

Housing and Urban Development  
Office of Public and Indian Housing

# COLORADO DIVISION OF HOUSING PHA Plans

5-Year Plan for Fiscal Years 2010 - 2014  
Annual Plan for Fiscal Year 2009

Kathi Williams, Director



COLORADO STATE HOUSING BOARD APPROVAL DATE:

## **PHA Identification Page**

**PHA Name:** Colorado Department of Local Affairs, Division of Housing PHA Code: CO911

**PHA Type:** Housing Choice Voucher (Section 8) Streamlined Plan

**PHA Fiscal Year Beginning:** For the Period of July, 1 2009 to June 30, 2010

**Inventory:** Number of HCV units: 2543

**Submission Type :** Annual Plan Only

### **Public Access to Information:**

Information regarding any activities outlined in this plan can be obtained by contacting the main administrative office of the PHA and/or the DOH contractors listed within this plan. The PHA Plan can also be viewed at:

<http://dola.colorado.gov/cdh/index.html>

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

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### **Supporting Documents Available for Review**

- Division of Housing Administrative Plan
- State of Colorado Consolidated Plan can be viewed at: <http://dola.colorado.gov/cdh/index.html>
- Division of Housing Vacancy Study
- PHA Legal Authority Opinion
- Department of Local Affairs Budget Narrative
- PHA Certifications of Compliance with the PHA Plans and Related Regulations
- CDOH Homeownership Plan
- FSS Action Plans for various locations in the state
- State of Colorado Fiscal Audit can be viewed at:  
[www.state.co.us/gov\\_dir/audit\\_dir/backgrnd/reports.html](http://www.state.co.us/gov_dir/audit_dir/backgrnd/reports.html)

## **Executive Summary**

CDOH currently administers 2,543 vouchers in 48 counties statewide. CDOH must comply with requirements of the U.S. Department of Housing and Urban Development (HUD) regarding activities as a Public Housing Agency (PHA) including the development of a 5-year PHA Plan and Annual Plan. The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families, the homeless, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Seventy-five percent of its vouchers are provided to applicants whose incomes do not exceed 30 percent of the area median income.

The Annual Plan provides an outline for the implementation of the HCV Program, including information on current needs from the Consolidated Plan and the makeup of the state's existing waiting list. Each year, the Annual Plan is based on the premise that if we accomplish our goals and objectives we will be working towards the achievement of our mission. The statements, budget summary, and policies set forth in the Annual Plan all lead toward accomplishment of our Five-Year Plan goals and objectives. Taken as a whole, they outline a comprehensive approach consistent with the Consolidated Plan. It is also the mission of the CDOH 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.

A household at 30 percent of area median income (\$18,000 per year) can afford to pay \$500 per month (1/3 of income) toward its housing. The statewide average rent in Colorado was \$797 during the fourth quarter of 2008. Statewide, vacancy rates in units serving households at or below 30 percent AMI ranged from 2.2 to 4.2 percent during 2008, and units serving households at or below 50 percent AMI had vacancy rates ranging from 5.7 to 6.7 percent. The large number of foreclosures and tighter credit mean an increase in the demand for rental housing. As households rent longer in order to improve credit and save down-payments, the need for rental housing will grow, pushing down vacancies, and driving up rents over time. This will impact the supply and availability of affordable rental housing in the medium and long term. According to a recent report by the Center for Business and Economic Forecasting (CBEF), area median income in Colorado was \$59,091 in 2008 and renter median income was \$36,310. According to CBEF estimates, in Colorado there are approximately 172,000 renter households at or below 30 percent of area median income which is equal to 50 percent of median renter income, or \$18,000. It is a priority of CDOH to serve households with the highest need at or below 30 percent of area median income (AMI).

Colorado's unemployment rate at the end of December was 6.1% after a steep increase in job loss during the 4<sup>th</sup> quarter. The number of unemployed workers was 167,600. As unemployment increases it can be expected to drive up the number of foreclosures and the rental vacancy rate, while leading declines in home prices. On any given night there are over 15,000 homeless people in Colorado; most are families with children (Colorado Housing Investment Fund Coalition). According to a study published by the University of Pennsylvania, "the findings suggest not only that homelessness among families has wide effects on family structure, but also that considerable public costs are associated with these effects across public services systems." Colorado's population is aging. The age group with the most dramatic change is those in the 55 – 75 age range reflecting the aging of the "baby boomers." The housing needs of this population will play an increasing role in our economy in years to come. CDOH continues to work to create housing opportunities for other special populations, including those with chronic mental illness, physical disabilities, developmental disabilities, and HIV/AIDS. Most significantly, these populations have limited income and may have a need for special accommodations.

Annually, CDOH conducts a statewide housing survey to assess the number of families on Colorado's PHA waiting lists. The survey, although a snapshot in time, indicates that in January 2009, roughly 36,915 families were waiting for government rental assistance. There is not enough deep-subsidy rental assistance available to the lowest income renters in Colorado. CDOH tries to enhance our customer service by continuously working with staff to employ quality work practices and initiatives in addition to applying for additional HCV funding. CDOH strives to improve the quality of life for the participants in these programs and ensure that only those who are truly qualified continue to be assisted through our efforts to identify and counteract against instances of fraud. In summary, CDOH is continuously working to provide quality affordable housing for extremely low, very low, and low income households in Colorado by operating a high quality housing voucher program.

## **5 Year Annual Plan for July 1, 2009 - June 30, 2010**

### **Mission:**

The mission of the Colorado Department of Local Affairs, Division of Housing (CDOH) is to ensure that Coloradoans 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, DOH provides family self-sufficiency, economic opportunity and a living environment free from discrimination.

### **State of Colorado Consolidated Plan**

CDOH, in conjunction with the Department of Local Affairs, Division of Local Government, prepares the State of Colorado Consolidated Plan. The State Consolidated Plan is an annual action plan, which identifies CDOH strategies and goals to address the affordable housing needs of Colorado communities. CDOH relies on a number of resources and publications to identify the households most in need of affordable housing in Colorado. These sources include our bi-annual Colorado Division of Housing Multi-family Housing Vacancy and Rent Survey, our annual Housing Colorado Report (both needs and Regulatory Barriers combined), Public Housing Authority Waiting List Survey and Incomes for Colorado and its Regions. Information from these reports is supplemented by data from the Department of Local Affairs demographics section and other outside sources. All of the information referenced above is utilized in preparing the PHA Agency Plan and 5 Year Strategy for the Section 8 Voucher Program.

In addition, CDOH has created a Community Housing Assistance Team, or "CHATS" staff that works one-on-one with agencies and communities throughout Colorado on identifying housing needs, preparing housing plans and strategies, identifying potential housing projects and creating financing packages for new housing units. This team has staff in Denver and in two field offices in Colorado, and maintains a pipeline of potential housing projects throughout the state.

The strategies and action items from the State Consolidated Plan are used as benchmarks to increase the production of affordable housing, to set goals and action items for the Public Housing Agency (PHA) Annual Plan and to develop the individual work objectives of DOH staff to improve program delivery and customer service in the state of Colorado.

### **STATE OF COLORADO CONSOLIDATED PLAN FIVE YEAR STRATEGIC GOALS**

Goal 1: To preserve the supply of existing affordable rental housing.

Goal 2: To increase the supply of affordable rental housing to meet community needs.

Goal 3: To increase the capacity, stability, participation and independence of local housing and service providers and private enterprise so they are better able to meet the housing needs of their communities.

Goal 4: To increase homeownership and preserve existing properties for low and moderate-income people and minorities.

Goal 5: Meet the need for housing facilities or shelter beds for homeless persons.

Goal 6: To assist in creating an adequate supply of housing for persons with special needs coupled with appropriate services to increase independence.

Goal 7: To increase housing opportunities in revitalized neighborhoods.

Goal 8: Provide community at-large and policy-maker education and outreach about housing issues so that communities are better able to meet their housing needs.

The above goals are fully addressed in the State Consolidated Plan and can be viewed at:

<http://www.dola.colorado.gov/cdh/index.html>

As stated above, CDOH developed its PHA Annual Plan in conjunction with the State 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 as indicated in the CDOH Annual Plan strategic goals listed below:

### **CDOH STATE AGENCY PLAN STRATEGIC GOALS AND ACTION ITEMS**

#### **CDOH Strategic Goal: Increase the availability of decent, safe, and affordable housing for families earning 30% of the county Area Median Income (AMI).**

Action Items:

- Apply for at least 50 additional rental vouchers annually (when incremental vouchers are available through HUD) so that additional families in the state will have the opportunity to be assisted with rental assistance.

#### **CDOH Strategic Goal: Increase the number of families receiving rental assistance who are disabled, homeless, and/or displaced due to domestic violence or a natural disaster.**

Action Items:

- Apply for at least 50 additional special population rental vouchers annually (when available through HUD) for homeless persons with substance abuse, mainstream or special funding for persons with disabilities so that additional families in the state will have the opportunity to be assisted with rental assistance.
- Require DOH contractors to annually implement the CDOH Voucher Program admissions preference for those who are homeless, are victims of domestic violence, or victims of a natural disaster.
- CDOH will respond to a natural disaster within 24 hours of a Governor's Declaration of Disaster.
- CDOH staff will assist in coordinating local emergency housing services with agencies providing rental assistance to eligible families.

#### **CDOH Strategic Goal: Improve the quality and delivery of the Section 8 Rental Assistance program.**

Action Items:

- Improve program management by annually reviewing and revising (if needed) the quality control processes in place regarding payments to landlords.
- Annually review and revise policy manuals such as the Administrative Plan, Home Ownership Plan and Agency Plan used to administer the program.
- Annually review and revise factors for monitoring frequency status to better identify contractors at risk of having monitoring findings.
- Annually provide on-site and Internet based training and publications on Section 8 federal funding regulations, HQS inspections, grant management, organizational management and homeownership design.
- Sponsor two annual DOH Section 8 Contractor trainings to review DOH policy and federal regulation, which govern the program.
- Annually improve the Voucher SEMAP score.
- Improve and maintain, on an annual basis, the HQS Interactive Training on the DOH website in order to educate landlords, families receiving rental assistance and our housing contractors.
- Improve and maintain the homeownership manual and homeownership interactive website training.

#### **CDOH 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.
- Annually update the DOH Tenant briefing packet to improve the information on housing choice and include census tract information for DOH contractors in the Denver Metro Area.
- Develop and send an annual newsletter to Section 8 landlords to provide outreach and information and to express appreciation for their participation in the Section 8 Voucher Program.
- Implement and update annually a flexible voucher homeownership program that can be adapted to all communities within the state.

- In conjunction with the Supportive Housing and Homeless Program (SHHP), sponsor the development of statewide utility allowances that are posted on the DOH website.

**CDOH Strategic Goal: Promote self-sufficiency and asset development for assisted households.**

Action Items:

- Increase the number of families enrolled in the Family Self-Sufficiency (FSS) Program by an additional 20 families annually.
- When made available, apply for HUD Vouchers to increase rental assistance opportunities for those working toward self-sufficiency.
- Annually provide public and private grant information and technical assistance in preparing grants to the Section 8 Contractors so they may better operate their FSS programs.
- Annually promote and support cooperative agreements at the local level between the Department of Human Services, Department of Labor and Employment and other supportive service providers.
- Annually provide CDOH Voucher Program admissions preference for families currently in the TBRA program or who are working and/or enrolled or were previously enrolled in educational, training or upward mobility programs and that are interested in working toward self-sufficiency.
- Administer at least 70 escrow accounts for families participating in the FSS programs
- Apply annually for the FSS Coordinator Funding (if made available by HUD) to distribute to the FSS coordinators working with families within the state contracted programs.
- Annually have 10 additional CDOH voucher families participate in the Homeownership Program.

**CDOH Strategic Goal: Provide equal opportunity in housing for all Coloradoans. CDOH will continue to ensure equal opportunity and affirmatively further fair housing.**

Action Items:

- Annually review and revise information that is distributed to Coloradoans who contact the CDOH wanting tenant/landlord and fair housing assistance.
- Incorporate a Fair Housing workshop into one of the annual Section 8 Voucher Program training.
- Ensure that CDOH staff attends Fair Housing Conferences to better understand the law so accurate technical assistance can be provided to our contractors.
- Update the statewide "Impediments to Fair Housing" annually.

## Goals and Objectives:

### Strategic Plan Strategies, Goals, Objectives and Outcomes

Strategy	Priority	HUD Program Goal	HUD Objective	Outcome Statement	Indicator
(1) Preserve the existing supply of affordable rental housing	High	Decent Housing	Availability	Accessibility for the purpose of providing decent housing	# units of existing affordable rental housing preserved
(2) Increase the supply of affordable rental housing to meet community needs	High (except in high-cost areas or for NSP units)	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# Rental units created in conjunction with NSP Program for populations <50% AMI 51-80% AMI 80-120% AMI
(3) Increase the capacity and stability of local housing and service providers	Medium	Decent Housing	Sustainability	Accessibility for the purpose of providing decent housing	# CHDOs successfully developing projects and add new units to their portfolios
(4) Increase home ownership for low/moderate-income households and minorities	Medium	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# homeownership opportunities created in conjunction with NSP Program for populations <50% AMI 51-80% AMI 80-120% AMI  # of pre-homebuyer counseling
(5) Maintain homeownership for low- and moderate-income households and minorities	Medium	Decent Housing	Availability	Accessibility for the purpose of providing decent housing	# of foreclosures prevented  # households receiving foreclosure prevention assistance
(6) Meet community needs for homeless shelter beds and supportive services	Low	Suitable Living Environment	Availability	Accessibility to provide a suitable living environment	# homeless and transitional housing beds
(7) Assist in creating an adequate supply of housing for persons with special needs coupled with services that increase independence	Low	Decent Housing	Affordability	Affordability for the purpose of providing decent housing	# of special needs units coupled with services  # of persons with HIV/AIDS maintaining housing stability
(8) Provide education on housing issues to policy makers and the community at large.	High	Decent Housing	Sustainability	Sustainability for the purpose of providing decent housing	Number of policy-makers attending outreach and training events
(9) Provide financial and technical assistance to businesses to create or retain jobs.	High	Economic Opportunity	Sustainability	Sustainability for the purpose of creating economic opportunities	Number of jobs
(10) Help improve the leadership and governing capacities of Colorado communities.	High	Suitable Living Environment	Sustainability	Sustainability for the purpose of creating suitable living environments	Number of communities represented in training sessions
(11) Help Colorado communities identify, prioritize and address their capital improvement needs.	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



## Housing and Community Development Needs

### Measures of Median Income

Renter median income is much lower than area median income, and is the most relevant measure of income when dealing with income levels of households that are likely to need units that cater to households at 30 percent of AMI and below. For example, according to a recent report by the Center for Business and Economic Forecasting (CBEF), area median income in Colorado was \$59,091 in 2008 and renter median income was \$36,310. In Colorado, 30 percent of area median income is equal to approximately 50 percent of renter median income, or \$18,000 per year in income. According to CBEF estimates, in Colorado there are approximately 172,000 renter households at or below 30 percent of area median income which is equal to 50 percent of median renter income, or \$18,000. In the metro Denver area, the area median income was \$69,453 in 2008.

**Housing mismatch ratio** (Only Colorado statewide data is available.)

*Research provided to the Colorado Division of Housing by the Community Strategies Institute, Inc.*

It is a priority of CDOH to serve households with the highest need at or below 30 percent of area median income (AMI). The following charts show the supply of housing available to households at or below 30 percent of area median income. According to the Center for Business and Economic Forecasting, there are approximately 172,000 households making at or below \$18,000 per year (30 percent of AMI) in Colorado.

Looking at the number of rental units available for each household at certain low income levels, we find that there is less than 1 unit available for each household at 30 percent of AMI:

#### **Rental Units Available Per Household (HUD AMI)**

Income level	15% AMI	25% AMI	30% AMI	40% AMI
Units	0.64	0.56	1.04	1.38

These numbers indicate that the greatest need is among the lowest-income households. Only at income levels of 30% of AMI and above are there a sufficient number of units priced at levels attainable to households. At income levels below 30 percent of AMI, however, the number of rental units available per household drops well below 1.

Put another way, for every 100 households below 30 percent of AMI, there are significantly fewer than 100 rental units available. At 25 percent of AMI, for example, for every 100 households, there are 55 units available:

#### **Rental Units Available Per 100 Households**

Income level	15% AMI	25% AMI	30% AMI	40% AMI
Units	64.26	55.85	103.51	137.78

### Housing Costs in Colorado

The statewide median home price in Colorado during 2008 was \$225,872, and was \$225,494 in Metro Denver. The statewide median-priced home is affordable to a family that makes approximately \$48,000 (81 percent of area median income), assuming a loan of \$220,000 at 6 percent (but ignoring the effects of payroll taxes). However, a household needs to make 133 percent of renter median income to afford the median-priced home. A household at 30 percent of area median income (\$18,000 per year) can afford to pay \$500 per month (1/3 of income) toward its housing. The statewide average rent in Colorado was \$797 during the fourth quarter of 2008, and the Metro Denver average rent was \$888 during the same period. This includes all unit types from efficiency to three-bedroom. The average rent for a two-bedroom, two-bath apartment in Metro Denver was \$1,056 during the 4<sup>th</sup> quarter of 2008.

### Vacancy Rates

Vacancy rates are measured each quarter in seven metropolitan areas of the state, and are measured in an additional sixteen medium-sized markets twice each year. A vacancy rate below 5 percent indicates a tight market, and a rate above 10 percent indicates a large supply of rental housing. Market- rate vacancy

rates in 2008 ranged from 6.1 percent to 8 percent statewide, and Metro Denver rates ranged from 5.9 percent to 7.9 percent during the same period. Vacant rental units were most scarce in Grand Junction and in mountain communities where vacancy rates were very tight and tended to range from 2.0 to 3.5 percent during 2008.

In metropolitan areas, subsidized rental units that serve households at 50 percent of AMI and below reported lower vacancy rates than market-rate units. Statewide, vacancy rates in units serving households at or below 30 percent AMI ranged from 2.2 to 4.2 percent during 2008, and units serving households at or below 50 percent AMI had vacancy rates ranging from 5.7 to 6.7 percent.

In Metro Denver, units serving households at 30 percent AMI reported vacancy rates ranging from 1.4 to 3.2 percent during 2008, and units serving households at 50 percent AMI reported vacancies ranging from 5.6 to 6.7 percent during the same period.

### **The Current Homeownership Market in Colorado**

The homeownership market in Colorado is relatively healthy compared to many markets in the United States. While many areas of states like California and Florida have seen significant declines in home values of twenty to thirty percent, home values in Colorado have seen only moderate declines of 1 to 5 percent statewide over the past year.

Completed foreclosures statewide fell in Colorado for the first time since statewide reports were first compiled in 2003. Completed foreclosures fell 16 percent from 2007 to 2008, and foreclosure filings fell 2 percent during the same period. Foreclosure rates remain high, however, with 89 households per completed foreclosure statewide, and fewer than 60 households per completed foreclosure in Adams, Denver, Weld, and Arapahoe Counties. **Foreclosures** declined from 2007 to 2008 Filings decreased 2% while completed foreclosures decreased 16%.

Mortgage rates remain low due to Federal Reserve policies favoring low interest rates, but loans are more difficult to obtain now than in recent years. Potential borrowers must now provide higher down-payments and better credit scores than was the case prior to the credit contraction of 2008.

The large number of foreclosures and tighter credit mean an increase in the demand for rental housing. As households rent longer in order to improve credit and save down-payments, the need for rental housing will grow, pushing down vacancies, and driving up rents over time. This will impact the supply and availability of affordable rental housing in the medium and long term.

### **Rental Market**

Rental **vacancies** statewide rose from 6.6% to 8.0% between Dec. 2007 and Dec. 2008. Average rents also increased except in Loveland and Greeley. Denver Metro area vacancies are at a 3 year high of 7.9%, while at the same time average monthly rent in the metro area increased \$28 from a year ago to \$888.22. So far very few multi-family properties have gone into foreclosure, but based on articles I've read, the credit crunch is expected to catch up with commercial properties in the coming months pushing more multi-family buildings into the foreclosure process.

### **Single Family Homes**

One study from FHFA shows home price decline of 0.71% for the Denver area, while another study, the S&P/Case-Schiller survey, showed a decline of 4%. In the Case-Schiller survey, Denver home prices declined the least of any of the 20 metro areas they study. Denver area home depreciation rates are lower than other areas of the country. According to a HUD economist this is due to higher population growth and a more stable job market than exists in other areas.

### **Building Permits issued**

In 2008, 19,086 total building permits were issued, a 37% decrease from the number issued in 2007. Of that total, 6800 units were in 265 multifamily buildings (buildings with 5 or more units). For 2007 there were 7118 units in 294 buildings. This represents a 4% decrease in units, and a 10% decrease in buildings receiving permits.

### **Unemployment Rate**

Colorado's unemployment rate at the end of December was 6.1% after a steep increase in job loss during the 4<sup>th</sup> quarter. The number of unemployed workers was 167,600 compared to 109,000 unemployed at the end of 2007. Comparatively, the unemployment rate for the US as a whole was 7.2% at the end of December. What happens with Denver's housing market will depend to a large extent on the

unemployment situation. As unemployment increases it can be expected to drive up the number of foreclosures and the rental vacancy rate, while leading declines in home prices, possibly rents and slowing construction even more that it already is.

### **Special Housing Needs**

Colorado's population is aging. The age group with the most dramatic change is those in the 55 – 75 age range – reflecting the aging of the “baby boomers.” While the elderly as a percentage of the total population will not change dramatically, the total number of persons age 55 and older will increase by over 189,000 between 2005 and 2010. Almost 133,000 of these persons will be aged 55-64. The housing needs of this population will play an increasing role in our economy in years to come.

Senior Renter Median Income (RMI)	\$21,059
Senior RMI as Percentage of RMI	63%
Senior RMI as percentage of AMI	32%
Seniors as percentage of all 0 - 60% RMI renters	11%
Senior rent burdened (estimated as percentage of all rent burdened households)	5,111

CDOH continues to work to create housing opportunities for other special populations, including those with chronic mental illness, physical disabilities, developmental disabilities, alcohol and drug addiction, and HIV/AIDS. This population is generally unable to hold full-time employment, has higher than normal medical expenses, and may require assistance with activities of daily living (ADL). Most significantly, these populations have limited income and may have a need for special accommodations.

### **Homeless Needs**

On any given night there are over 15,000 homeless people in Colorado; most are families with children (Colorado Housing Investment Fund Coalition). According to a study published by the University of Pennsylvania, “the findings suggest not only that homelessness among families has wide effects on family structure, but also that considerable public costs are associated with these effects across public services systems. Furthermore, measures to prevent homelessness, as well as related housing interventions, may result in a range of benefits, such as reductions in the demand for child welfare services. Evaluations of housing programs should take into account such potential collateral effects both in the child welfare system and possibly in other social welfare systems when assessing the effectiveness of housing for homeless families.”

### **Voucher Program and Housing Authority Tenant Needs**

Twenty-five years ago, the Federal Government created the Section 8 Housing Assistance Payments Program. This program contained two parts, one called “project-based” and the other “tenant-based.” Project-based rental assistance is tied to units in privately owned apartment buildings where the owner has entered into a contract with HUD to receive a rental subsidy for a certain number of years. Tenant-based rental assistance, most commonly known as the “Voucher Program” provides rental assistance directly to families so that they may live anywhere they wish in the private market.

Several years ago the 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, Colorado 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, CDOH 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 maintain 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 to the lowest income renters in Colorado. The Section 8 tenant-based Voucher Program is undergoing budget cuts due to rising costs. Housing Authorities throughout Colorado have to reduce the number of families they serve based on HUD's funding authority, and yet, the demand is great.

### **Statewide Section 8 Tenant-Based Waiting List**

Annually, CDOH conducts a statewide housing survey to assess the number of families on Colorado's PHA waiting lists. The survey, although a snapshot in time, indicates that in January 2009, roughly 36,915 families were waiting for government rental assistance. Even this number does not truly reflect the need for subsidized housing in Colorado. Many housing agencies have closed their waiting lists and others accept applications only once a year because there has been no new federal funding available for this program for some time. The attached spreadsheets provide information on the January 2009 survey. CDOH contractors have 26,833 families on their combined waiting list.

## **Strategies for Addressing Needs**

### **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 regardless of unit size required.
- Maintain or increase Section 8 lease-up rates by providing technical assistance to CDOH 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 information to owners twice a year through a "Landlord Newsletter."
- 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:**

- Applying for additional Section 8 units should they become available.
- Leveraging affordable housing resources in the community through the creation of mixed - finance housing.
- Pursuing housing resources other than public housing or Section 8 tenant-based assistance to increase affordable housing rentals.
- Continuing 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**

- Meet 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 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 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, should they become available, targeted to the elderly.
- Apply the same admission preference for elderly families as for 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, should they become available, targeted to families with disabilities.
- 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.
- Apply the same admission preference for disabled families as for 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, should they become available, targeted to families who are homeless or those displaced.
- Encourage and provide guidance to contractors to affirmatively market to local non-profit agencies that assist families who are homeless, and/or displaced due to domestic violence or a natural disaster.

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

**Strategy 1: Increase awareness of PHA resources for families of race and ethnicity with disproportionate needs:**

- Encourage and provide guidance to contractors to affirmatively market to races/ethnic 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 CDOH
- Influence of the housing market on CDOH programs.
- Social priorities regarding housing assistance.
- Results of consultation with CDOH Section 8 contractors in various areas of the state.

## Financial Resources

Financial Resources: Planned Sources and Use	Estimated Amount	Planned Uses
Annual Contributions for Section 8 Tenant-Based Assistance and Mod Rehab Program	\$17,551,080	
Family Self-Sufficiency Grants	\$ 66,561	
Home Investment Partnership Funds (HOME)	\$7,268,808	Awarded competitively to local governments, non-profits, 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.
ADDI Funds	\$55,203	
Emergency Shelter Grant (ESG)	\$946,933	Grants provided on a formula basis to states and local governments for 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.
Community Development Block Grant (CDBG)	\$10,546,315	CDOH allocation awarded on a competitive application process to local governments for acquisition, rehabilitation, new construction, homebuyer assistance, public services, facilities and administration costs.
Housing Opportunities for Persons with AIDS (HOPWA)	\$379,000	State block grant funds to help individuals and families with AIDS, primarily with rental assistance
Housing Development Grant	\$2,250,000	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. Applications are reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low-income persons
State Revolving Loan	\$3,100,623	This program provides construction loans to non-profits, and city and county governments for up to seven years. Interest rates normally range from 0% - 6%. These funds are also leveraged with other funding organizations.
<b>TOTAL REVENUES</b>	<b>\$42,159,810</b>	

## Policies of Eligibility, Selection and Admissions

### Eligibility

- CDOH conducts criminal or drug-related activity screening to the extent required by law or regulation.

- CDOH requests criminal records from State law enforcement agencies (Colorado Bureau of Investigation) for screening purposes.
- CDOH shares the following kinds of information with prospective landlords before lease signing: family's current address, name and address of current landlord (if known) and name and address of prior landlord (if known).

### **Waiting List Organization**

- CDOH 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. CDOH 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 CDOH Section 8 tenant-based assistance at the following offices:

### **Search Time**

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

- Hospitalization
- Family emergency
- Request For Lease Approval turned in but unit never passed HQS, and remaining search period too 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:  
CDOH plans to satisfy the federal targeting requirements of 75 percent of all new admissions to the Voucher Program to families at or below 30 percent of the area median income, and the remaining 25 percent of new admissions to families at or below 50 percent of the area median income.
- Preferences: CDOH employs the following admission preferences:
  - Victims of violence, natural disaster or government action
  - Homelessness
  - Those currently enrolled in educational, training, or upward mobility programs.
  - Those previously enrolled in educational, training, or upward mobility programs.
  - Those who are currently working

The CDOH admission preferences are prioritized by a "1" that represents our first priority, a "2" representing our second priority, and so on. DOH gives equal weight to one or more of these choices. **Note: Elderly and disabled families will be given the same preference as those who are working toward FSS.**

- 1 Victims of 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 Those currently participating in one of the DOH Tenant Based Rental Assistance pilot programs
- 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. CDOH contractors may alternate between the preference list and those without a preference to ensure all families on the list are given a chance to participate in the program.

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 Voucher

Program administered by the PHA are contained in the Section 8 Administrative Plan.

- CDOH announces the availability of any special-purpose Voucher Programs to the public through published notices and announcements to local government agencies.

## **Rent Determinations Policies**

### **Payment Standards**

- CDOH 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 CDOH on a case-by-case basis.
- Agencies may request payment standards higher than the FMR for their area for the following reasons:
  1. FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
  2. Increase reflects market or sub-market
  3. To increase housing options for families
  4. Payment standards are reevaluated for adequacy annually.
- The factors the DOH considers in its assessment of the adequacy of its payment standard are:
  1. Success rates of assisted families
  2. Rent burdens of assisted families
  3. Cost of vacancies
  4. Number of vacancies
  5. Housing Agency Board resolution to increase the payment standard

### **Minimum Rent**

CDOH has set its minimum monthly rent at \$50. If after verifying the family's income and assets, the contractor finds that the family does *not* have the ability to pay the minimum rent, the family may request a waiver concerning this requirement. The Contractor must request documentation of the hardship from the family and determine whether the hardship is temporary or long term. If the hardship is deemed temporary, the family must report on the status of their income every 30 days. Please refer to HUD's federal guidelines on "Exceptions from the Minimum Rent requirement." Hardship determinations are subject to the State's Informal Hearing Process.

If the Contractor determines that a qualifying financial hardship is temporary, the Contractor must suspend the minimum rent for a 90 day period beginning the first of the month following the date of the family's request. At the end of the 90-day suspension period, the family must resume the payment of the minimum rent and must repay the Contractor the amount suspended.

If the Contractor determines that the qualifying hardship is long-term, the Contractor may exempt the family from the minimum rent requirements so long as the hardship continues. Repayment of the minimum rent for the period of the long-term hardship is not required.

## **Operations and Management**

### **Organization Setup**

Under the direction of the Colorado State Housing Board and the Director of the Colorado Division of Housing (CDOH), staff of the CDOH administers the Voucher Program's day-to-day operations. 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 DOH programs. Colorado SHB approves CDOH PHA Agency Plan, 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 is also responsible for the overall coordination of the program and development of necessary agreements between participating local agencies. In addition, the manager establishes and maintains effective contact with groups or individuals representing program related interests and is responsible for the general program management. The program manager develops program materials and disseminates information to local agencies, supervises day-to-day activities of the CDOH staff, and develops training sessions for the Contractors in program regulatory requirements as well as agency responsibilities.

### **Housing Asset Managers**

There are going to be 7 Asset Managers on staff in 2009 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. Technical assistance to trouble shoot problems is also provided to the Contractors concerning family moves, income/rent adjustments, recertification, tenant/landlord relations, terminations, etc.

### **Program Assistant**

This position is responsible for supervising three Administrative Assistants who enter HUD form 50058 information into the Section 8 Program database. The Program Assistant is responsible for PIC transmittal, administrative fee payment to contractors, and software interface with the COFRS accounting system and assisting in training Section 8 contractors on the requirements for payment through the state system. This position is also responsible for numerous spreadsheets that are used for tracking financial information for the program and the overall office administration for tracking payments for various aspects of the Program.

### **Administrative Assistant**

These three positions are responsible for daily data entry, filing, and preparation of electronic and paper payment vouchers. These positions answer complex informational calls from DOH contractors, landlords and families, receiving rental assistance. Each assistant maintains and updates 50058 family files, which contain information on the rental subsidy to be paid and utility allowance. This position assists in landlord payment reimbursement process and the monthly reconciliation of the Section 8 database to the DOH contractor request. This position organizes logistics for meetings and trainings for the Section 8 Program and other programs in CDOH.

### **Accounting Department**

The Department of Local Affairs Accounting Division works closely with the Section 8 staff to approve all financial payments generated concerning the Program. Accounting staff maintains escrow spreadsheets, year-to-date budget spreadsheets, collection payment reconciliation spreadsheets and other tracking mechanisms to assist in maintaining the financial integrity of the program. The year-end and quarterly financial statements are also submitted to REAC by this office.

### **CDOH Staff Functions**

The CDOH 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 CDOH considers the housing needs throughout the state by referencing the Colorado Consolidated Plan, which provides the guidance for the development of the state public housing agency strategies. CDOH 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.

**Activities of this PHA include:**

- Update Program descriptions
- Determine applicant preferences
- Prepare funding applications
- Set policy and procedures
- Inspect 5 percent of the subsidized units
- Determine applicant eligibility
- Develop and revise housing forms
- Develop Annual Agency Plan
- Develop Contractor Administrative Plan
- Develop annual budgets on Mainstream Program and Mod Rehab
- Correct submission errors according to HUD timelines
- Track program compliance on repayment agreements
- Submit Homeownership reports to HUD
- Promote program marketing
- Provide training and technical assistance to contractors
- Pay administrative fees to Contractors
- Monitor Program Tenant files
- Send payments to Landlords
- Control and monitor program allocations
- Enter family statistical information in ECS database
- Upload data to HUD Public Information Center (PIC)
- Upload quarterly financial information to REAC
- Annually submit SEMAP report to HUD
- Undergo HUD Audits for program compliance
- Submit FSS Grant to grants.gov to obtain continued funding
- Submit D-HAP reports to HUD

**Activities of the Contractor include:**

- Conduct initial marketing and Program outreach
- Perform initial certification
- Issue Housing Vouchers
- Process requests for lease approval
- Negotiate rents and preparing contact documents
- Monitor applicants in location suitable housing
- Attend Annual Contractor's Meeting
- Perform annual re-certification of participant income, HQS inspection of units, and renegotiation of rents
- Contribute input for the preparation of policies and procedures
- Conduct informal reviews and hearings
- Maintain active leases
- Conduct unit inspections
- Conduct individual/group briefings
- Provide notification to applicants
- Provide notification to applicants
- Determine applicant preferences

### **Earned Administrative Fees**

HUD determines administrative fees paid on the PHA's lease up rate. Administrative fees will be calculated by the number of units leased up on the first day of each month. The DOH 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 CDOH Public Housing Agency satisfies the statutory definition of a public housing agency that has been set forth in 24 C.F.R. 982.51. CDOH's legal jurisdiction is the state of Colorado and the State of Colorado Department of Law Office of the Attorney General rendered a legal opinion regarding this on September 16, 1980. 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 is for the public and statewide interest.

### **HUD PROGRAMS UNDER PHA MANAGEMENT**

<b>Program Name</b>	<b>Units of Families Served at the Year Beginning</b>	<b>Expected Turnover</b>
Section 8 Vouchers	2,278	13%
Section 8 Mod Rehab	52	5%
Special Purpose Section 8 Vouchers (list individually)	Mainstream Vouchers for Disabled 50	10%
	Homeless 75	
	Designated Vouchers for AIDS Victims 40	
Family Unification Program	100	11%
<b>Total</b>	<b>2,595</b>	

### **Management and Maintenance Policies**

#### Section 8 Management

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

## Grievance Procedure

The Informal Review/Hearing shall concern only issues included in the notice the family received. Evidence presented at the Hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

1. Families Have the Right To:
  - Examine and copy relevant documents before the Review/Hearing (at the family's expense);
  - Present any or all information pertinent to the issue of the Review/Hearing;
  - Request that Voucher Program staff be available or present at the Review/Hearing to answer questions pertinent to the case;
  - Be represented by legal counsel or other designated representative, with five days notice to the Contractor (at the family's expense);
  
2. Contractors Have the Right To:
  - Present evidence of any or all information relevant to the Review/Hearing;
  - Examine relevant family documents before the Review/Hearing;
  - Be notified if the family intends to be represented by legal counsel or another party;
  - Have its attorney present; and
  - Have the staff person familiar with the case present;

### Informal Review

The Contractor will provide the applicant an opportunity for an Informal Review if the applicant is denied participation. Informal Reviews are for families that have been issued a Housing Voucher for the first time, and have not gone under contract.

1. Informal Review Procedures
  - a. The applicant will be given written notification of the denial of placement on the waiting list or denial to issue a Housing Voucher, which will state the reason(s) for the denial.
  - b. The notice will state that the applicant has a right to request, in writing, within 10 business days of the date of the notification an informal review of the decision.
  - c. The informal review will be scheduled within 10 business days of the Family's request.
  - d. The Executive Director will select a person who was not involved in the decision to conduct the review.
  - e. The applicant may present written or oral arguments relative to the decision.
  - f. The agency will notify the applicant of the results of the informal review within 10 business days of the date review.

### Informal Hearing

The Contractor will give a participant the right to an Informal Hearing prior to termination or change in the participant's portion of the rent or Voucher subsidy size, under the following:

- A determination of the family's gross and adjusted income, TTP, or utility allowance;
  - A determination to reduce, terminate, or deny assistance;
  - A determination of the subsidy size allocated on the Housing Voucher;
  - A determination of citizenship or eligible immigration status cannot be verified;
1. Informal Hearing Procedures
    - a. For any decision related to the situations described above, the agency will notify the family of the Contractor's decision, the family's right to an explanation, and their right to request a hearing, in writing, within 10 business days of the notice.
    - b. In the case of a family whose assistance is being terminated, and the family is currently living in a unit with a HAP Contract, the agency will provide an opportunity for an Informal Hearing before the actual termination of the HAP contract. A copy of the letter will be mailed to the Landlord to notify them of the situation, and the possible termination of the HAP contract.

- c. The Contractor will schedule the hearing within 10 business days from the receipt of the family's written request for a hearing.
- d. The Executive Director will select the Hearing Officer. The Hearing Officer must be someone other than the person who made the original decision or a subordinate of that person. The PHA staff can be available by telephone conference call to be the Hearing Officer.
- b. The procedure for requesting and conducting a hearing will be provided to each family during the Housing Voucher briefing.
- c. If a program violation occurs, the Contractor will make a reasonable attempt to contact the family to inform them of their right to an Informal Hearing or the time of the scheduled hearing. Sending a certified letter is the standard means of notification. A receipt of delivery should be requested from the US Post Office. The contractor is only responsible to document that s/he sent a notice, but not that the family receives this notice. By failing to schedule or appear at the informal hearing, the family waives their right to subsequent hearings unless the contractor chooses to re-schedule.

### **Hearing Officer Procedures**

The Hearing Officer will be responsible to conduct the hearing in accordance with the following guidelines:

- 1. The participant or the participant's representative will first be given an opportunity to present his/her objections to the decision in question, and only the specific decision pertinent to this hearing. The participant may present evidence or question witnesses at this time.
- 2. The Contractor or the Contractor's representative will then have an opportunity to explain the decision. The Contractor may present evidence and question witnesses. The participant will have the opportunity to question any agency witnesses at this time.
- 3. The Informal Hearing is not intended to duplicate the judicial review procedure. The rules of admissibility under such proceedings shall not be applied in the course of the hearing.
- 4. The Hearing Officer shall issue a written decision within 10 business days of the Informal Hearing. Factual decisions related to the individual circumstances of the participant will be based on the evidence presented at the hearing. A copy of the hearing decision will be sent to the participant via certified mail. The written decision shall contain the following:
  - a. A summary of the decision and reasons for the decision;
  - b. If the decision is based on money owed, the amount owed shall be stated;
  - c. The date the decision becomes effective ;
- 5. The Contractor is not bound to hearing decisions based on the following:
  - a. Concerning a decision that is not identified in the Plan as eligible for an Informal Review, Informal Hearing or beyond the authority of the Hearing Officer or procedures;
  - b. Contrary to HUD regulations or requirements, or Federal, State and local law;

## **Homeownership**

CDOH 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. On October 18, 2008 the U.S. Department of Housing and Urban Development (HUD) released Federal Register Part II, 24 CFR Part 982, creating the final rule of the Section 8 Homeownership Program.

### **Program Description:**

CDOH is offering this homeownership program to CDOH's eligible participants who are interested in purchasing their own homes. CDOH's homeownership program is completely voluntary and provides participants freedom of choice. At no time will CDOH directly or indirectly limit a voucher family's opportunity to select among available units by limiting the use of homeownership vouchers to particular units, neighborhoods, developers or lenders. Homeownership assistance is a special housing option for families that receive Housing Choice Voucher Program tenant-based assistance. CDOH has chosen to offer the Section 8 Homeownership Program to its current participants who are interested in homeownership and meet the program requirements as specified in this plan. The goal of the program is to expand homeownership opportunities to CDOH's Housing Choice Voucher Program participants by assisting them in transitioning from rental to homeownership using the Housing Choice Voucher Program. Each CDOH contracting agency may establish a policy of performing an annual HQS inspection for the duration of the homeownership assistance. It is the responsibility of the contractor to assess the need for the annual HQS inspection.

### **Qualified participants may freely choose**

Qualified participants may freely choose whether to continue with their rental assistance or request homeownership assistance. The homeownership program is voluntary and limited to families who are eligible under terms expressed in CDOH's guidebook.

### **Received Voucher for One Year**

If a family wishes to pursue the homeownership option, a family must:

Meet the general requirements for participation in the CDOH's Housing Choice Voucher (HCV) Program; and have received CDOH HCV Program assistance for a minimum of one year (12 consecutive months);

### **Be in Good Standing**

Families in good standing (the family has not violated any Housing Choice Voucher Program regulations or policies, does not have a current re-payment agreement, and has not had repeated lease violations or evictions for cause, etc.) with the HCV Rental Program are eligible to apply for the Homeownership Program. Participants must maintain compliance with all family obligations and meet all additional eligibility criteria as specified in this guidebook. All civil rights laws applicable to the Rental Program are applicable to the Homeownership Program. The family must sign the statement of homeowner obligations and program guidelines, and must be able to comply with the additional special requirements for homeownership assistance as specified in this briefing packet and CDOH's administrative plan. Preferences are given to those who work, are participating in CDOH's Family Self-Sufficiency and/or other education programs.

### **First Time Homebuyer**

This program is for first-time homebuyers with CDOH Housing Choice Voucher Program assistance. The family must be a "first time home buyer," which includes a person with any ownership interest in a residence within three years prior to applying for homeownership. A first time homebuyer is defined by HUD as any person who has not owned a "present ownership interest" in the residence of any family member in the last three years. The household may not include any person who had an ownership interest in the last three years, with the exception of ownership in a cooperative unit or a lease-to-own program. A first time home buyer may be a person who has had an ownership interest in a previous residence, but is now a displaced homemaker or has been displaced due to domestic violence.

## **Community Service and Self Sufficiency**

Several CDOH contractors have entered into 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 CDOH feels the cooperative agreements established at the local level are most effective.

**Coordination efforts between the CDOH 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 programs
- **Other** (describe):

The CDOH will require that Housing Agencies under contract to the CDOH 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.

**Self-Sufficiency Policies**

CDOH 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: CDOH 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	MONTEOSE COUNTY
TANF	X	X	X	X	X	X	X	X	X
DOLE	X	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	X
Rural Development	X	X							
Local Health Dept	X		X	X					
County Gov't			X	X		X		X	X

**Family Self Sufficiency Participation Description**

**Family Self Sufficiency (FSS) Participation**

Program	Required Number of Participants (As of: 01/01/08)	Actual Number of Participants (As of: 01/01/08)
Public Housing Section 8	N/A 97	N/A 125

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

### **Welfare Benefit Reductions**

CDOH 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.

### **Civil Rights Certification**

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.

### **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: **N/A:** Was the most recent fiscal audit submitted to HUD?

Yes No: **N/A:** 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)?



## **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:
- CDOH has based its statement of needs of families in the jurisdiction on the needs expressed in the current State of Colorado Consolidated Plan (Strategic Action Plan).
- CDOH prepares the State of Colorado Consolidated Plan.
- The State of Colorado Consolidated Plan includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice.
- CDOH Section 8 Tenant Based Program staff consulted, planned and collaborated with CDOH staff that is responsible for the preparation of the state's Consolidated Plan.
- All CDOH 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:

- CDOH will direct 75% of its Section 8 Rental Assistance to families at or below 30% Area Medium Income meeting the federal mandate.
- 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.
- Implement CDOH Voucher Program admissions preference for those who are homeless or are a victim of domestic violence or a natural disaster or are in the TBRA program.
- Implement CDOH Voucher Program admissions preference for those currently working or who are enrolled or previously enrolled in educational, training or upward mobility programs that 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 CDOH Tenant briefing packet to expand the information on fair housing, Voucher Program regulations and DOH Voucher policy.

## **Resident Board Member on the PHA Governing Board**

Colorado Division of Housing is a state public housing agency that only administers the Section 8 Housing Choice Voucher Program. The CDOH State Housing Board is not required to have a resident on its board. The State Housing Board is a bi-partisan board appointed by the governor. DOH invites all Section 8 families to participate on the Resident Board by making comments on the PHA Plan that can be viewed at the local contractor's office or on the CDOH website.

## **ATTACHMENT A**

### **MEMBERSHIP OF RESIDENT ADVISORY BOARD**

Colorado Division of Housing will conduct a state public hearing on **March 19, 2009**, inviting comment and participation concerning the Colorado Division of Housing (CDOH) PHA Agency Plan.

CDOH has required its contractors to post a notice of the Resident Advisory Board requirements at the contractors' onsite offices. The notice contains information on how Voucher Program participants can access the PHA Plan on the DOH web page or at the contractor's office. To date, CDOH has not received any responses via e-mail, mail or telephone concerning the CDOH PHA Plans.

Therefore, per Notice 2000-36, all Section 8 participants have been appointed to the Resident Advisory Board and have been given the opportunity to comment on the Agency Plan via access to the document at each contractor's office or on the Internet.

## **ATTACHMENT B**

### **STATEMENT OF PROGRESS IN MEETING THE FIVE-YEAR**

**CDOH 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).

- **Apply for additional rental vouchers so that additional families in the state will have the opportunity to be assisted with rental assistance.** *DOH received the following:*

**Fiscal Year 2005** – Fair Share vouchers were not available this year. DOH will receive 21 vouchers through an opt-out in Leadville, Colorado.

**Fiscal Year 2006** – Fair Share vouchers were not available this year. DOH received 10 vouchers through an opt-out in Grand County.

**Fiscal Year 2007** – Fair Share vouchers were not available this year.

**Fiscal Year 2008** – Fair Share vouchers were not available this year.

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

- **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.**

**Fiscal Year 2005** – DOH applied for 20 Mainstream Vouchers, but has not heard from HUD on this application.

**Fiscal Year 2006** – No funding available.

**Fiscal Year 2007** – No funding available.

**Fiscal Year 2008** – No funding available.

- **Implement CDOH Voucher Program admissions preference for those who are homeless, victims of domestic violence, a natural disaster or are in a DOH sponsored TBRA Program.** CDOH has implemented these preferences in its annual and administrative plans to ensure that those who are the most in need receive assistance as soon as possible.
- **CDOH will respond to a natural disaster within 24 hours of a Governor's Declaration of Disaster.**

**Fiscal Year 2005** – CDOH fortunately did not have to respond to a disaster this year.

**Fiscal Year 2006** – **CDOH staff, in conjunction with Catholic Charities, worked to house over 950 Katrina/Rita hurricane evacuees in September and October of 2005. FEMA Rental assistance to these evacuees is scheduled to end March 31, 2006. DOLA also provided assistance to evacuees through a Toll Free number staffed 10 hours a-day and coordinated furniture assistance.**

**Fiscal Year 2007** – CDOH fortunately has not had to respond to a disaster this year.

**Fiscal Year 2008** – **CDOH administered the DHAP Program.**

- **CDOH staff will assist in coordinating efforts to place victims in emergency housing and provide rental assistance if the family is eligible.** CDOH provides rental assistance in 47 counties of the state, therefore CDOH has Section 8 Contractors who can be called upon to administer rental assistance when a natural disaster hits. DOH has also developed a housing plan to assist victims of natural disaster.

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

- **Improve Voucher Program management by reviewing and revising (if needed) the current quality control processes in place regarding payments to landlords and HQS inspections.** Since CDOH is a state government agency, several processes are in place for quality control on landlord payments. For example, every landlord or organization that is paid a rental subsidy must submit a federal identification number or a Social Security number to ensure that the person or organization is valid. The IRS crosschecks the federal identification and Social Security information on landlords annually. CDOH staff enters HUD form 50058 information on the family and the landlord into the CDOH Voucher Program database. The database interfaces with the state accounting system. Accounting information is entered by state accounting staff. CDOH staff does not approve any subsidy payments; only state accountants are allowed to approve payments. CDOH staff reconciles monthly HAP requests from its contractors to what is actually within its database, which eliminates overpayments to landlords. CDOH has developed a system to cross reference and reconcile accounting reports to payments generated in the database. CDOH and DOLA OIS staff has developed a report that shows the funds downloaded into the state accounting system prior to approval of payment. Electronic Fund Transfers are monitored monthly by staff for irregularities, and Asset Managers monitor the family units of those landlords who receive this type of payment when doing on-site monitoring. Currently CDOH performs HQS inspections on 5% of all of the units assisted to ensure quality control. CDOH has implemented a system that allows contractors to access their family files through the web in order to eliminate duplicative work.
- **Revise factors for monitoring frequency status to better identify projects at risk of having monitoring findings.** CDOH has revised its monitoring documents and file checklists to reflect the requirements of SEMAP and the RIM review. CDOH continually reviews its monitoring documents to ensure that its contractors are being reviewed correctly regarding implementation of the Rental Assistance Program.
- **Provide on-site and Internet based training/publications on Section 8 federal funding regulations, grant management, organizational management and homeownership design.** CDOH provides on-and off-site training for all of its contractors. CDOH has developed a web based training on Housing Quality Standards Inspection. CDOH received national recognition in October of 2005 for its web based internet Housing Quality Standards (HQS) training from the National Association of Housing and Redevelopment Officials (NAHRO).
- In June of 2006 CDOH, along with Colorado Housing Development Organization and USDA Rural Development, sponsored a website called [coloradohousingsearch.com](http://coloradohousingsearch.com). The site is an internet search engine for affordable rentals and homes for sale. Currently it receives 400-500 hits a day from people trying to locate housing. CDOH is promoting this website to all PHAs in Colorado to use as their rental unit list provided to Section 8 Voucher holders.
- CDOH has formalized its Homeownership Guidelines since the publication of the final rule on the homeownership program, and CDOH has since trained its contractors on this program. CDOH has a new training on its website called "The Puzzle of Homeownership." The purpose of this interactive training is to educate potential homebuyers on a variety of topics. CDOH is a firm believer in providing adequate homeownership education prior to purchasing a home.
- **Sponsor twice-yearly CDOH Section 8 Contractor training to review DOH policy and federal regulation, which governs the program. CDOH sponsors a state contractor meeting twice a year.**

**Fiscal Year 2005** – CDOH conducted a contractor training September 16<sup>th</sup> & 17<sup>th</sup>, 2004. A Section 8 101 course was held on November 15, 2004 for new contractor staff. An FSS training is scheduled for May of 2005.

**Fiscal Year 2006** – CDOH conducted a Section 8 Contractor training on July 20th and 21st of 2005. A homeownership Manual was produced in February of 2006. The Section 8 101 class is scheduled to be held April 18th and 19th of 2006.

**Fiscal Year 2007** – CDOH conducted a Section 8 Contractor training on September 11th and 14th of 2006.

**Fiscal Year 2008** – CDOH contracted with Nan McKay and Associates to provide "Eligibility and Occupancy" training for its contractors in September of 2008.

**Fiscal Year 2008** – A Section 8 101 course was held in the summer of 2008 for new contractor staff. CDOH contracted with Nan McKay and Associates to provide "Eligibility and Occupancy" training for its contractors in September of 2008.

**CDOH Strategic Goal: Increase assisted housing choices.**

- **Increase voucher payment standards for Section 8 Contractors in high rental cost areas of the state by 10%, where warranted.** Contractors must submit documentation to CDOH annually to justify an increase in their payment standard. Several high cost areas within the state have done so, and CDOH has granted the allowable 10% increase.
- **Update the CDOH Tenant briefing packet to improve the information on housing choices.** Updating the briefing packet is done annually to provide current information to families receiving rental assistance and to state contractors.
- **Implement a flexible voucher homeownership program that can be adapted to all communities within the state.** CDOH has implemented a statewide homeownership program and a guideline book that can be used by both state contractors and families wishing to participate in this program. To date, CDOH has one hundred families currently taking advantage of the home ownership program. CDOH has formed partnerships with Colorado Housing Finance Authority, Bank One, Wells Fargo and Rural Development to provide mortgage assistance to families receiving rental assistance and those who are disabled. CDOH provides on-going contractor training on the homeownership program.
- **Coordinate CDOH Homeownership Down Payment and Single Family Owner Occupied Rehabilitation Programs with Section 8 Contractors who are interested in implementing a voucher homeownership program in their community.** CDOH has provided within the State Homeownership Guidebook a listing of CDOH down payment and single-family owner occupied rehabilitation programs available throughout the state along with other resources a family may use.
- **Statewide utility allowances.** In conjunction with Supportive Housing and Homeless Programs (SHHP), CDOH has partnered in developing statewide utility allowance for four geographical areas of the state. This service will assist all housing authorities in the state along with developers of multi family housing units.

**CDOH Strategic Goal: Promote self-sufficiency and asset development for assisted households.**

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

- **Increase the number of families enrolled in the Family Self-Sufficiency (FSS) Program by an additional 10 families annually.** CDOH has developed a preference for families working toward self-sufficiency (see Section 3 - Policies Governing Eligibility, Selection and Admissions). CDOH currently has 111 families participating in the FSS Program; this is a decrease of six families from last year. A total of 177 families have graduated from the FSS program since its inception.
- **Continue to promote and support cooperation agreements at the state and local level between the Department of Human Services and other supportive service providers.** CDOH has requested that its contractors enter into Certifications of Cooperation Agreements with DOLE and DHS to better serve low-income families within the state. In coordination with Supportive Housing and Homeless Programs (SHHP), CDOH has developed a state wide utility allowance. This will assist contractors and public housing authorities that do not have the capacity to develop their own.
- **Continue to set-up and administer escrow accounts for families participating in the FSS programs.** Roughly 98 families within the state are taking advantage of the escrow account offered through the FSS program.

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

**Continue to improve the distribution of information to Coloradoans who contact the DOH wanting fair housing information.** CDOH has sponsored several workshops on Fair Housing and accessibility standards. CDOH incorporates fair housing and equal opportunity training on a regular basis into its annual trainings. DOH developed a technical brief called "What Renters Should Know about Fair Housing," and another called "Landlord/Tenant Rights," to assist renters and voucher holders in knowing what their rights are. DOH is currently working with the Denver Apartment Association to develop a user manual for Renters in Colorado. CDOH plans to conduct several statewide fair housing workshops in 2008.