



COLORADO
Department of Local Affairs

PERFORMANCE PLAN

FY2017-18





COLORADO

Department of Local Affairs

Performance Plan for FY2017-18

June 24, 2017

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Departmental Introduction

The Department of Local Affairs (DOLA) serves as the primary interface between the State and local communities. The Department provides financial support to local communities and professional and technical services (including training and technical assistance) to community leaders in the areas of governance, housing, and property tax administration. While all state governments provide such services through various Departmental structures, Colorado's approach is unique in that these local community services are gathered into one Department of "Local Affairs" which has a central focus on strengthening those communities and enhancing livability.

DOLA makes financial resources available to support community infrastructure (e.g. water, sewer, road and bridge projects) and services (e.g. housing) either through statutory formula distributions of state and federal funds (e.g. Energy Impact Direct Distribution, Community Service Block Grants, Conservation Trust Fund) or through state and federal grants (e.g. Energy Impact, Limited Gaming Impact, Community Development Block Grants, Marijuana Impact).

In addition to providing assistance and services to local governments and communities, DOLA provides technical assistance and services for individual citizens. DOLA assists property owners to ensure their property taxes have been determined in a fair, accurate and consistent manner in accordance with property tax laws. DOLA also helps citizens obtain Section 8 rental assistance through local housing authorities and non-profit service organizations. Additionally, DOLA channels federal aid for disaster recovery. In these ways, DOLA is a direct point of contact for many Coloradoans and other Colorado property owners.

Further, all four Divisions of DOLA perform a variety of regulatory functions as assigned by the Constitution and statutes. These range from ensuring proper implementation of state property tax laws, implementing safety and related policies regarding manufactured housing, enforcing requirements on local governments regarding public access to key government documents, and many others.

DOLA has established a culture within the Department that encourages collaboration and efficiency, both internally and in relationships with our customers (communities, community leaders and other partners) in advancing the interests and capabilities of local governments.

Constitutional and Statutory Authority

Department of Local Affairs (DOLA) - Title 24, Article 32, C.R.S.

Division of Property Taxation (DPT) - Article X, Sections 3 and 15, of the Colorado Constitution and Title 39, Articles 1-14, C.R.S.

Board of Assessment Appeals (BAA) - Article X, Section 3 and Article XII, Section 13 of the Colorado Constitution and Title 39, Article 2, C.R.S.

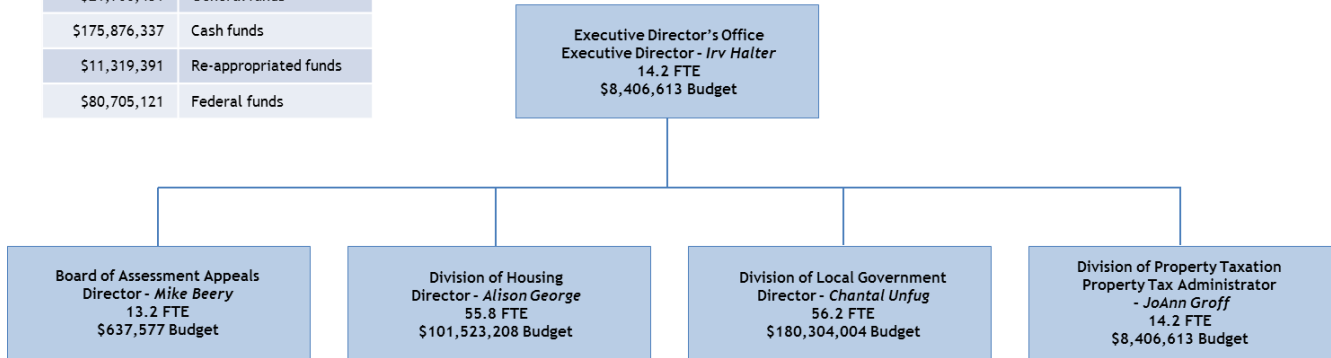
Division of Housing (DOH) - Title 24, Article 32, Section 702, C.R.S.

Division of Local Government (DLG) - Title 24, Article 32, Part 1, C.R.S.

[C.R.S. refers to Colorado Revised Statutes, 2013]

DOLA Organizational Chart

Total Department FTE & budget breakdown (based on FY 2017-18 appropriations)	
176.6	Total FTEs
\$294,037,300	Total funds
\$21,906,451	General funds
\$175,876,337	Cash funds
\$11,319,391	Re-appropriated funds
\$80,705,121	Federal funds



FY 2017-18 Appropriation

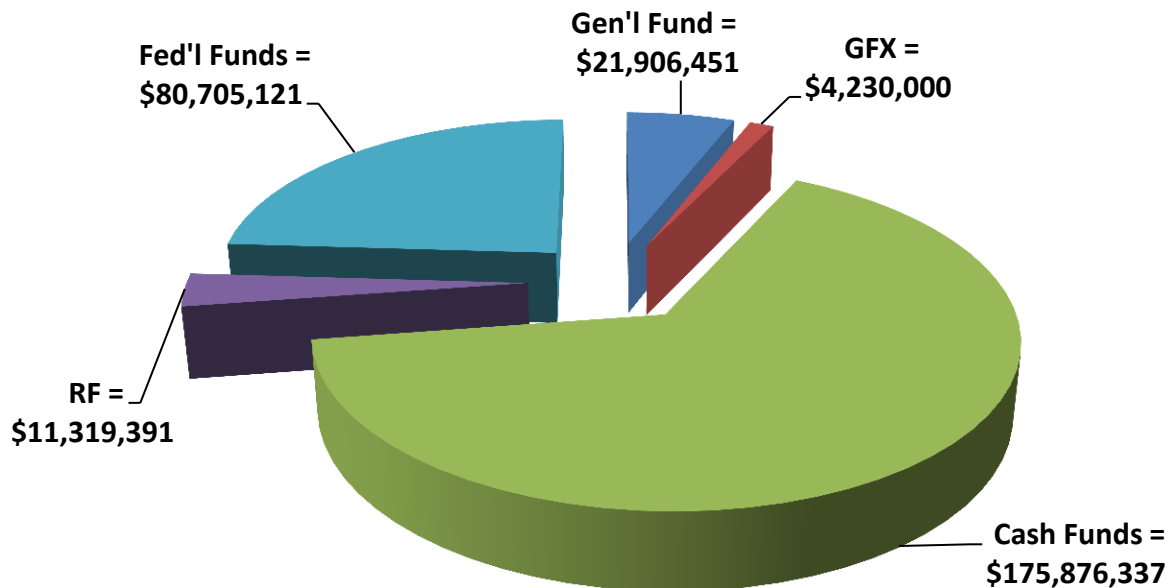
Division	GF	GFX	CF	RF	FF	Total	FTE
Exec Director Office	\$2,018,701	\$0	\$923,870	\$4,163,524	\$1,300,536	\$8,406,631	14.2
Board of Assessment Appeals	\$330,498	\$0	\$243,924	\$63,155	\$0	\$637,577	13.2
Div. of Property Tax	\$1,030,676	\$0	\$1,080,288	\$1,054,916	\$0	\$3,165,880	37.2
Div. of Housing	\$16,535,851	\$0	\$16,484,972	\$961,703	\$67,540,682	\$101,523,208	55.8
Div. of Local Gov't	\$1,990,725	\$4,230,000	\$157,143,283	\$5,076,093	\$11,863,903	\$180,304,004	56.2
Total	\$21,906,451	\$4,230,000	\$175,876,337	\$11,319,391	\$80,705,121	\$294,037,300	176.6

* Budget values reflect the DOLA Long Bill appropriations only.
They do not include CDBG-DR Disaster Relief Fund.

FY 2017-18 DOLA Legislation and Long Bill Add-on Appropriations (exclusive of transfers)

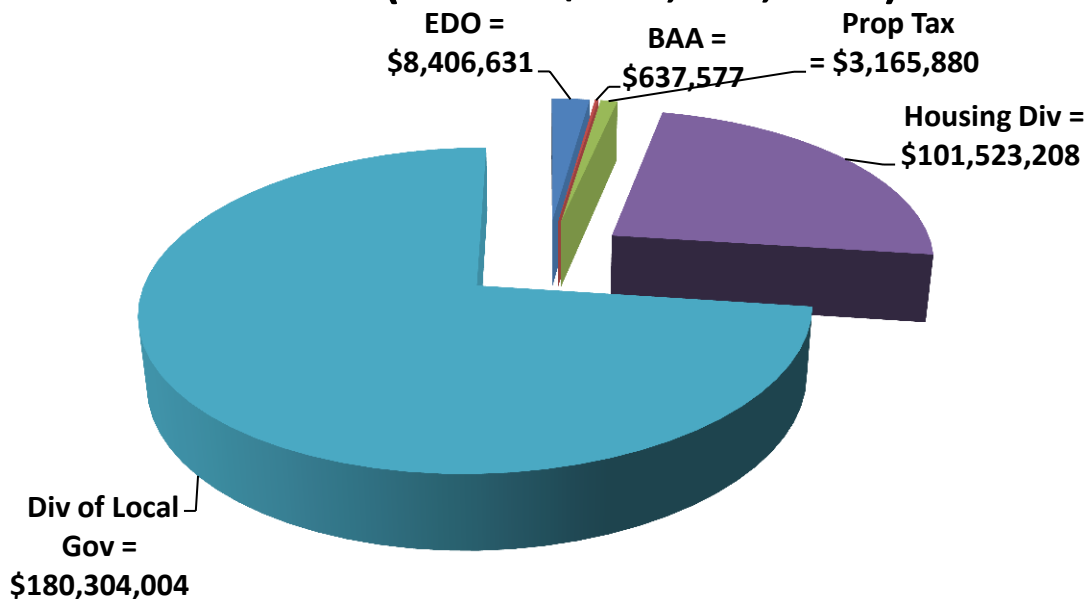
Division	Bill Number	Topic	General Fund	Cash Funds	Reappropriated Funds	Total Funds	FTE
Division of Housing	SB17-254 Add-On	One-Time Reduction of State Voucher Funding in FY 2016-17	(\$525,000)	-	-	(\$525,000)	-
Division of Housing	SB17-021	Assistance to Mentally Ill Offenders	Estimated up to \$3,000,000	-	-	Estimated up to \$3,000,000	-
Division of Local Govt.	HB17-1221	Grey and Black MJ Enforcement	-	\$5,945,392	-	\$5,945,392	1.3
Division of Local Govt.	HB17-1313	Civil Forfeiture Reform	\$84,451	-	-	\$84,451	0.5
Division of Local Govt.	HB17-1326	Justice Reinvestment Crime Prevention Initiative	\$5,911,939	-	-	\$5,911,939	0.8
Total Additional Appropriations from Legislation and LB Add-ons			\$8,471,390	\$5,945,392	\$0	\$14,416,782	2.6

DOLA 2017-18 Appropriation by Fund Source (Total = \$294,037,300)



* Budget values reflect the DOLA Long Bill appropriations only.
They do not include CDBG-DR Disaster Relief Fund.

DOLA 2017-18 Appropriation by Division (Total = \$294,037,300*)



* Budget values reflect the DOLA Long Bill appropriations only.
They do not include CDBG-DR Disaster Relief Fund.

DOLA Strategic Framework Summary

DOLA Vision

Empowered, thriving, resilient Colorado communities with safe and secure homes for all.

DOLA Mission

The Department of Local Affairs empowers Colorado's communities to be fiscally stable and meet community development and housing needs by providing training, research, technical expertise, advice and funding.

DOLA Tenets

1. Assist customers in solving problems

- Respond to customers in a timely, effective and efficient manner.
- Listen respectfully and strive to understand each problem or issue.
- Facilitate dialogue to encourage collaborative and cooperative solutions.
- Provide appropriate financial and technical assistance.
- Connect each customer to the correct person in state government to assist in addressing each issue.

2. Fulfill regulatory responsibilities

- Be knowledgeable of the statutory and regulatory requirements for which we are responsible.
- Provide expertise to customers to help each comply with these requirements.
- Educate customers regarding the intent and application of these requirements.
- Ensure compliance with all requirements.
- Be consistent, fair and timely in the application of these requirements.

3. Cultivate DOLA employees

- Develop DOLA employees professionally so that they can continue to improve service to customers as we encourage retention of effective employees.
- Recognize and reward employee performance.
- Engage employees to continually enhance the department's ability to deliver effective and efficient service to customers.

4. Improve internal business systems

- Maintain an environment of continuous improvement.
- Collaborate across divisions and departments as well as with other stakeholders to improve business systems.
- Ensure use of appropriate and effective technology.
- Advocate for technological capabilities in alignment with customers' needs.

DOLA Customers by Division

DOLA Division	Division Clients
Division of Property Taxation:	County assessors Assessment staff Exempt property owners Property taxpayers Property taxing authorities State-assessed companies County treasurers Boards of County Commissioners State Board of Equalization Colorado General Assembly
Board of Assessment Appeals:	Property taxpayers Taxpayer representatives County assessors and attorneys County Boards of Equalization Boards of county commissioners State Property Tax Administrator
Division of Housing:	Private for-profit and nonprofit housing organizations Housing authorities Colorado renters and homeowners Housing manufacturers Owners and potential owners of factory-built residential and non-residential structures Nonprofit independent living agencies Mental health agencies Chronically homeless individuals
Division of Local Government:	Local governments ¹ State agencies Universities Private firms Nonprofit organizations Consultants General public
EDO Disaster Recovery (CDBG-DR):	Colorado renters and owners Local governments ¹ Business owners Public and nonprofit organizations

¹ *Local governments include municipalities, counties, special districts and regional councils of government*

Fund Sources by Division

Fund Sources by Division	Executive Director (incl. Disaster Recovery)	Division of Property Taxation	Board of Assessment Appeals	Division of Housing	Division of Local Government
<u>State</u>					
General Fund	●	●	●	●	●
General Fund Exempt (associated with Volunteer Firefighter Pension Plans, Community Crime Prevention Initiative)					●
Moffat Tunnel Cash Funds					●
Property Tax Exemption Cash Funds	●	●			
Board of Assessment Cash Funds	●		●		
Private Activity Bond Allocation Cash Funds	●			●	
Homeless Prevention Activities Program Cash Funds	●			●	
Building Regulation Cash Funds	●			●	
Local Government Energy & Mineral Impact Funds	●	●		●	●
Local Government Severance Tax Funds	●	●		●	●
Conservation Trust Funds	●				●
Local Government Limited Gaming Impact Funds	●				●
Colorado Search & Rescue Funds	●				●
Colorado Heritage Communities Grants					●
Departmental or State Indirect Cost Recoveries (State and Federal)	●	●	●		●
Water Pollution Control & Drinking Water Revolving Funds	●				●
Marijuana Tax Cash Fund				●	●
<u>Federal</u>					
Community Development Block Grant Funds (CDBG)				●	●
Disaster Recovery / CDBG-DR	●			●	●
Community Service Block Grant Funds					●
Environmental Protection Agency Funds	●				●
Departmental Indirect Cost Recoveries (various Federal)	●			●	●
Dept of Justice Grant Funds				●	
Department of Housing and Urban Development Grant Funds				●	●
HUD-VA Grant Funds				●	●
Various Federal Funds	●				

Strategic Policy Initiatives

The Department of Local Affairs, through its divisions, engages in numerous services to the State, many of which are spelled out in the State constitution or statutes. Yet there are certain functions which are so fundamental that they warrant specific initiatives to advance the work of the Department in the coming year and three years into the future. These have been selected from a set of outcomes identified by the respective Divisions in the course of annual strategic planning.

The strategic policy initiatives have changed since the previous Performance Plan. The Department believes the revised strategic policy initiatives and metrics are more reflective of Department’s direction for the coming years.

Strategic Policy Initiative: Increase decent, affordable housing supply across Colorado in order to decrease the number of individuals and families experiencing homelessness and housing insecurity.

Metrics	FY2017-18	FY2018-19	FY 2020-2021	Cross Reference
Total number of affordable housing opportunities created by both development and voucher awards (includes newly developed and rehabbed units and new state and federal vouchers.)	3,700	3,700	4,000	DOH Processes #1,3,4 <i>[Tenet #1]</i>
Annual total number of formerly homeless individuals/families stably housed.*	1,500	1,500	1,700	DOH Processes #1,3,4 <i>[Tenet #1]</i>
House Veterans Experiencing Homelessness: The medium number of days between the date when an individual Veteran or Veteran family is issued a housing voucher or housing assistance and the date they move-in to stable housing.	30	30	30	DOH Processes #1,3,4 <i>[Tenet #1]</i>

Strategy for Improvement: Build on existing systems and relationships to target additional resources towards reducing the incidence of homelessness through efforts across the low income and homelessness spectrum. Special focus will be to effectively and efficiently use newly appropriated resources for targeted homeless populations to include recently released mental health patients, state prison system parolees, veterans, and homeless youth.

Strategic Policy Initiative: Promote local government transparency and sustainability by providing sound fiscal management practices and operational training for communities annually.

Metrics	FY2017-18	FY2018-19	FY 2020-2021	Cross Reference
BAA to live stream valuation protest hearings	10%	15%	25%	BAA Process #1 [Tenet #1]
DPT to develop video library of classes for county assessment staff (year to year)	1	3	5	DPT Process #3 [Tenet #1]
DLG works with 8 selected communities to adopt 15 best applicable management practices (financial policies, management and operations and statewide requirements) to promote fiscal health	35% Attainment	55% Attainment	100% Attainment	DLG Processes #1,3,4,5 [Tenets #1,3,5]

Strategy for improvement: Through broad and deliberate engagement with communities state-wide, build effective, transparent and sustainable local government operations. Promote trust in local and state governmental property taxation systems through use of 21st Century technologies and techniques. Promote fiscal stability via intensive work and resources with selected communities as a model for additional local governments.

Strategic Policy Initiative: *Lead Rural Response, Recovery and Resilience in eight selected counties reliant on extractive industries*

Metrics	FY2017-18	FY2018-19	FY 2020-2021	Cross Reference
Percent of local government economic and community development objectives implemented.	35% Implemented	55% Implemented	100% Implemented	DLG Processes #3,4,7 [Tenets #1,3,5]
Invest in 11 Broadband Middle Mile infrastructure projects	3	4	4	
<p><u>Strategy for improvement:</u> Working with OEDIT, CDLE, other state agencies and impacted communities, take deliberate coordinated actions to assist communities to diversify their economies, improve infrastructure, build community institutions for 21st Century success. Work with the Governor’s Broadband office and OIT to target severance-financed middle mile projects in support of Governor’s rural broadband goals.</p>				

Strategic Policy Initiative: *Effectively and efficiently invest all remaining CDBG-DR dollars in advance of September 2019 deadline*

Metrics	FY2017-18	FY2018-19	FY 2020-2021	Cross Reference
CDBG Disaster recovery funds successfully invested in impacted communities	\$105.7 million	\$65 million	\$0 Program Concluded	DR Process #1 [Tenet #1]
<p><u>Strategy for improvement:</u> Provide recovery resources to households, businesses, and local governments to foster the long-term recovery of disaster-impacted communities through the effective implementation of programs funded under the HUD allocation of CDBG-DR. Key traits of this effort are timeliness, quality, and administrative efficiency, while fully utilizing available funds.</p>				

Division of Property Taxation (DPT)

Under the general laws of Colorado, the Property Tax Administrator heads the Division of Property Taxation.

The Division's charge is to coordinate and administer the implementation of property tax law throughout the sixty-four counties of Colorado to ensure that valuations are uniform and that each property class is responsible for only its fair share of the total property tax obligation. This includes the granting of exemptions, valuation of public utilities for ad valorem taxation, providing technical assessment assistance, and promoting the equalization of property valuation.

To fulfill these responsibilities, the Division is divided into four sections:

Appraisal Standards Section: Appraisal Standards prepares and publishes appraisal manuals, procedures and instructions. It holds schools and seminars regarding all areas of appraisal. It conducts field studies and provides statewide assistance in agricultural land classification, natural resources and personal property valuation, as well as assistance in the valuation of residential, commercial and industrial properties. The section assists in reappraisal efforts, reviews internal appraisal forms used by assessors, and investigates and responds to taxpayer complaints.

The Appraisal Standards section conducts four tested qualifying education courses to enable assessment appraisers to obtain an Ad Valorem Appraisal License. These classes are: Introduction to Ad Valorem Mass Appraisal, Basic Appraisal Principles, Basic Appraisal Procedures, and Uniform Standards of Professional Appraisal Practice (USPAP). This section currently offers five additional tested courses: Valuation of Vacant Land Present Worth, Advanced Income Approach to Value, Agricultural Land and Rural Structural Valuation, Possessory Interest (Distance Education), and Vacant Land (Distance Education). The section also offers several non-tested courses and workshops throughout the year.

Administrative Resources Section: Administrative Resources prepares and publishes administrative manuals, procedures and instructions. It conducts a number of classes and seminars regarding the administrative functions of the assessors' offices, including one tested course: Introduction to Assessment. It performs field studies and provides statewide assistance with issues such as tax increment financing, the administration and valuation of manufactured homes, senior and disabled veteran exemptions, classification of property, title conveyance, mapping, production of the Abstract of Assessment, certification of values to taxing entities, and the tax warrant. The section also investigates taxpayer complaints. It is responsible for various studies and reports such as fiscal impacts for Legislative Council, the residential assessment rate study and the Property Tax Administrator's ***Annual Report to the General Assembly and State Board of Equalization***. It also coordinates with agencies having an interest in property taxation. In addition, the field staff works closely with assessors in all areas of property taxation. Administrative Resources is also responsible for approving or disapproving all petitions for refund or abatement of taxes in excess of \$10,000.

Exemptions Section: The Exemptions section is responsible for determining qualification for exemption from property taxation for properties that are owned and used for religious, charitable and private school purposes. This section also reviews reports filed annually by exempt property owners to determine if the property's exempt status is still warranted. It also provides assistance to counties and taxpayers with inquiries about exempt properties, helps taxpayers with petitions to the State Board of Equalization, conducts hearings on exemption applications and revocations of exemptions, and defends appeals of its final decisions.

State Assessed Section: The State Assessed section is the only area of the Division which regularly performs original valuation of property on an annual basis. The section values all public utilities doing business in Colorado as defined by statute, including: rail transportation companies, airlines, non-renewable and renewable energy companies, telephone companies, and pipelines. The company valuations are then apportioned to the counties for collection of local property tax. Both county commissioners and public utilities may protest the value assigned to state assessed property, and may appeal to the Board of Assessment Appeals (BAA) or Denver District Court if the protest is not resolved at the Division level.

Processes

- DPT Process #1: Monitor customer satisfaction by developing and conducting a survey of customer satisfaction
- DPT Process #2: Employee development
- DPT Process #3: Education program for assessment staff
- DPT Process #4: Determine qualification for initial and continued property tax exemption for religious, charitable and private school properties
- DPT Process #5: Perform property valuation for public utilities as defined by statute, apportion to respective counties as well as defend those values when appealed at the Board of Assessment Appeals or district court

Board of Assessment Appeals (BAA)

The Board of Assessment Appeals (BAA) hears appeals filed by real and personal property owners regarding the valuation placed on their property for property tax purposes.

County Assessors are responsible for valuing all property in their county except for exempt property and state assessed properties. Taxpayers may appeal the assigned values to the Assessor and the County Board of Equalization (valuation appeal) or to the Board of County Commissioners (abatement). These cases may then be appealed to the BAA.

State assessed properties and exemptions are appealed to the property tax administrator. These cases may then be appealed to the BAA.

Appeals may also be filed with the BAA when a County Board of Commissioners or a County Board of Equalization has failed to make a timely decision on a matter properly presented.

Such appeals must be made in writing to the Board within 30 days from the date of the decision that is being appealed. After the appeal is docketed, a receipt of appeal is sent to the Petitioner. A notice of hearing is mailed to all parties at least 30 days prior to the scheduled hearing. The Board's decision is transmitted in a written order and mailed to all parties. Board decisions are also posted on the Board's website. Board decisions may be appealed to the Colorado Court of Appeals.

Members of the Board are appointed by the Governor and confirmed by the State Senate. By statute, the Governor may appoint from three to nine appraisers to the Board. At this writing, there are eight (8) members of the Board to allow cases to be heard on a timely basis.

Processes

BAA Process #1: Board of Assessment Appeals hearings process

Division of Housing (DOH)

Introduction

The Department of Local Affairs, Division of Housing (DOH) works with a variety of partners to increase the availability of affordable housing to residents of Colorado. DOH provides grants, loans, rental subsidies and bond authority to local governments, housing authorities, non-profit organizations, for-profit and non-profit developers, private landlords and other organizations to create, preserve and rehabilitate housing for Colorado's workers, families, seniors and those with special needs. DOH also certifies all factory/ manufactured structures built in or shipped to Colorado and approves multifamily construction in counties with no construction codes.

To assist in meeting the affordable housing needs within the State of Colorado, DOH administers the following grant, loan, and bond authority as well as manufactured housing programs:

- HOME Investment Partnership Grant/Loan Program
- Community Development Block Grant Program
- Emergency Solutions Grant Program
- Housing Opportunities for People with AIDS Grant Program
- Housing Development Grant (HDG) Program
- Housing Development Loan Fund (HDLF)
- Shelter Plus Care Housing Program
- Private Activity Bonds (balance of State) Program
- Housing Choice Voucher, Homeownership and Family Self-Sufficiency Program
- Manufactured Housing Dealer Registration Program
- Inspection and certification programs for all factory-built (modular) housing, commercial structures, and manufactured homes
- Consumer complaint service program for factory/manufactured structures
- Manufactured Home Installation Program
- Homeless Prevention Tax Check Off Program
- Fort Lyon Supportive Housing Program

Colorado State Housing Board: The Colorado State Housing Board (the Board) was created in 1970 to advise the General Assembly, the Governor, and DOH on Colorado housing needs. The seven member Board reviews financing requests and adopts policies to assist in the development of affordable housing. The Board also adopts regulations governing factory built structures and multifamily housing in counties with no codes.

Preparation of the DOH Strategic Plan: DOH develops two housing plans annually that assist in setting the strategic plan for the Division. The State Consolidated Plan and the Housing Choice Voucher Agency Plan identify DOH strategies and goals to address affordable housing needs in Colorado communities. DOH relies on a number of resources and publications to identify the greatest needs for affordable housing in Colorado. These sources include a quarterly vacancy survey report, foreclosure report, household income report, housing needs assessments, US census building permits, unemployment reports, economic growth report, public housing waiting lists and the homeless vulnerability index. Information from these reports is supplemented by data from the DOLA demography section and outside sources. All the information referenced above is utilized in preparing

the DOH Strategic Plan.

DOH also has a Community Housing Assistance Team, or "CHATS" staff that works one-on-one with local communities throughout Colorado to identify housing needs, prepare housing strategies, identify potential housing projects and create financing packages for new housing and to preserve existing housing. The team has staff in Denver and in three field offices in Colorado. The CHATS work with other affordable housing funders (Colorado Housing Finance Authority, Department of Housing and Urban Development, Rural Development, Mercy Housing, Enterprise Foundation, etc.) to identify and maintain a pipeline of potential affordable housing projects.

Livability Focus: DOLA, in partnership with local governments and the public and private sector, is strategically linking each of its programs to improve people's lives in five areas: jobs, housing, transportation, education and environment. This is accomplished by leveraging program dollars and staff consultation within DOLA for our partners and stakeholders as well as strengthening coordination of services and funding resources from other state agencies. DOH's leadership and participation in this effort is essential.

Because safe and affordable housing is fundamental to the ultimate success of all Colorado communities, DOH will target a number of key objectives with the greatest emphasis on providing housing to those earning less than 50% of the Area Median Income.

Processes

- DOH Process #1: Creation of additional affordable housing options for renters and homeowners, especially households in greatest need
- DOH Process #2: Perform required building-department functions
- DOH Process #3: Perform required housing authority functions
- DOH Process #4: Perform required oversight of Fort Lyon's operations

Division of Local Government (DLG)

The Division of Local Government (DLG) provides strategic expertise, advocacy and funding to strengthen Colorado. The Division promotes local problem solving, informs decision making and invests in community.

Division staff members partner with local, state, and federal financial resources to empower communities at all times and provide essential guidance when communities encounter difficulties like natural disasters and financial shock.

In order to integrate the delivery of technical, financial, and information services to local governments, the Division of Local Government (DLG) includes several organizational or functional areas:

Invest in Communities: Local governments can obtain grants and loans for their community priorities. Supported projects include comprehensive plans, local water and wastewater improvements, local road improvements, municipal and county public facilities. DLG also administers several formula-based funding distributions.

Promote local problem solving and inform decision making

- ***Local Government Technical Services:*** Local government officials receive training, individual support and professional assistance. Topics include, conduct of local elections, land use planning, downtown revitalization, budgeting, community visioning, financial management, property tax revenue limits, hands-on project development from conception to completion, and compliance with state statutes pertaining to local governments.
- ***Regional Services:*** Experts on statewide issues, who live and work in the respective regions, provide on-the-ground professional services and assistance. This staff is able to provide more timely and relevant assistance to the local communities from their offices located outside the Denver metro area. They also broker services and act as ombudsmen on behalf of DOLA and other state agencies.
- ***Disaster Recovery:*** (In partnership with the Office of Emergency Management within the Department of Public Safety). In the event of a disaster, DLG's role, in partnership with OEM, is to assist local governments impacted by disaster. DLG's role in such recovery efforts includes working with the local governments to establish, open and staff the Disaster Assistance Center (DAC) and consultation with the community and continuity of operations and economic and community development assistance in rebuilding.
- ***State Demography Office:*** This office creates, organizes and analyzes population and demographic information for the state. Its data are used by state agencies to forecast demand for facilities and services. Demographic data are also used by local governments and non-profit organizations in the state to anticipate growth or decline and to plan and develop programs and community resources. The office makes the data publicly available on DOLA's website, answers requests for economic and demographic data, and provides training workshops on accessing and using the data.

Processes

DLG Process #1: Collect financial and demographic fiscal indicators to analyze and identify local

governments to focus local Division resources.

- DLG Process #2: Create, organize, analyze and publish population, economic and demographic information for the State of Colorado
- DLG Process #3: Analyze and respond to local governments' operational needs
- DLG Process #4: Administer competitive and formula-based financial assistance programs
- DLG Process #5: Ensure local governments' statutory compliance
- DLG Process #6: Employee support and development
- DLG Process #7: Expanded broadband service in rural communities

Executive Director's Office (EDO)

In general, the Executive Director's Office provides support to all Divisions to enable them to accomplish their strategic goals. This support includes but is not limited to:

- *Assisting in developing program budgets and securing funding for program implementation*
- *Ensuring appropriate financial controls*
- *Advancing DOLA's legislative agenda*
- *Providing personnel management and opportunity for individual growth*
- *Coordinating external messaging*
- *Integrating Administration priorities*
- *Coordinating support from the Administration and other agencies.*

The primary role of the Executive Director's Office (EDO) is to support and coordinate the Divisions within the Department. EDO also provides several key "back office" roles, thereby avoiding unnecessary duplication of effort within the Divisions. Among the activities provided by staff of the Executive Director's Office are:

External Relations:

- **Cabinet Representation:** The executive director is a member of the Governor's Cabinet and supports the work of the Divisions by facilitating necessary partnerships with other departments of State government.
- **Legislative Relations:** The Department is an executive branch agency and provides legislative services both internally and externally. Internally, the Department reviews draft legislation for potential fiscal impacts to the Department or local governments. The Department also reviews introduced legislation in terms of the public policy that is addressed in the bill. The Department needs to closely coordinate this review with representatives of the Governor's staff. The Department may also propose that legislation be introduced to change the public policy or procedural issues contained in law. Externally, the Department may help to coordinate stakeholder meetings to evaluate the impact of draft legislation. The Department, in conjunction with the Governor's Office, may testify on State legislative bills as well as lobby state legislators on various bills.
- **Communications:** the Department's Communications Director coordinates communications activities on behalf of the entire Department. Internally, the position helps develop guidelines for disseminating information and outlining procedures to follow. Externally, this function guides strategy for responding to media inquiries, implementing use of social media, managing website content, coordinating outreach activities to stakeholder groups such as citizens, local, state and federal officials and their staffs, government associations and fellow state agencies.
- **Contracting:** The Department's Contracting Office provides support services primarily for the Divisions of Housing, Local Government and Disaster Recovery. Internally, this service ensures compliance with state and federal laws and efficiently obligates State resources to our customers through either a grant or loan. Externally, this service tracks the progress of our Contracts to completion.

Financial Services:

- **Budget:** The primary role of the Department's Budgeting Office is to provide timely and complete financial information and recommendations to support and to enable the Divisions and programs to make sound public policy and budget decisions. This role is carried out through eight core functions:
 - Collaborate with Divisions and programs to develop reliable revenue estimates for the Cash Funds of the Department;
 - Team with programs to develop an accurate and defensible budget request;
 - Collaborate with programs to develop fiscal notes that accompany new legislation;
 - Liaise with OSPB and JBC to facilitate and monitor the legislative budget process;
 - Advocate for the Department's budget priorities and addressing issues of concern in that regard;
 - Monitor the execution of Department budget priorities, anticipate funding issues, and assist Divisions and programs with developing solutions; and
 - Provide accurate and concise budget information.

- **Accounting:** The Accounting Office accounts for, reports on, and safeguards the financial resources of the Department in a manner consistent with professional standards and federal and state statutory requirements. Specifically, the Office:
 - Issues accurate and timely financial information;
 - Issues timely and accurate payments to employees, vendors and other grant recipient reimbursements and service providers;
 - Ensures efficient procurement of goods and services in compliance with applicable laws, rules and regulations; and
 - Seeks to improve Department fiscal operations by the adoption and implementation of best practices, policies and procedures.

Human Resources:

The Human Resources Office (HR) of the Department provides services to build a qualified and engaged workforce. HR provides a full-range of professional human resources services to the 150 employees, supervisors and managers. These services include, for example:

- recruitment and selection,
- salary administration,
- job evaluation,
- organizational and staff development,
- personnel rule and statute interpretation,
- performance management,
- workers' compensation and short-term disability claim management, and
- maintaining personnel records.

The services provided by the Human Resources Office help to ensure that the Department complies with requisite law while also retaining a qualified and motivated workforce. The HR Office works closely with the Department of Personnel & Administration, representing the Department's interests, to build a personnel system that provides an appropriate personnel system structure.

Disaster Recovery:

While disaster recovery is always a focus area for the Department, especially through the Housing and Local Government Divisions, this has taken on new meaning with the recovery resources granted through the Federal Community Development Block Grant. This is addressed in greater detail in the subsequent chapter.

Disaster Recovery Program (CDBG-DR)

The Disaster Recovery Unit under the Executive Director's Office is charged with coordinating the effective investment of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds in response to the devastating floods of September 2013 and any subsequent disasters as identified through the appropriation of recovery funding through the U.S. Department of Housing and Urban Development (HUD). This unit will assist in the prioritization and eligible uses of funds, establish appropriate protocols to ensure compliance with federal regulations, coordinate with other agency partners in the implementation process, and provide progress reports to local, state and federal partners in the recovery. The three primary recovery areas include both temporary and permanent housing, economic revitalization and the repair of damaged infrastructure with a focus on mitigating damages from future disasters. Additional emphasis is placed on smart growth and resiliency planning for a long-term, sustainable recovery.

Processes

- DR Process #1: Provide recovery resources to households, businesses, and local governments to foster the long-term recovery of disaster-impacted communities.
- DR Process #2: Effectively monitor partner agencies to ensure compliance with all applicable federal rules and regulations.

Appendix: Summary of Accomplishments

The Department of Local Affairs (DOLA) continues to see success in its various Strategic Policy Initiatives. Some of the strategies have been more successful than others, and the Department has implemented program modifications as appropriate to ensure maximum efficiencies and quality outcomes. The following information summarizes the third quarter results achieved for the Department's Strategic Policy Initiatives.

The Division of Housing (DOH) is on track to exceed its FY2016-17 goal of 3,100 units. As of the third quarter, 2,607 units have been created. As is historically the case, quarter three saw a decrease in new units due to the cold weather's impact on construction. These production numbers are expected to increase as the weather warms in the spring.

The Fort Lyon Supportive Residential Community program continues to serve clients effectively. These clients are among the hardest to serve population that have not achieved long-term success in other programs and Fort Lyon is achieving successful outcomes by improving the health and quality of life for the residents in a cost effective manner. Thirty-six percent of the residents who have exited the Fort Lyon program have moved to permanent housing. Multiple factors account for this outcome. Fort Lyon uses the HUD definition of permanent housing, which is limited. In addition, Colorado Coalition for the Homeless (CCH) has been very conservative about which exit destinations it categorizes as permanent. For example, many Fort Lyon residents exit the program to live with family or friends, which is often categorized as temporary housing but is a stable housing situation. In total, an average 60% of people exit to a housing placement.

To improve the permanent housing outcome percentage, support services will be provided to participants on both the front and back end of the program. Onsite staff will be bolstered in areas that are believed to make the greatest positive impact to increase successful completions of program, reduce relapse and increase exits to permanent housing. A new reintegration specialist is being added in the next year, who will work with exiting participants to secure and maintain permanent housing once the participants exit the program. On the front end, AmeriCorps VISTA positions are being created for Orientation/Engagement Programs, which will focus on increasing supportive services to residents during their early recovery stage. It is anticipated that this will decrease the relapse and unplanned exit rate.

Fifty-six percent of residents participated in vocational programs. While participation in vocational activities is strongly encouraged, it is not mandatory. Increasing staff time dedicated to engaging with residents throughout their stay regarding vocational opportunities is expected to improve this outcome.

Forty-nine percent of residents reported improved mental health between time of enrollment and exit from program. This outcome has remained stable throughout the year although slightly below our estimates. The measurement is based on increases in scores for the PHQ-9 Depression Scale between resident's entry and exit. The tool has been used to monitor the severity of depression. During the two years since inception of the use of the PHQ-9 tool, the outcome as remained just below fifty percent. This outcome is relatively high considering that 70% of residents at Ft. Lyon are dually diagnosed with a mental illness and substance use disorder.

The Disaster Recovery proceeds are derived from the Department of Housing and Urban Development (HUD) and are directed to individuals, businesses and local governments that were devastated by the September 2013 floods. The target spending amounts are based on program-by-program projections for the following disaster recovery programs: Household Assistance, Housing New Construction, Infrastructure, Watershed Resilience, Economic Development (which includes aid to agriculture businesses), and Planning. At the current rate of spending, the overall grant is below its original annual target of \$86 million. The largest shortfalls have been in the Infrastructure Grant Program, the Household Assistance Programs, and the Watershed Resilience Program. In all three cases, projects will be pushed forward into this next year. In the case of Infrastructure projects, delays are largely due to local capacity issues, delays with FEMA match projects, and in some cases environmental clearance. The Household Assistance Programs have experienced a combination of both project delays and less demand than anticipated. While some projects will be shifted into next year, some of the funding allocated to certain programs will be moved to other priorities. The Watershed program had about a six month delay and applications were not awarded until late in the third quarter.