and provide guidance to contractors to affirmatively market to local non-profit agencies that assist families with disabilities.
- Continue to develop partnerships and work with independent living centers throughout the state to provide rental assistance to those with disabilities.

- Disabled families will have the same admission preference as those who are working toward self-sufficiency.

Need: Specific Family Types: Families who are Homeless or displaced due to domestic violence or a natural disaster.

Strategy 1: Target available assistance to Homeless Families or those displaced due to domestic violence or a natural disaster:

- Apply for special-purpose vouchers targeted to families who are homeless or those displaced, should they become available.
- Encourage and provide guidance to contractors to affirmatively market to local non-profit agencies that assist families who are homeless or displaced.

Need: Specific Family Types: Races or ethnicity with disproportionate housing needs

Strategy 1: Increase awareness of PHA resources among families of races and ethnicity with disproportionate needs:

- Encourage and provide guidance to contractors to affirmatively market to races/ethnicity groups shown to have disproportionate housing needs.

Reasons for Selecting Strategies

- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the DOH
- Influence of the housing market on DOH programs.
- Social priorities regarding housing assistance.
- Results of consultation with DOH Section 8 contractors in various areas of the state.

2. STATEMENT OF FINANCIAL RESOURCES

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
Federal Grants (FY 2000 grants)		
Annual Contributions for Section 8 Tenant-Based Assistance	\$7,100,100	
Family Self-Sufficiency Grants	\$ 45,000	
Community Development Block Grant	\$3,453,493	DOH allocation awarded on a competitive application process to local governments for acquisition, rehabilitation, new construction, homebuyer assistance, public services, facilities and administration costs.
HOME	\$6,962,000	Awarded competitively to local governments, non-profit, private developers for the activities of acquisition, rehabilitation, new construction, and tenant based rental assistance. All activities require a 25% non-federal match. Ninety percent of rental units produced must benefit families with incomes 60% or below area median income. One hundred percent of funds invested in homebuyer programs must benefit families whose incomes are equal to or less than 80% of area median income. There is a fifteen percent (15%) set-aside for Community Development Housing Organization activities which include activities that are eligible generally under the HOME Program -- acquisition, construction and rehabilitation where the CHDO is the owner, developer or sponsor --as well as project specific technical assistance, site control loans, and project-specific seed money loans.

Sources	Planned \$	Planned Uses
ESG	\$ 943,000	This program provides grants on a formula basis to states and local governments for certain operating costs, essential services, and homeless prevention activities, including financial assistance to families who have received eviction notices or notices of termination of utility service. States can distribute ESG assistance directly to private nonprofit organizations, if local governments certify their approval of the project. Homeless day shelters and drop-in centers are also eligible for funding.
State Housing Development Grants	\$2,600,000	Funds for acquisition, rehabilitation, and new construction are awarded through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. \$1 per \$1 match is required. Applications are reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low income persons. Fifty-five percent of these funds are targeted to benefitting families whose income is 30% or below the area median income.
State Revolving Loan	\$1,837,504	This program provides construction loans to non-profits, city and county governments for up to seven years. Interest rates normally range from 0% - 6% interest. These funds are also leveraged with other funding organizations.
Private Activity Bonds	\$198,548,550	This program involves using the proceeds of tax-exempt bond issues to fund construction and permanent loans for for-profit entities to construct or acquire/rehabilitate rental housing for low and mixed income households. It is generally required that loans be insured or guaranteed by a third party such as FHA or FNMA. Applications are taken by local municipal or county housing or finance offices or by the Colorado Housing and Finance Authority. Before a project may proceed, official action must be taken by the local elected governing body to allocate bond issuing authority for the loan. Actions are taken by the CHFA Board monthly and by local issuers more frequently. Issuers may have to secure bond authority from the Colorado Department of Local Affairs, which accepts applications twice a year.
Total Resources	\$214,396,647	

3. POLICIES GOVERNING ELIGIBILITY, SELECTION, AND ADMISSIONS

ELIGIBILITY

- The DOH conducts criminal or drug-related activity screening to the extent required by law or regulation.
- The DOH requests criminal records from State law enforcement agencies for screening purposes.
- The DOH shares the following kinds of information with prospective landlords before lease signing:

Family's current address

- If known, name and address of current landlord
- If known, name and address of prior landlord

WAITING LIST ORGANIZATION

- The DOH is a state agency which contracts with local Public Housing Authorities, Councils of Governments, and non-profit organizations. The waiting lists are maintained at the local level at the contracted agency's office. DOH allows each contracted agency some flexibility in structuring their waiting lists as long as there is compliance with federal and DOH Administrative Plan requirements.
- Interested persons may apply for admission to the DOH section 8 tenant-based assistance at the following offices:

NAME	ADDRESS	SERVICE AREA
Alamosa City Housing Authority	213 Murphy Drive Alamosa, 81101	Alamosa County

NAME	ADDRESS	SERVICE AREA
Arapahoe House	77 W. 5 th Ave. Denver, 80204	Metro Area 5 Counties
Brush City Housing Authority	412 Edison Brush, 80723	Morgan County
Commerce City Housing Authority	5291 E. 60 th Ave. Commerce City 80022	Commerce City
Conejos County Housing Authority	510 Richfield Rd. La Jara, 81140	Conejos County
Colorado Health Network	701 E. Colfax #212 Denver 80218	Metro Area 5 Counties
Douglas County Dept Human Serv	401 S. Wilcox Castle Rock 80104	Douglas County
Garfield County Housing Authority	2128 Railroad Ave Rifle, CO 81650	Eagle County Pitkin County
Grand County Housing Authority	200 Eisenhower Fraser, 80442	Grand County
Grand Junction Housing Authority	805 Main St. Grand Junction 81501	Mesa County
Gunnison County Housing Authority	225 N. Pine, #D Gunnison, 81230	Gunnison County
Lamar City Housing Authority	206 E. Cedar Lamar, 81052	Prowers County

NAME	ADDRESS	SERVICE AREA
Limon City Housing Authority	1880 Circle Ln. Limon, 80828	Lincoln County
Loveland City Housing Authority	375 W 37 St #200 Loveland, 80538	Larimer County
Montrose County Housing Authority	222 Hap Ct. Olathe, 81425	Montrose County
Otero County Housing Authority	315 E. 5 th St. La Junta, 81050	Otero County Crowley County
Pueblo City Housing Authority	1414 N. Santa Fe 10 th Fl., Pueblo, 81003	Pueblo County
Sheridan City Housing Authority	4101 S Federal Sheridan, 80110	Arapahoe County
Southwest Community Resources	295 Girard Durango, 81301	La Plata County San Juan County
Sterling City Housing Authority	1200 N. 5 th St. Sterling, 80751	Logan County
Summit County Housing Authority	106 N. Ridge St. Breckenridge 80424	Summit County
Telluride City Housing Authority	860 Blackbear Rd E10 Telluride, 81435	San Miguel County

NAME	ADDRESS	SERVICE AREA
Upper Arkansas Area COG	330 Royal Gorge Canon City 81212	Chaffee County Custer County Fremont County Lake County Teller County
Yuma City Housing Authority	700 W. 3 rd Ave. Yuma, CO 80759	Yuma County

SEARCH TIME

The DOH gives extensions to standard 60-day period to search for a unit in the following circumstances:

- Hospitalization
- Family emergency
- RFLA turned in but unit never passed HQS, and remaining search period to short of a time frame
- Barriers in locating accessible unit
- Family needs a unit size which the PHA determines is difficult to locate

ADMISSIONS PREFERENCE

- Income targeting:
The DOH plans to exceed the federal targeting requirements by targeting 85 percent of all new admissions to the section 8 program to families at or below 30 percent of the area median income, and the remaining 15 percent of new admissions to families at or below 50 percent of the area median income.
- Preferences:
The DOH plans to employ the following admission preferences in the coming year:

- C Victims of violence, natural disaster or government action
- Homelessness
- Those enrolled currently in educational, training, or upward mobility programs.
- Those previously enrolled in educational, training, or upward mobility programs.
- Those who are currently working.

The DOH admission preferences are prioritized by a “1” that represents our first priority, a “2” representing our second priority, and so on. The DOH gives equal weight to one or more of these choices. This is why a “1”, or a “3” may be used more than once. **Note: Elderly and disabled families will be given equal preference as those who are working toward FSS.**

- 1 Victims violence, natural disaster or government action
- 1 Homelessness
- 2 Those enrolled currently in educational, training, or upward mobility programs
- 2 Those previously enrolled in educational, training, or upward mobility programs
- 2 Families currently working
- 2 Elderly and Disabled Families
- 3 Date and Time

Applicants on the waiting list with equal preference status are selected by date and time of application.

The relationship of preferences to income targeting requirements is not applicable because the pool of applicant families ensures that the PHA will meet income targeting requirements.

SPECIAL PURPOSE SECTION 8 ASSISTANCE PROGRAMS

- The policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA are contained in the section 8 Administrative Plan.
- The DOH announces the availability of any special-purpose section 8 programs to the public through published notices and announcements to local government agencies.

4. RENT DETERMINATION POLICIES

PAYMENT STANDARDS

- The DOH payment standard is set at 100 percent of the FMR. A contractor may request a payment standard increase up to 110 percent of the FMR. Each request will be reviewed by the DOH on a case by case basis.
- The DOH will provide technical assistance to contractors on gathering the needed documentation HUD will accept to provide a payment standard increase up to 120 percent of the FMR.
- Agencies may request payment standards higher than the FMR for their area for the following reasons:
 - FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
 - Increase reflects market or sub-market
 - To increase housing options for families
- Payment standards are reevaluated for adequacy annually.
- The factors the DOH considers in its assessment of the adequacy of its payment standard are:
 - Success rates of assisted families
 - Rent burdens of assisted families
 - Cost of vacancies
 - Number of vacancies

MINIMUM RENT

- The DOH minimum rent is set at \$25.00.

- The DOH follows the minimum rent exceptions as established by the QHWRA, and has not adopted any discretionary minimum rent hardship exemption policies.

5. OPERATIONS AND MANAGEMENT

ORGANIZATIONAL SETUP

Under the direction of the Colorado State Housing Board and the Director of the Colorado Division of Housing (DOH), the Section 8 programs's day-to-day operations are administered by staff of the DOH. The staffing information contained in this section includes only those positions directly responsible for the Program at the State level.

COLORADO STATE HOUSING BOARD

The Colorado State Housing Board (SHB) was created in 1970 to advise the General Assembly, the Governor, and the Colorado Division of Housing on Colorado's Housing needs. The governor appointed seven member SHB reviews financing requests and adopts regulations and policies for the administration of the DOHs housing programs. Colorado SHB approves DOH's Section 8 Administrative Plan and SEMAP reporting requirements.

EXECUTIVE DIRECTOR

The Director of the Colorado Division of Housing serves as the Executive Director of the State of Colorado public housing agency.

PROGRAM MANAGER

This position is responsible for contracting with local agencies for delivery of the program services and fiscal year activities. The program manager will also be responsible for the overall coordination of the program and development of necessary agreements between participating local agencies. In addition, the manager will establish and maintain effective contact with groups or individuals representing program related interests and be responsible for the general program management, develop program materials and disseminates information to local agencies, supervise day-to-day activities of the DOH staff, and develop training sessions for the Contractors in program regulatory requirements as well as agency responsibilities.

HOUSING ASSET MANAGERS

There are four Asset Managers on staff and each is assigned a different geographical area of the state. These positions are responsible for programmatic monitoring of the Contractors in Section 8 compliance and Housing Quality Standards. The Asset Managers train new and existing housing agencies in federal rules and regulations concerning Section 8 rental assistance and FSS programs. In addition, Asset Managers review vacancy reports on utilization of the program, unpaid rent and damage claims. Technical assistance to trouble shoot problems is also provided to the Contractors

concerning family moves, income/rent adjustments, recertification, tenant/landlord relations, terminations, etc..

ADMINISTRATIVE ASSISTANTS

These two positions are responsible for daily data entry, filing, preparation of electronic and paper payment vouchers. Maintains and updates family files. Functions as the primary telephone contact regarding check status inquires.

The DOH staff is responsible for administering the Section 8 Rental Assistance Program beginning with responding to HUD's Notice of Fund Availability (NOFA) to training Contractors in program administration and landlord housing assistance payments throughout the state.

The DOH considers the housing needs throughout the state by referencing the State of Colorado Comprehensive Plan which provides the guidance for the development of the state public housing agency strategies. The DOH and its Contractors are charged with full responsibility of administering the housing programs designed to provide rental assistance to qualified families in privately owned dwelling units.

DOH activities include:

- Applicant preference determinations
- Technical Assistance in resolving tenant/owner disputes
- Reviewing and processing special claims
- Mediator for informal hearings
- Coordinate/prepare funding applications
- Set policy, procedures and strategies for Administrative Plan and Agency Plan
- Prepare budgets, financial reports and control/monitor funding allocations
- Prepare DOH housing reports
- Send housing assistance payments to landlords
- Quality control HQS inspection of 5% of dwelling units
- Quality control monitoring of Section 8 family files
- Payment of administrative fees to contractors
- Develop and revise housing forms
- Provide training and on-going technical assistance to contractors

Activities of the DOH contractor include:

- Marketing and outreach in local community
- Income qualifying families and annual income certifications
- Notifications to applicants and participants on critical program rules
- Maintaining the Section 8 Waiting List
- Issuing of vouchers
- Conducting individual/group briefings
- Monitoring and assisting Voucher holders in finding suitable housing
- Initial and annual HQS unit inspections
- Negotiating rents and preparing contract and lease documents
- Maintaining active leases and contracts during year
- Resolving tenant/owner disputes
- Conducting move-out inspections
- Preparing special claims
- Conduct informal reviews and hearings
- Provide input for budgets, policies and procedures

EARNED ADMINISTRATIVE FEES

On-going administrative fees for the Section 8 Rental Assistance Program are utilized in the following manner: The first 600 units shall be calculated using the HUD published Column A - Fee Dollar Amount. Any additional units over the first 600 will be calculated using Column B - Fee Dollar Amount. The administrative fee shall be calculated by the number of units under contract on the first day of each month. The DOH's portion of the administrative fee earned is 30% and the contractor portion is 70%.

LEGAL JURISDICTION

The Colorado Division of Housing is a Public Housing Agency. The DOH Public Housing Agency satisfies the statutory definition of a public housing agency that has been set forth in 24 C.F.R. 982.51. The DOH's legal jurisdiction is the state of Colorado. A legal opinion regarding this was rendered on September 16, 1980 by the State of Colorado Department of Law Office of the Attorney General. This opinion is on file at the Colorado Division of Housing.

STATUTORY AUTHORITY

Colorado Revised Statutes, Part 7, Division of Housing - Colorado Housing Act of 1970, 24-32-701. Legislative declaration. It is hereby declared that there exists in this state a need for additional adequate, safe, sanitary, and energy-efficient new and rehabilitated dwelling units; that a need exists for assistance to families in securing new or rehabilitated rental housing; and that, unless the supply of housing units is increased, a large number of residents of this state will be compelled to live under unsanitary, overcrowded, and

unsafe conditions to the detriment of their health, welfare, and well-being and to that of the communities of which they are a part. It is further declared that coordination among private enterprise and state and local government are essential to the provision of adequate housing, and to that end it is desirable to create a Division of Housing within the Department of Local Affairs. The general assembly further declares that the enactment of these provisions as set forth in this part 7 are for the public and statewide interest.

HUD PROGRAMS UNDER PHA MANAGEMENT

Program Name	Units or Families Served at Year Beginning	Expected Turnover
Section 8 Vouchers	530	15%
Section 8 Certificates	677	15%
Section 8 Mod Rehab	52	5%
Special Purpose Section 8 Certificates/Vouchers (list individually)	150 (main-stream program for the disabled) 63 (homeless with substance abuse)	20% 20%
TOTAL	1472	

MANAGEMENT AND MAINTENANCE POLICIES

Section 8 Management

- Administrative Plan
- State Agency Plan
- State of Colorado Management Policies

6. GRIEVANCE PROCEDURES

The DOH has established the following informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982:

- All written correspondence by the agency or the family must be answered by the other party within 10 business days
- Applicants or assisted families must contact their local office, as shown in Policies Governing Eligibility, Selection, and Admissions, to initiate the informal review and informal hearing process

7. HOMEOWNERSHIP PROGRAMS ADMINISTERED BY THE DOH

PUBLIC HOUSING

Yes **No:** The DOH does not administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4).

Activity Description N/A

SECTION 8 TENANT BASED ASSISTANCE

Yes No: The DOH plans to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982.

Program Description:

Yes **No:** The DOH will not limit the number of families participating in the section 8 homeownership option.

PHA-established eligibility criteria

Yes **No:** The DOH program will not have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria.

8. DOH COMMUNITY SERVICE AND SELF-SUFFICIENCY PROGRAMS

PHA COORDINATION WITH THE WELFARE (TANF) AGENCY

Cooperative agreements:

Yes No Several DOH contractors have entered into a cooperative agreements with TANF agencies (as listed in the table below), to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937). Funding for TANF is provided to each county based on a formula basis and each county develops a plan for the use of their funds. The DOH feels the cooperative agreements established at the local level are most effective.

Coordination efforts between the DOH agencies and TANF agencies include:

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- **Other** (describe):
The DOH will require that Housing Agencies under contract to the DOH must demonstrate coordination efforts between the HA and TANF agency before participants in that jurisdiction can participate in the home ownership program. These coordination efforts may include any of the efforts listed above.

SERVICES AND PROGRAMS OFFERED TO RESIDENTS AND PARTICIPANTS

Self-Sufficiency Policies

The DOH will employ the following discretionary policies to enhance the economic

and social self-sufficiency of assisted families in the following areas?

- Section 8 admissions policies
- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for section 8 homeownership option participation

Economic and Social self-sufficiency programs

Yes No: DOH contracted agencies coordinate, promote, and/or provide programs to enhance the economic and social self-sufficiency of families. The following agencies have entered into the agreements with TANF, and other supportive service agencies to enhance the economic and social self-sufficiency of the families they serve.

	ALAMOSA COUNTY	ELBERT COUNTY	CHAFFEE, CUSTER, FREMONT, PARK & TELLER COUNTY	GUNNISON COUNTY	LA PLATA COUNTY	LOGAN COUNTY	SAGUACHE COUNTY	YUMA and WASHINGTON COUNTIES
TANF	X	X	X	X	X	X	X	X
DOL	X	X	X	X	X	X	X	X
Family Crisis			X					
Local Community College	X		X					
Cooperative Extension				X				
Watershed District				X				
Consumer Credit Counseling					X			
Mental Health Center	X				X			
Resource & Other Center(s)	X	X		X	X			X
Rural Development	X	X						

Local Health Dept	X		X	X			
County Govt			X	X		X	X

FAMILY SELF-SUFFICIENCY PROGRAMS

Participation Description

Family Self Sufficiency (FSS) Participation		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing	N/A	N/A
Section 8	141	90

Yes No: The most recent FSS Action Plan addresses the steps the DOH plans to take to achieve at least the minimum program size.

WELFARE BENEFIT REDUCTIONS

The DOH is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by:

- Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- Establishing a protocol for exchange of information with all appropriate TANF agencies
- Other: Establishing a protocol for exchange of information with the Department of Labor and other agencies that provide direct services providers, e.g.: entering into memorandums of understanding or service agreements.

9. CIVIL RIGHTS CERTIFICATIONS

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations. This certification can be viewed at the main PHA office and is listed as supporting documentation.

10. FISCAL AUDIT

Yes No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?

Yes No: Was the most recent fiscal audit submitted to HUD?

Yes **No**: Were there any findings as the result of that audit?

Yes No **N/A**: If there were any findings, do any remain unresolved?
If yes, how many unresolved findings remain? NONE

Yes No **N/A**: Have responses to any unresolved findings been submitted to HUD?
If not, when are they due (state below)?

11. STATEMENT OF CONSISTENCY WITH THE CONSOLIDATED PLAN

Consolidated Plan jurisdiction: **State of Colorado**

The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction:

- The DOH has based its statement of needs of families in the jurisdiction on the needs expressed in the State of Colorado 1999 Consolidated Plan.
- DOH prepares the State of Colorado Consolidated Plan.
- The DOH Section 8 Tenant Based Program staff consulted, planned and collaborated with DOH staff who are responsible for the preparation of the state's Consolidated Plan.
- All DOH staff members were involved with the public hearings held throughout the state for public comment

The Consolidated Plan for the State of Colorado supports the PHA Plan with the following actions and commitments:

- The DOH will direct 85% of its Section 8 Rental Assistance to families at or below 30% Area Medium Income (the federal mandate is 75%).
- Leverage private or other public funds to create additional housing opportunities for households with income below 30% AMI transitioning from welfare to work and for households transitioning from homelessness.
- Partner with local housing providers to create additional housing opportunities to create 40 "step up" rental housing units by providing equity for acquisition of older units with rents affordable to these households.
- Implement DOH Section 8 program admissions preference for those who are homeless or are a victim of domestic violence or a natural disaster.
- Implement DOH Section 8 program admissions preference for those currently working or who are enrolled or previously enrolled in educational, training or upward mobility programs who have an interest in working toward self-sufficiency.

- Implement a flexible voucher homeownership program that can be adapted to all communities within the state.
- Update the DOH Tenant briefing packet to expand the information on fair housing.