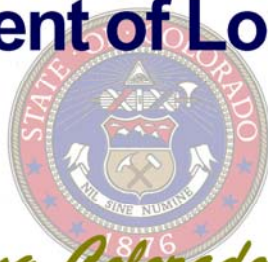


Housing and Urban Development
Office of Public and Indian Housing

DIVISION OF HOUSING PHA PLAN

Department of Local Affairs



Strengthening Colorado Communities

5-Year Plan for Fiscal Years 2011 - 2016
Annual Plan for Fiscal Year 2011

Pat Coyle, Director

COLORADO STATE HOUSING BOARD APPROVAL: 4/13/2010

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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, 2010 to June 30, 2011

Inventory: Number of HCV units: 2543

Submission Type: 5 Year 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:

Colorado Division of Housing
Autumn Gold, Program Manager
1313 Sherman Street, Room 518
Denver, CO 80203
(303) 866-2033
(303) 866-4077 Fax

Table of Contents

- 1. Executive Summary**
- 2. 5 Year Plan**
- 3. Housing Needs**
- 4. Financial Resources**
- 5. Policies of Eligibility, Selection and Admissions**
- 6. Rent Determinations Policies**
- 7. Operations and Management**
- 8. Grievance Procedure**
- 9. Homeownership**
- 10. Community Service and Self Sufficiency**
- 11. Civil Rights Certification**
- 12. Audit**
- 13. Resident Member on the PHA Governing Board**
- 14. Statement of Consistency with the Consolidated Plan**

Attachments

Attachment A - Resident Advisory Board

Attachment B - 5 Year Strategy Statement of Progress

Attachment C - PHA Certifications of Compliance and Related Regulations

Attachment D - Certification for a Drug-Free Workplace

Attachment E - Disclosure of Lobbying Activities

Attachment F - Certification of Payment to Influence Federal Transactions

Attachment G - Certification of Consistency with the State of CO Consolidated Plan

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
- DOH 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

1. 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 DOH 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 4th 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. DOH 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, DOH 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 2010, roughly 49,757 families were waiting for government rental assistance. There is not enough deep-subsidy rental assistance available to the lowest income renters in Colorado. DOH 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. DOH 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, DOH 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.

2. Five Year Annual Plan

Mission:

The mission of the Colorado Department of Local Affairs, Division of Housing (CDOH) 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, 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 STRATEGIC GOALS AND OBJECTIVES

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

The above goals are fully addressed in the State Consolidated Plan and can be viewed at:
<http://www.dola.colorado.gov/cdh/index.html>

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

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

As stated above, DOH developed its PHA Annual Plan in conjunction with the State Consolidated Plan. Through this effort, the housing needs of low-income Coloradoans have been identified and action steps have been implemented to address these needs as indicated in the DOH Annual Plan strategic goals listed below:

COLORADO'S HOUSING MARKET

Housing Supply

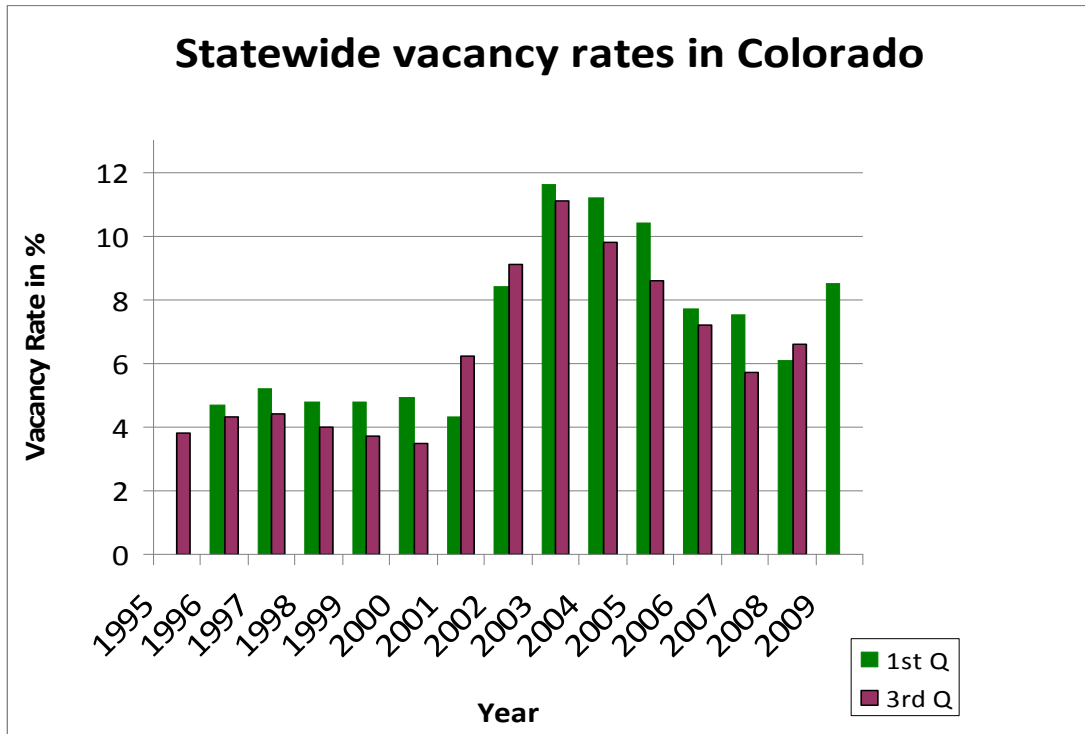
The ACS (2008) estimates that Colorado had 2,152,040 housing units in 2008, a 1.2 percent increase from 2007. Of these, 1,897,835 (88.2%) were occupied and 254,205 (11.8%) were vacant.

Rental Vacancy Rates

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

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

Exhibit 6. Statewide Vacancy Rates in Colorado

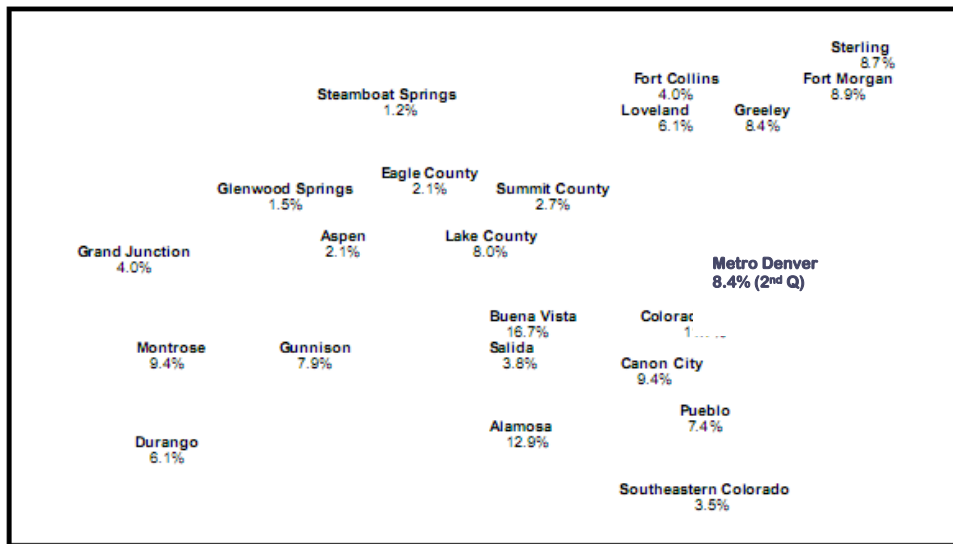


Source: Colorado Department of Local Affairs, Division of Housing, March 2009

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

Exhibit 7.

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



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

Tenure and Type of Units

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

Exhibit 8. Colorado Tenure by Units in Structure

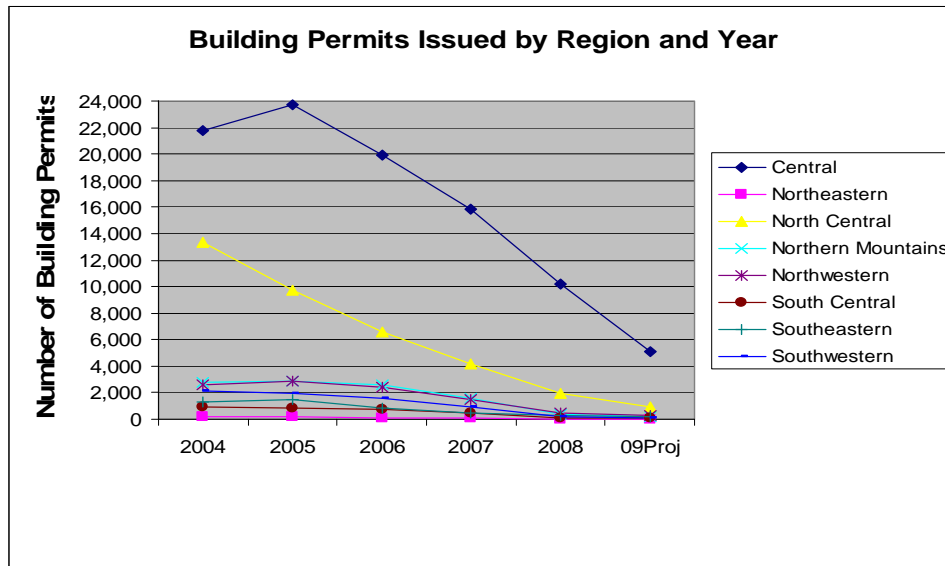
Number and Type of Housing Units	Total	Owner occupied		Renter-Occupied	
		Estimated Number	Percentage of Unit Type	Estimated Number	Percentage of Unit Type
1, detached	1,235,629	1,056,523	86%	179,106	14%
1, attached	128,981	84,728	66%	44,253	34%
2	29,356	3,852	13%	25,504	87%
3 or 4	63,992	14,961	23%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

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

Building Permits

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

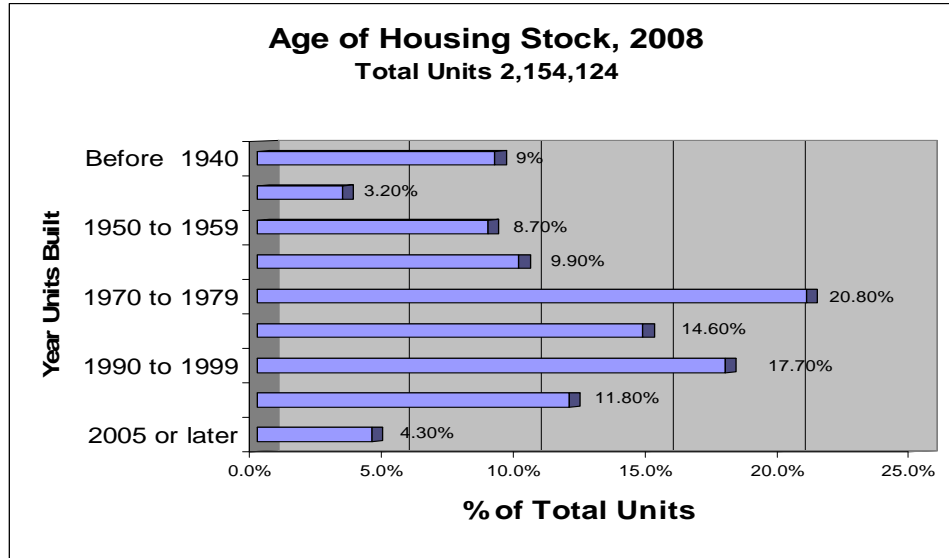
Exhibit 9. Building Permits by Region Source: Colorado Department of Local Affairs, June 2009



Age of Housing Stock

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

Exhibit 10. Age of Housing Stock, 2008



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

Housing Problems

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

OVERCROWDING

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

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

Exhibit 11. Percent of Overcrowded Households

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

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

SUBSTANDARD UNITS

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

Occupied Housing Units Lacking Complete Plumbing Facilities

Owner Occupied	5,306
Renter Occupied	3,725

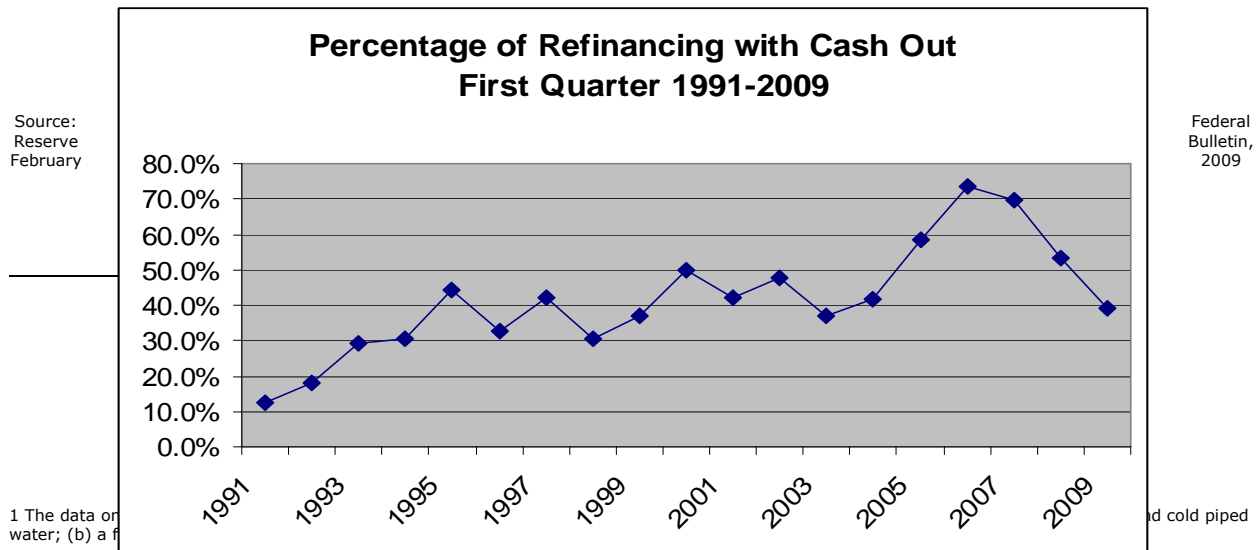
Occupied Housing Units Lacking Complete Kitchen Facilities

Owner Occupied	4,563
Renter Occupied	7,116

For-Sale Housing Market

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

Exhibit 12. Percentage of Refinancing with Cash Out



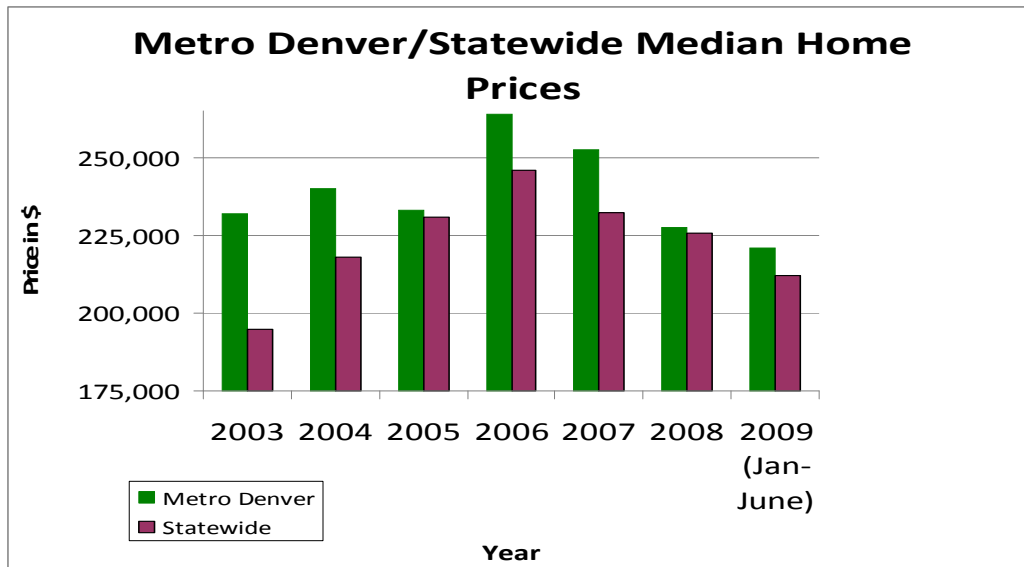
1 The data on water; (b) a f

and cold piped

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

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

Exhibit 13. Metro Denver/Statewide Median Home Prices



Source: Colorado Department of Local Affairs, July 2009

Homeowner Strength

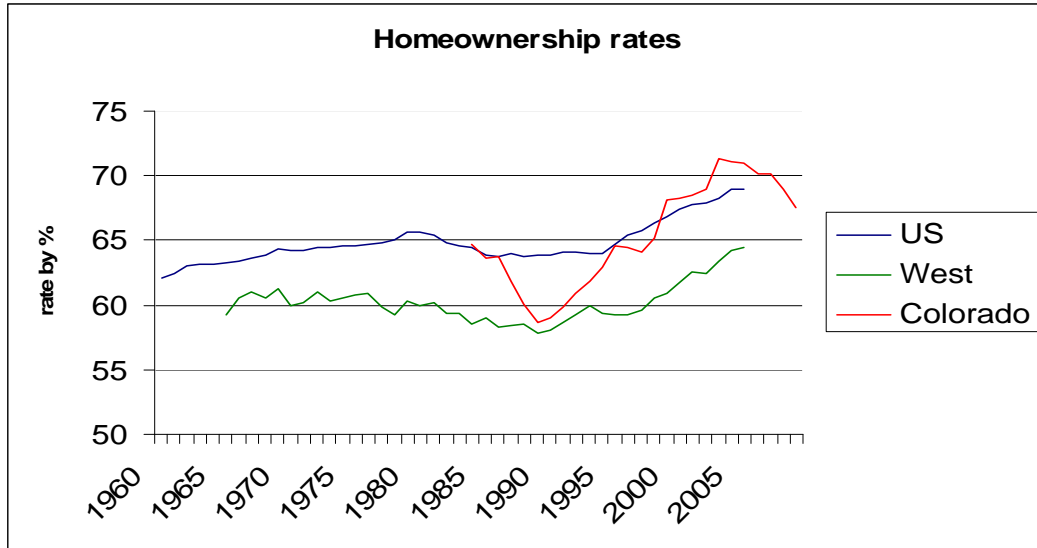
According to U.S. Housing Market Conditions, Rocky Mountain Region VIII (3rd Quarter, 2009), much of Colorado's for sale housing market is soft, but both reductions in homebuilding activities and decisions of homebuyers to keep their units off of the market are having a positive effect in reducing inventories.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

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

Historical Homeownership

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

Exhibit 14. Homeownership Rates 1960-2005



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

Homeless Facilities

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

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

HIV/AIDS Facilities

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

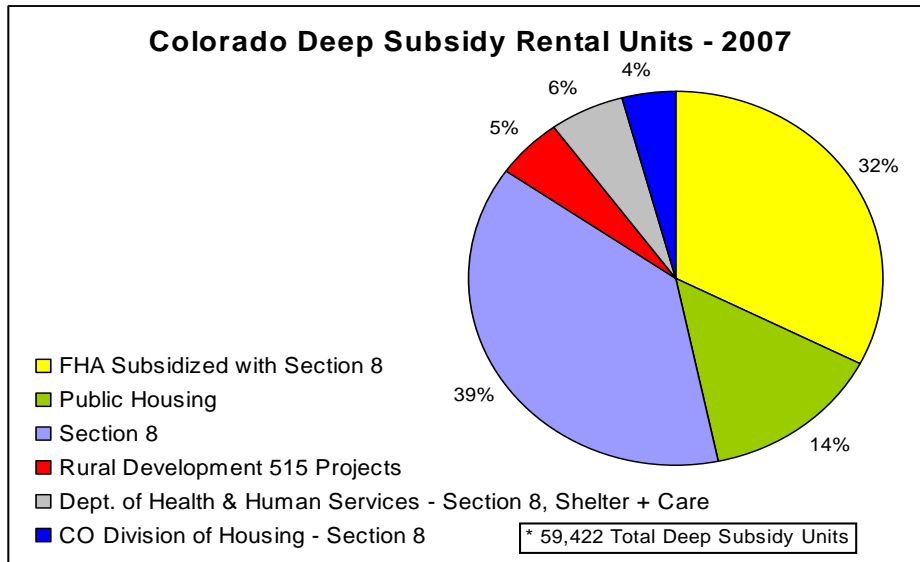
Public and Assisted Housing

Deep Subsidy Rental Units

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

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

Exhibit 15. Colorado Deep Subsidy Rental Units - 2007



Source: Community Strategies Institute, Division of Housing, 2007

Public Housing Authorities (PHAs)

The Colorado Division of Housing (DOH) conducts an annual statewide public housing authority survey to assess the number of families on Colorado's PHA waiting lists. The survey is a snapshot in time, indicating that in January 2010, 49,757 families were waiting for PHA rental assistance. It should be noted that the total number of households on waiting lists is not necessarily an accurate measure of need since many lists are closed, capped or may have ineligible households at any given time. What we do know is that there is not enough deep-subsidy rental assistance available to the lowest income renters in Colorado.

The majority of households on Colorado PHA waiting lists have incomes at or below 30 percent of area median income for the state. This is consistent with prior years' surveys. Most are families with children, 24,017 have a family member who is disabled. Those housing authorities that track the statistic average 35 phone calls per week for housing assistance.

Exhibit 16. Statewide Public Housing Waiting List Survey Results, 2010

Demographics Category	Number of People on Wait Lists
Total Waiting List for Households	49,757
0 – 30% AMI	43,140
31 – 50% AMI	5,687
51 – 80% AMI	930
Families with Children	24,017
Elderly Families	6,381
Families with Disabilities	16,125
Hispanic	15,899
Non-Hispanic	33,858
Black	9,683
Native American	703
Asian Pacific	2160

Source: Colorado Department of Local Affairs, Division of Housing, January 2010

The data below shows a disproportionate need among some racial groups. When compared to the percentage of persons in Colorado in each ethnic group, this data shows that all ethnic minorities in Colorado have a higher proportion of housing needs. This finding is consistent with prior surveys. Exhibit 17 summarizes the 2010 needs by ethnic group.

Exhibit 17. Disproportionate Housing Needs of Families on Statewide Waiting Lists by Ethnic Group, 2010

Race or Ethnicity	Percent of Population	Percent of Waiting Lists
Other	2.5%	2.24%
Black	19.5%	19.46%
Native American	2%	1.81%
Asian Pacific	4.5%	4.34%
White	72%	72.15%
Total	100.0%	100.0%

Source: Colorado Department of Local Affairs, January 2009

Expiring Section 8 Units

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

Troubled Housing Authorities

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

Housing Choice Voucher Program

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

The Section 8 Family Self-Sufficiency (FSS) program is a primary housing program designed to reduce dependency on public assistance. This program embodies the four principals of Colorado's welfare reform. Each household participating in this program enters into a Contract of Participation. This contract provides a framework and time line for reducing their dependency on public assistance. Once the contract is fulfilled, funds allocated to an escrow account on their behalf can be used to invest in a home or pursue further education. This program is administered by DOH, housing authorities and local nonprofit housing agencies.

PRESERVATION OF PROJECT BASED SECTION 8

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

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

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

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

FAIR MARKET RENTS

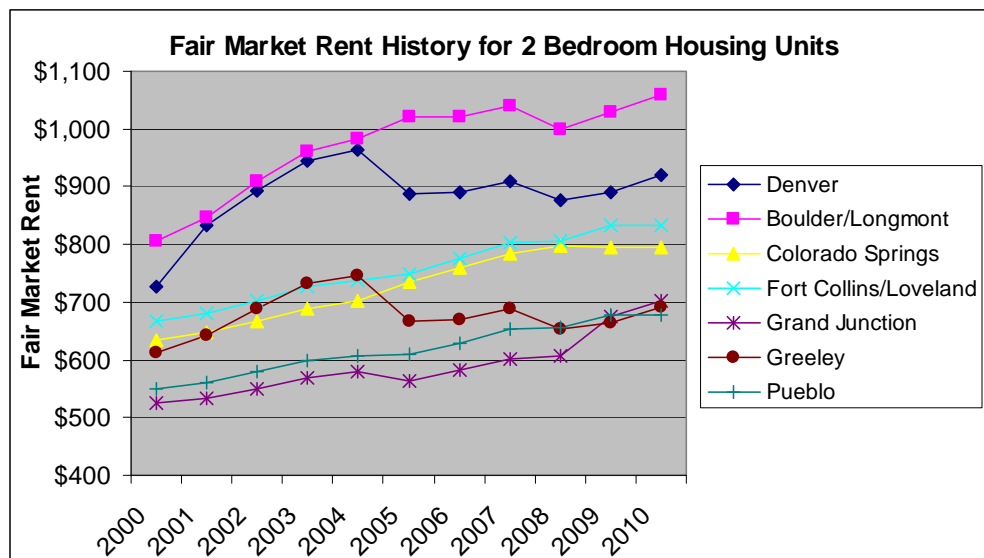
HUD uses Fair Market Rents (FMRs) to determine subsidies for federal housing programs such as the Section 8 HCV program.

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

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

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

Exhibit 18. Fair Market Rents



Supportive Housing Development

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

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

Housing Market Findings and Conclusions

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

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

COLORADO'S HOUSING AND HOMELESS NEEDS

Renter Housing

Rental Cost Burden

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

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

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

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

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

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

Source: Community Strategies Institute, 2007

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

According to the CSI report, there were 47,964 rent-burdened households earning at or below 30 percent AMI in Colorado in 2007. The number of housing units needed annually for these households was estimated at 1,779 by CSI in 2007, equating to a five-year production need of 8,895 units. The State's Annual Action Plan will reflect annual changes in production goals.

STATEWIDE NEEDS ASSESSMENTS

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

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

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

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

COST TO RENT IN 2008

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

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

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

The ACS (2008) estimated that over one third of renters and owners pay more than 30 percent of their incomes for housing costs and are considered cost burdened (Exhibit 28). Twenty-three percent of renters who earn less than \$20,000 per year are cost burdened and 15 percent of renter households earning between \$20,000 and \$35,000 are cost burdened, while cost burden among owner households is spread more evenly across ranges.

Exhibit 28. Cost Burdened Households

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

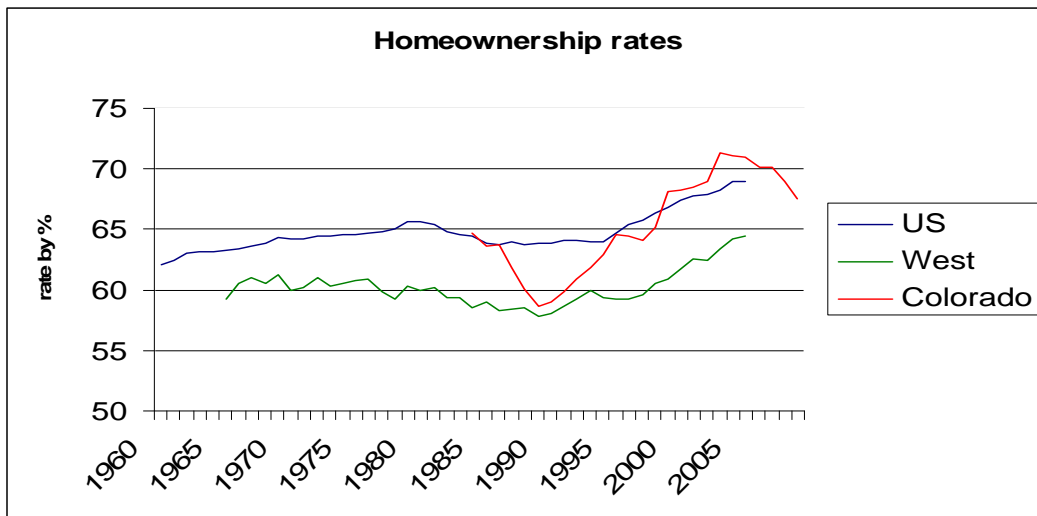
Source: U.S. Census Bureau, 2006-2008 American Community Survey

Homeownership

Historical Homeownership

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

Exhibit 29. Homeownership Rates over Time



Source: U.S. Census Bureau

Rehabilitation of Existing Housing Stock

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

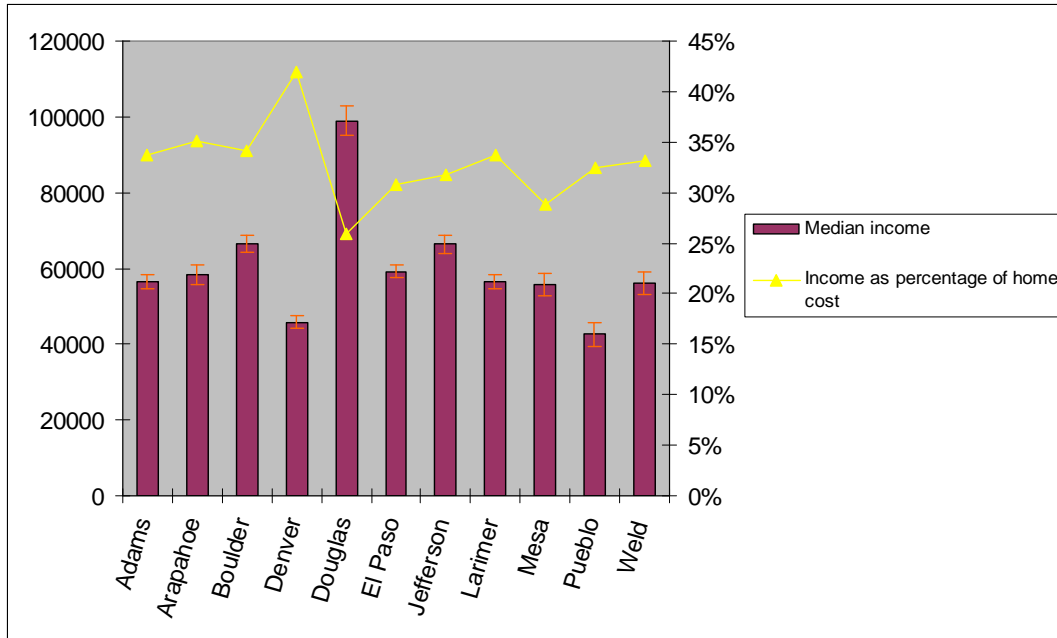
As a means to ameliorate health and/or safety-related needs of low-income owners who could not otherwise afford the repairs, the Division of Housing (DOH) funds 10 owner-occupied rehabilitation programs that serve low-income households at or below 80% AMI.

Owner Cost Burden

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

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

Exhibit 30. Monthly Owner Costs Compared to Income



(Source: American Community Survey, 2008)

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

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

New Homeowners

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

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

Foreclosures

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

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

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

The hotline connects borrowers with nonprofit housing counselors who can provide information on a borrower's options when facing foreclosure. The hotline received over 94,000 calls for assistance from its inception to the end of December 2009. Counselors can act as facilitators for communication between lenders and borrowers, which is a critical role. Statistics show that four out of five households (80%) that meet with a housing counselor will avoid foreclosure. As of November 30, 2009, 16,100 households received assistance and avoided foreclosure. The Division will fund the Hotline Call Center through the summer of 2011.

Neighborhood Stabilization Program

Congress enacted legislation in August 2008 to assist communities with foreclosure problems and destabilization of neighborhoods. Colorado received \$37.9 million through the Housing and Economic Recovery Act of 2008 (HERA) and amended its 2008 Action Plan to incorporate implementation strategies for the Neighborhood Stabilization Program (NSP1). The goals of the program are: (1) stabilize property values; (2) purchase and rehabilitate housing in the most highly impacted areas quickly to reduce the extended negative effect of blighted properties in neighborhoods; and, (3) acquire foreclosed properties to serve the most severely cost-burdened households for the greatest period of time.

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

HOUSING NEEDS FOR SPECIAL POPULATIONS

Elderly Housing Needs

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

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

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

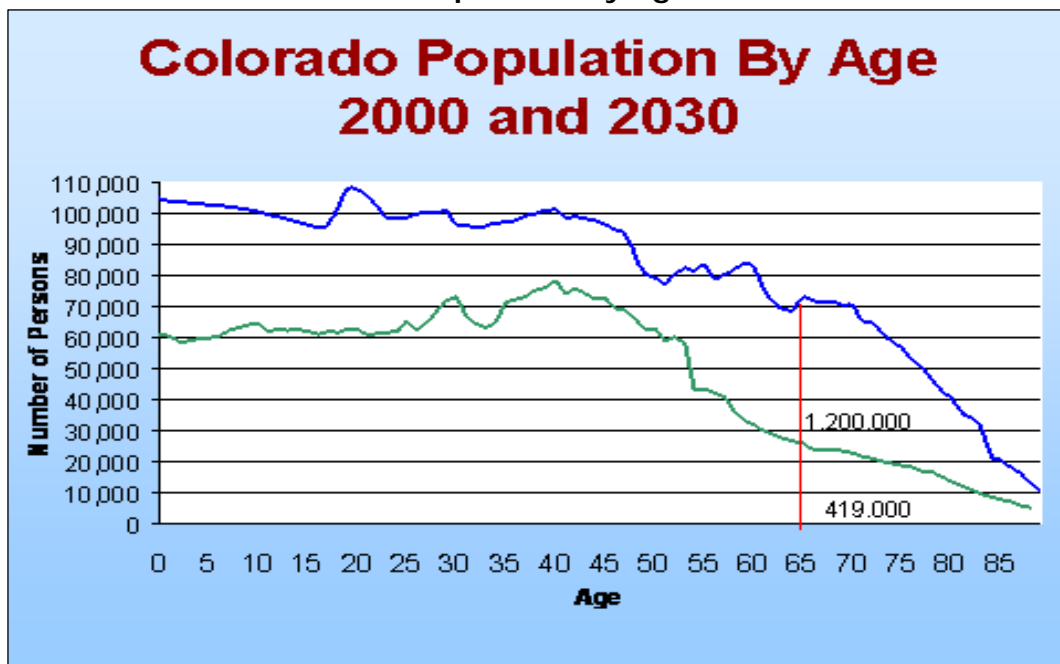
- ❖ In 2010, the first Boomers will reach 65 years of age.
- ❖ Between 2000 and 2020, Colorado's population aged 55 - 64 will grow 5.9 percent per year vs. 3.9 percent for this U.S. age group, and 1.7 percent overall growths for Colorado. This will result in Colorado's total more than doubling from 342,000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

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

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

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

Exhibit 31. Colorado Population by Age – 2000 and 2030



Colorado Department of Local Affairs, 2009

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

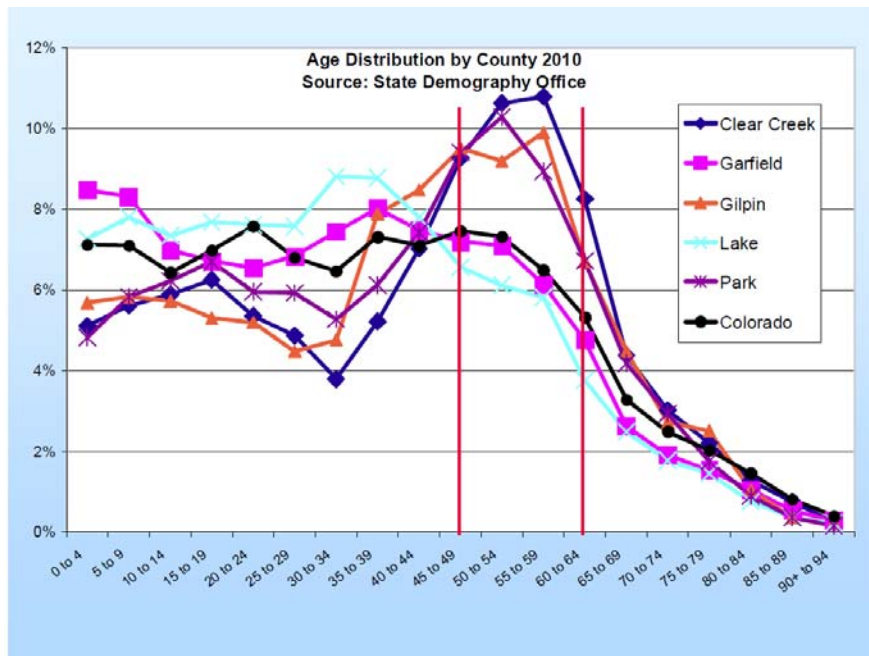
Exhibit 32. Baby Boom Population Growth by Region 2005-2015

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

Colorado Department of Local Affairs, 2009

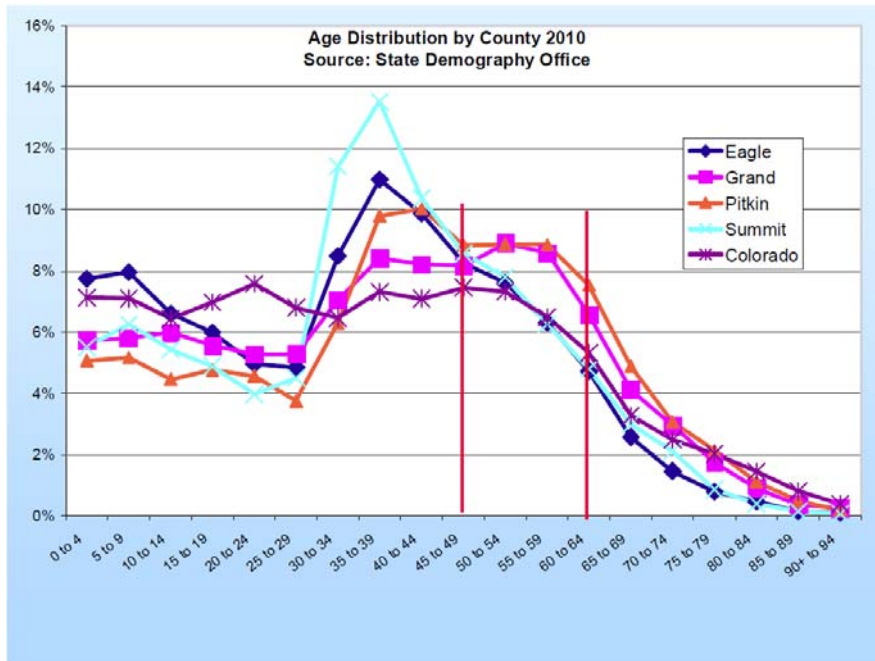
Exhibits 33 and 34 show the effect of the baby boom population on mountain resort areas. The first of these graphs is for the counties of Clear Creek, Garfield, Gilpin, Lake, and Park versus the State of Colorado as a whole. The second slide includes Eagle, Grand, Pitkin, and Summit counties versus the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

Exhibit 33. Age Distribution by County 2010



Source: DOLA, Office of State Demographer, 2009

Exhibit 34. Age Distribution by County 2010



Source: DOLA, Office of State Demographer, 2009

Economic Impact of the Baby Boomers:

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

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

Senior Housing

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

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

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

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

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

Independent Housing Needs – Independent Elderly

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

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

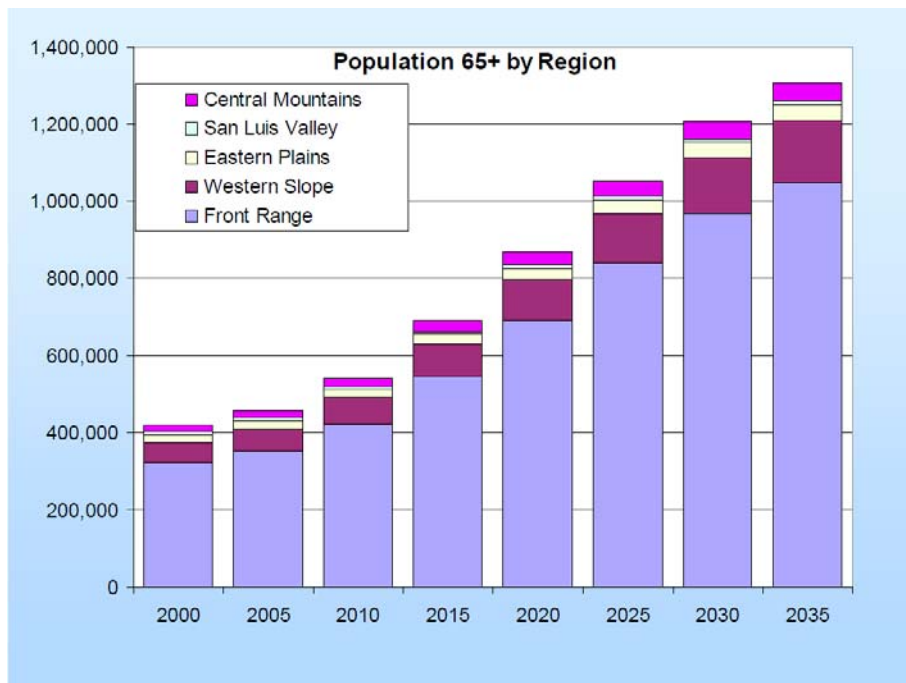
According to the most recent report from the Social Security Administration (SSA), the average Social Security payment was \$982 per month, while average rent for a one bedroom apartment was \$667 per month according to the National Low-Income Housing Coalition study "Out of Reach, 2008." A one-person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

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

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

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

Exhibit 35. Population 65+ by Region



Source: DOLA, Office of State Demographer

Need for Housing with Services – Frail Elderly

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

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

Persons with Disabilities

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

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

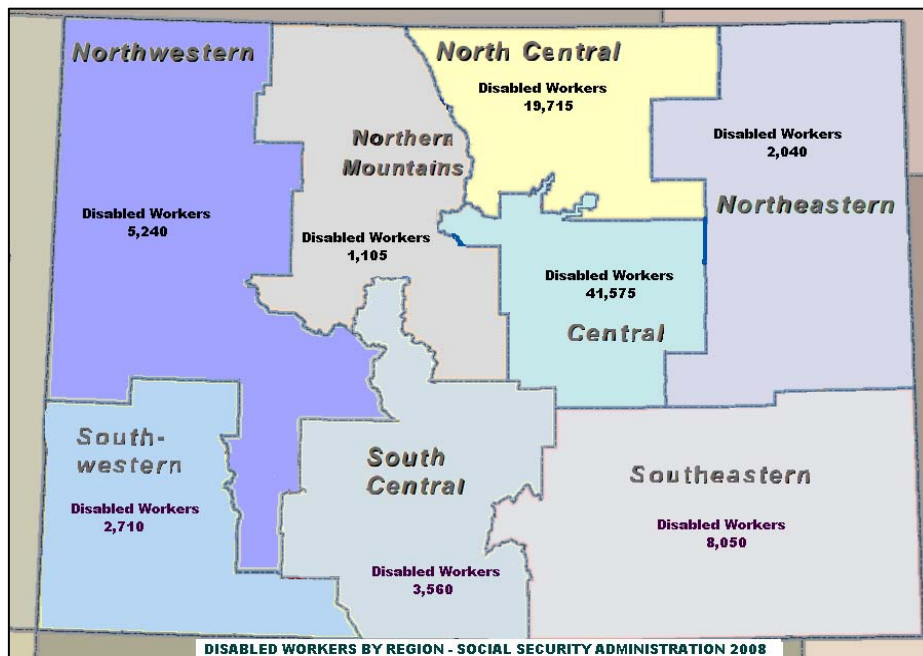
According to "*Priced Out in 2008, the Housing Crisis for People with Disabilities*" (Technical Assistance Collaboration, Consortium of People with Disabilities Housing Task Force, May 2009), this increase in demand and change in philosophy come at a time when the market is unstable. This represents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

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

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

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

Exhibit 36. Regional Distribution of SSI Disabled Workers



Source Social Security Administration, 2009

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

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

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

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

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

Consortium for Citizens with Disabilities, Priced Out in 2008

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

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

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

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

Exhibit 38. Housing Needs of Persons with Disabilities

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

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

Persons with Severe and Persistent Mental Illness

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

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

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

Persons with Physical Disabilities

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

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

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

Persons with Developmental Disabilities

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

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

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

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

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

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

Persons with HIV/AIDS

According to the Colorado Department of Public Health and Environment (CDPHE) HIV/STD Surveillance Program (HIV and AIDS in Colorado, Monitoring the Epidemic (through June 20, 2009), there have been 16,016 total AIDS cases reported in Colorado since 1982. Of these, 9,307 were in Denver alone. Since 1996, the percentage of persons diagnosed with

AIDS who are still living has increased dramatically due to new treatments. There are now an estimated 10,796 persons living with HIV/AIDS (PLWHA) in Colorado.

The HIV epidemic in Colorado is concentrated in the counties and population centers of Denver, Boulder, Broomfield, Adams, Arapahoe, Jefferson, Douglas and El Paso Counties. These counties represent 78 percent of prevalent HIV/AIDS cases and 68 percent of Colorado's population. Fremont County appears to have a disproportionate share of HIV because it is home to the Colorado State correctional facility that houses virtually all HIV infected prisoners (*Integrated Epidemiologic Profile of HIV and AIDS Prevention and Care Planning* reported through June 2003, Colorado Department of Public Health and Environment). Although there are persons with HIV/AIDS in the rural areas of Colorado, the numbers are not large.

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

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

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

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

As persons with HIV/AIDS live longer, demand increases for living situations that are responsive and supportive through the entire course of a person's illness. Stable housing provides an essential base for services considered crucial to optimal health and wellbeing.

Stable housing also provides a social forum for people who are feeling isolated by their disease. As individuals secure a safe, comfortable residence, their emotional status often stabilizes. Housing has immediate impact on psychosocial and physical health and must be considered an important element in the full spectrum of care for persons with HIV/AIDS.

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

Disproportionate Need

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

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

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

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

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

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

Victims of Domestic Violence

DOH funds fifteen domestic violence agencies through its Emergency Shelter Grant Program. Many programs have residential shelters where victims and their children can stay in a comfortable home while receiving counseling, support and advocacy. Shelter stays are usually around 45 days, and can be as long as 90 days in some programs, depending on need and availability. Several programs offer transitional housing where victims and their children can stay for up to two years. Programs without a shelter or transitional housing may be able to provide short-term safe housing in a motel.

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

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

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

Homeless Needs

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

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

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

Homeless Definition

HUD's definition of homeless is:

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

Chronic Homelessness

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

Collaborations to End Homelessness

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

Continuum of Care System

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

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

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

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

Colorado and Community Interagency Council on Homelessness

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

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

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

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

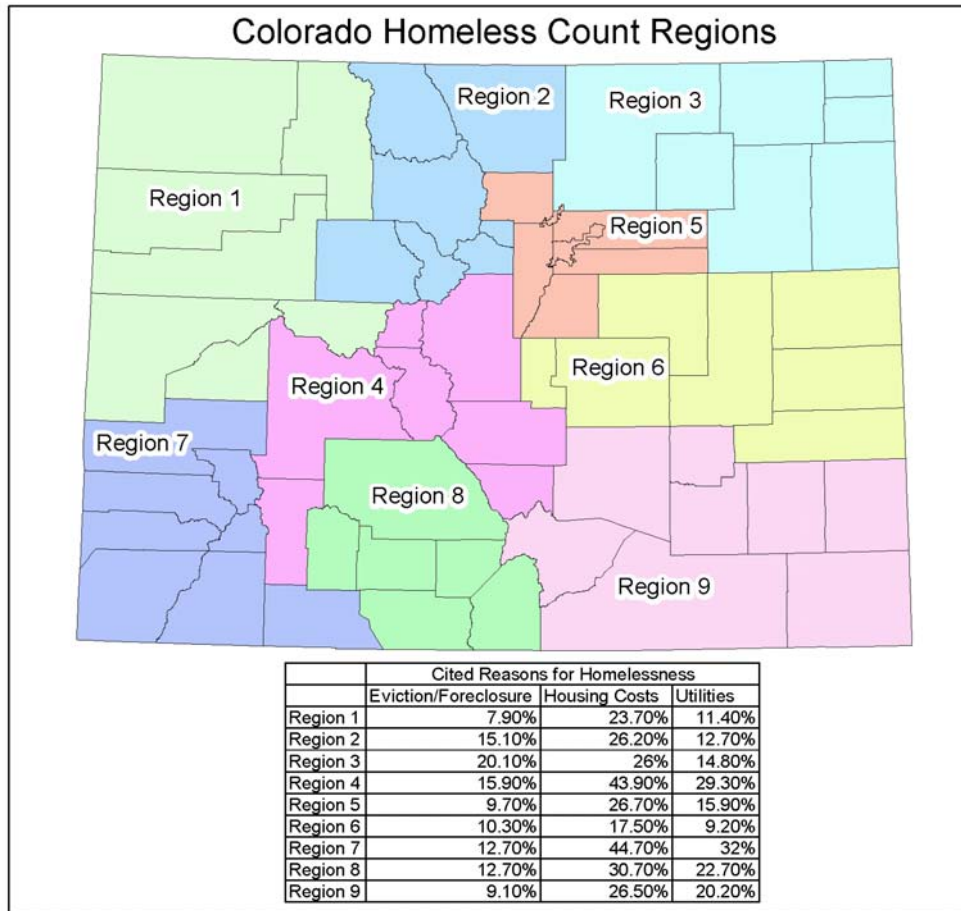
What Causes Homelessness?

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

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

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

Exhibit 41. Housing Related Reasons Homeless Count Regions



Division of Housing, 2006

Disproportionately Greater Need by Race or Ethnicity

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

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

NUMBER OF HOMELESS PERSONS

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

Continuum of Care Reports

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

Exhibit 42. 2008 Homeless Count from Continuum of Care Reports

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

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

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

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

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

Chronic Homelessness

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

Services Needed by the Homeless

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

Exhibit 44. Services Needed by Homeless

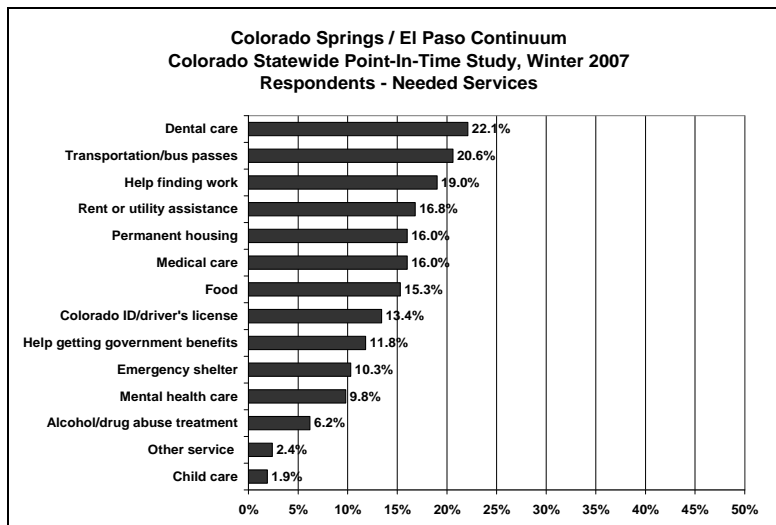
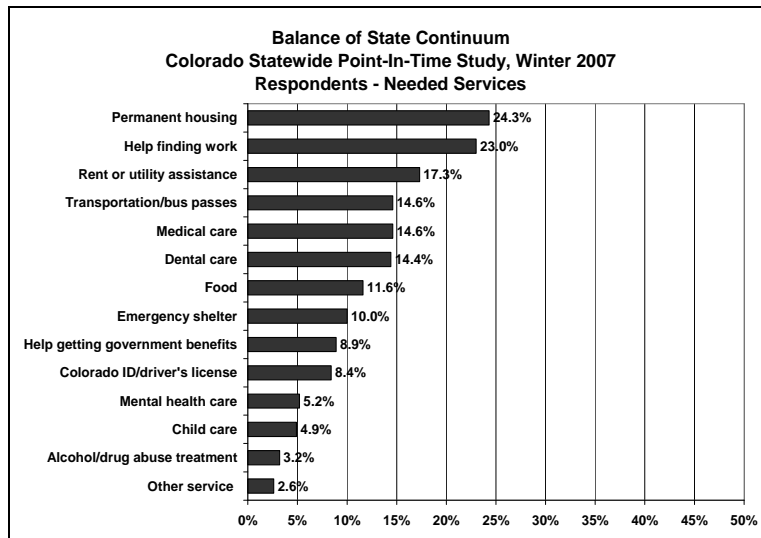
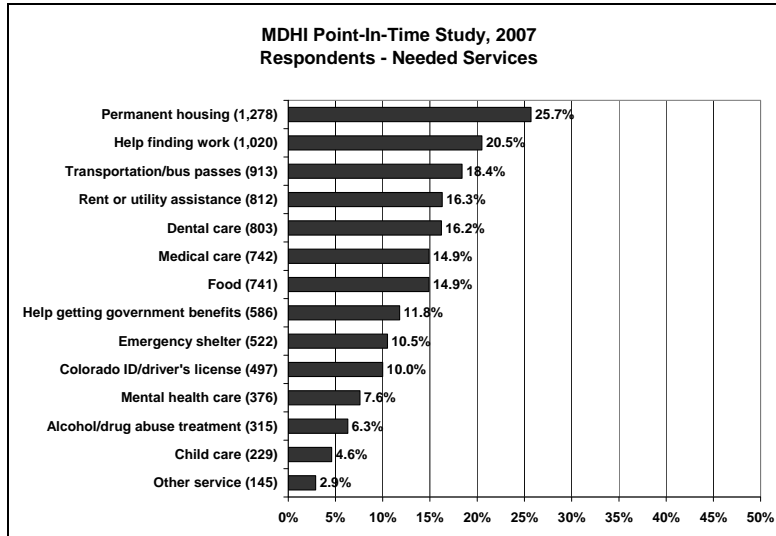


Exhibit 44. HPRP Distributions by Continuum of Care Geography

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

Uses of Funds:

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

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

Program Features:

- (1) Serves both families and individuals
- (2) Combines and coordinates with direct HPRP grants to local governments
 - Adams County
 - City of Aurora
 - City of Colorado Springs
 - City and County of Denver
 - City of Pueblo
- (3) Combines with a TANF Supplemental grant of \$4.7M from the State of Colorado.

Emergency Shelter and Services

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

Transitional Housing

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

Permanent Supportive Housing and "Housing First"

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

DOLA Housing Strategies

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

Strategies for Addressing Housing Needs

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 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 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.

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.

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.

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.

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.

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.

4. Financial Resources

Federal, State and Local Resources

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

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

5. Policies of Eligibility, Selection and Admissions

Eligibility

- DOH conducts criminal or drug-related activity screening to the extent required by law or regulation.
- DOH requests criminal records from State law enforcement agencies (Colorado Bureau of Investigation) for screening purposes.
- DOH 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

- 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:

Search Time

DOH 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:
DOH 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: DOH 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 DOH 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.

Preferences

- 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
- 2 Elderly and Disabled Families
- 3 Dates and Time

Applicants on the waiting list with equal preference status are selected by date and time of application. DOH 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.
- DOH announces the availability of any special-purpose Voucher Programs to the public through published notices and announcements to local government agencies.

6. Rent Determinations Policies

Payment Standards

- 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.
- 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

DOH 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.

7. Operations and Management

Organization Setup

Under the direction of the Colorado State Housing Board and the Director of the Colorado Division of Housing (DOH), staff of the DOH 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 DOH 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 DOH 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.

Budget Officer

This position is responsible for supervising three Administrative Assistants who enter HUD statistical information (form 50058) into the Section 8 Program database. This position is responsible for the following: (1) coordinating VMS reporting with accounting staff, (2) administrative fee payment to contractors, (3) software interface with the COFRS accounting system, (4) assisting in training Section 8 contractors on the requirements for payment through the state system, (5) 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 DOH.

Program Assistant

The Program Assistant is responsible for PIC transmittal, PIC error corrections, repayment agreements, collections tracking, D-HAP payments and expenditure tracking. This position is also responsible for EIV setup and renewals. Assists with the VMS reporting.

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 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 Colorado Consolidated Plan, which provides the guidance for the development of the state public housing agency strategies. 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.

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 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. DOH'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 UNER PHA MANAGEMENT

Program Name	Units of Families Served at the Year Beginning	Expected Turnover
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 43	
Family Unification Program	100	11%
Total	2,593	

Management and Maintenance Policies

Section 8 Management

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

8. 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;

9. Homeownership

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. 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:

DOH is offering this homeownership program to DOH's eligible participants who are interested in purchasing their own homes. DOH's homeownership program is completely voluntary and provides participants freedom of choice. At no time will DOH 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. DOH 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 DOH's Housing Choice Voucher Program participants by assisting them in transitioning from rental to homeownership using the Housing Choice Voucher Program. Each DOH 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 DOH'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 DOH's Housing Choice Voucher (HCV) Program; and have received DOH HCV Program assistance for a minimum of one year (12 consecutive months); family may not initially pay more than 30% of their total family portion, including principal, interest, insurance, home owners association fees, maintenance, repair and utility allowance.

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 DOH's administrative plan. Preferences are given to those who work, are participating in DOH's Family Self-Sufficiency and/or other education programs.

First Time Homebuyer

This program is for first-time homebuyers with DOH 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.

10. Community Service and Self Sufficiency

Several DOH 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 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 programs
- **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.

Self-Sufficiency Policies

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: 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	CHAFEECUSTER, FREMONT, PARK & TELLER COUNTY	GUNNISON COUNTY	LA PLATA COUNTY	LOGAN COUNTY	SAGUACHE COUNTY	YUMA and WASHINGTON COUNTIES	MONROSE 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: 01/01/10)	Actual Number of Participants (As of: 01/01/10)
Public Housing Section 8	N/A 96	N/A 96

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

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.

11. 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.

12. 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)?

13. 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 DOH 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 DOH website.

14. 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:
- DOH 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).
- DOH 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.
- DOH 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 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:

- DOH 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 DOH 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 DOH 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 DOH Tenant briefing packet to expand the information on fair housing, Voucher Program regulations and DOH Voucher policy.

ATTACHMENT A

MEMBERSHIP OF RESIDENT ADVISORY BOARD

Colorado Division of Housing will conduct a state public hearing on **March 30, 2010**, inviting comment and participation concerning the Colorado Division of Housing (DOH) PHA Agency Plan.

DOH 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, DOH has not received any responses via e-mail, mail or telephone concerning the DOH 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 PLAN

1. 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).

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 2001** - 152 Fair Share Vouchers, 100 Family Unification and 167 Opt Out Vouchers from the East Village Project.
- **Fiscal Year 2002** - 186 Fair Share Vouchers
- **Fiscal Year 2003** - 200 Vouchers for the disabled related to certain developments, and 50 Opt out Vouchers from Castle Commons (Douglas County).
- **Fiscal Year 2004** - 50 Vouchers for the disabled through the Mainstream Program, 20 Opt out Vouchers from Castle Creek Commons (Douglas County), 48 Opt out Vouchers from the Ridgeview Apt. foreclosure (Moffat County), 7 Opt out Vouchers in San Miguel County and 3 Opt out Vouchers in Denver County.
- **Fiscal Year 2005** - Fair Share vouchers were not available this year. DOH will received 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.
- **Fiscal Year 2009** - 100 Family Unification Vouchers applied for. Fair Share vouchers were not available this year.

2. DOH 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 2001**- DOH applied for Mainstream Vouchers but was not selected in the lottery.
- **Fiscal Year 2002** - DOH applied for Mainstream Vouchers but was not selected in the lottery. Even though DOH did not receive a Mainstream award, DOH committed 50 vouchers of its FY 2003 award to Independent Living Centers throughout the state.
- **Fiscal Year 2003** - *DOH applied for Mainstream Vouchers but was not selected in the lottery. DOH did receive 200 vouchers for the disabled related to certain developments.*
- **Fiscal Year 2004** - *DOH received 50 Mainstream Vouchers.*
- **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 2008** - *No funding available*
- **Fiscal year 2009** - 11 DHAP Vouchers

- **Implement DOH Voucher Program admissions preference for those who are homeless, victims of domestic violence, a natural disaster or are in a DOH sponsored TBRA Program.** DOH 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.
- **DOH will respond to a natural disaster within 24 hours of a Governor's Declaration of Disaster.**

Fiscal Year 2005 – To date, DOH fortunately has not had to respond to a disaster this year.

Fiscal Year 2006 – DOH 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 – DOH fortunately has not had to respond to a disaster this year.

Fiscal Year 2008 – DOH fortunately has not had to respond to a disaster this year.

- **DOH staff will assist in coordinating efforts to place victims in emergency housing and provide rental assistance if the family is eligible.** DOH provides rental assistance in 47 counties of the state, therefore DOH 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.

3. DOH 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 DOH 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. DOH staff enters HUD form 50058 information on the family and the landlord into the DOH Voucher Program database. The database interfaces with the state accounting system. Accounting information is entered by state accounting staff. DOH staff does not approve any subsidy payments; only state accountants are allowed to approve payments. DOH staff reconciles monthly HAP requests from its contractors to what is actually within its database, which eliminates overpayments to landlords. DOH has developed a system to cross reference and reconcile accounting reports to payments generated in the database. DOH 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 DOH performs HQS inspections on 5% of all of the units assisted to ensure quality control. DOH 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.** DOH has revised its monitoring documents to reflect the requirements of SEMAP and the RIM review. DOH 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. *DOH provides on-and off-site training for all of its contractors.* DOH has developed a web based training on Housing Quality Standards Inspection. DOH 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 DOH, along with Colorado Housing Development Organization and USDA Rural Development, sponsored a website called 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. DOH is promoting this website to all PHAs in Colorado to use as their rental unit list provided to Section 8 Voucher holders.
- DOH has formalized its Homeownership Guidelines since the publication of the final rule on the homeownership program, and DOH has since trained its contractors on this program. DOH 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 DOH Section 8 Contractor training to review DOH policy and federal regulation, which governs the program. DOH sponsors a state contractor meeting twice a year.**

Fiscal Year 2005 – DOH conducted a contractor training September 16th& 17th, 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 – DOH 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 – DOH conducted a Section 8 Contractor training on September 11th and 14th of 2006.

Fiscal Year 2008 – DOH contracted with Nan McKay and Associates to provide "Eligibility and Occupancy" training for its contractors in September of 2008 and October 2009.

Fiscal Year 2009 – A Section 8 101 course was held in the summer of 2008 for new contractor staff.

4. DOH 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 DOH annually to justify an increase in their payment standard. Several high cost areas within the state have done so, and DOH 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.** DOH 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, DOH has one 55 families currently taking advantage of the home ownership program. DOH has formed partnerships with Colorado Housing Finance Authority, Bank One, Wells Fargo and Rural Development to provide mortgage assistance to families receiving rental

assistant and those who are disabled. DOH provides on-going contractor training on the homeownership program.

- **Coordinate DOH 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.** DOH has provided within the State Homeownership Guidebook a listing of DOH 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), DOH 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.

5. 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).

- **Increase the number of families enrolled in the Family Self-Sufficiency (FSS) Program by an additional 10 families annually.** DOH has developed a preference for families working toward self-sufficiency (see Section 3 - Policies Governing Eligibility, Selection and Admissions). DOH currently has 82 families participating in the FSS Program; this is a decrease of six families from last year. A total of 184 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.** In coordination with Supportive Housing and Homeless Programs (SHHP), DOH 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 82 families within the state are taking advantage of the escrow account offered through the FSS program.

6. 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.** DOH has sponsored several workshops on Fair Housing and accessibility standards. DOH 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. DOH conducted several statewide fair housing workshops in 2008.

