

DRAFT 2010 Consolidated Annual Performance Evaluation Report

State of Colorado Department of Local Affairs

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First Program Year CAPER

The CPMP Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

GENERAL

Executive Summary

Introduction

The Colorado Department of Local Affairs (DOLA) uses a variety of tools to strengthen Colorado communities and enhance sustainability in Colorado. Responding and attending to the changing landscapes of state and local government, economic development, and housing markets are the keys to successfully creating a suitable living environment, expanding economic opportunity and providing decent housing.

Through financial and technical assistance to local governments, economic development strategies and programs addressing affordable housing and homelessness, our Department works in cooperation with local communities. Through those efforts we learn first hand how to build on the strengths, unique qualities and priorities of Colorado and share that knowledge.

The best example of the Department's mission and its community development philosophy is the recently established Colorado Sustainable Main Streets Initiative. Governor Ritter signed Executive Order D 2010-007 entitled "Establishing the Colorado Main Street Initiative" on April 28, 2010. The Executive Order outlined the seven principles and objectives, which the Department uses to coordinate its efforts with other state agencies to promote a collaborative approach with local communities in building sustainable communities throughout Colorado. The principles are used to guide the Department's financial and technical assistance to Colorado communities.

- 1. Promoting healthy communities by supporting unique and historic community characteristics, prosperous and sustainable downtowns, and walkable neighborhoods;
- 2. Partnering with local and Federal stakeholders to increase economic competitiveness while preserving the community identity;
- 3. Promoting equitable and affordable housing while encouraging energy efficient housing near jobs, shopping, and recreation amenities;
- 4. Utilizing the existing built environment to support long term viability and revitalization of communities;
- 5. Providing more transportation choices and increase mobility;
- 6. Helping to conserve, responsibly utilize, and protect valuable natural resources; and
- 7. Enhancing integrated planning and investment in ways that meet the needs of the present without compromising the ability of future generations to meet their own needs.

Reporting Period

DOLA is the lead agency overseeing development of the Consolidated Plan and Annual Action Plans. This Consolidated Annual Performance Report (CAPER) for the period of April 1, 2010 – March 31, 2011 summarizes progress made towards meeting Plan goals and objectives.

Important Change to Reporting Methodology: In previous years, the Department of Local Affairs has reported on projects that were *awarded* funding during the reporting period. Effective with this report, we will report *projects for which the contract was executed* during the reporting period. Since this number would include contracts that were awarded during the previous reporting period, but not executed until the current one and would result in double counting, this Annual Performance report includes only projects both awarded and executed between April 1, 2010 and March 31, 2011. For this reason, the numbers of units and amounts of money shown in this report will be smaller than those for previous and subsequent years. A reconciliation report is included as Appendix A.

Major Initiatives

The Division of Housing (CDOH), a division of DOLA, worked to create and preserve units of affordable housing in Colorado through workshops designed to provide technical assistance and build capacity among nonprofit housing developers, local governments and housing authorities, workshops to promote appropriate implementation of HUD regulation; and training that enables grantees to maximize program effectiveness and funding to projects that meet our underwriting requirements.

Major changes in the Colorado housing market this year were driven by the increasing number of residential foreclosures. During 2007, Colorado's foreclosure rate increased substantially, and has not declined. While the most obvious effect of the foreclosures is that people are driven out of their homes and that lenders lose money on foreclosed properties, there are wider effects as well. New home building slowed substantially, lenders greatly tightened their lending criteria making credit scarce, and low-income housing tax credits lost about 25% of their value. Some apartment owners faced foreclosure as well, with the result that some of their tenants lost places to live. Property values in areas with high foreclosure rates were reduced, a situation exacerbated as foreclosed properties were allowed to physically deteriorate. Local governments lost income based on lower property value as well as from fees normally charged for new development. People who lost their houses to foreclosure were driven into the rental market or, in some cases, temporary homelessness.

To address these issues, CDOH continued to develop the capacity of the Foreclosure Prevention Hotline. The Colorado Foreclosure Hotline is a project of the Colorado Foreclosure Prevention Task Force, a collaborative effort by government, industry and community groups to present a unified front in combating the increasing foreclosure issue in the Colorado single-family residential market. The Hotline is designed at the highest level to increase borrower contact with their lender and ultimately to create positive outcomes for clients dealing with foreclosure. The Task Force launched the Hotline on October 11, 2006. From inception to May 2011, more than 138,000 calls had been placed to the Hotline. Four out of five of those who proceeded with face-to-face counseling reached a positive resolution.

In addition to the Foreclosure Hotline, DOLA prepared Substantial Amendments to the 2008 Consolidated Plan Action Plan to participate in the Neighborhood Stabilization Program, the Homelessness Prevention and Rapid Re-Housing Program, and CDBG Recovery Act program. Our strong working relationships with local governments and housing organizations enabled us to create coordinated efforts to use these additional funds as effectively as possible. Results of these efforts are reported in the Appendices.

As homeownership became a less attractive and accessible housing option, overall rental vacancy rates in Colorado decreased. According to the Colorado Statewide Vacancy and Rent Survey, the statewide vacancy rate declined to 5.5% in the first quarter of 2011 from 6.6% in the first quarter of 2009. During the same period, average rents in Colorado have increased 3.9%. As incomes decrease and employment stalls, the demand for units with lower rents, including deed-restricted units, has been sustained.

CDOH also provided one-on-one technical assistance to increase the capacity of Community Housing Development Organizations (CHDOs) and other housing providers.

The Division emphasized preservation and rehabilitation of existing projects and opportunities to add existing market rate properties to the affordable housing inventory, and actively sought to increase the number of units available to those in the below 40% of AMI income bracket.

At the same time, CDOH worked to increase the agency capacity of homeless shelters and service providers that assist families and individuals in need, and worked to prevent homelessness.

As a result of these efforts, the Division of Housing funded the production of affordable housing with HOME and CDBG as summarized below:

- New construction of rental units = 195 units
- Rental Acquisition and Rehabilitation = 13 units
- Single family Rehabilitation = 129 households
- Homebuyer Assistance = 37 households
- New Construction of Ownership Units = 70 homes
- Community Housing Development Organization Operating Grants = 10 grants

See the table on page 7 to compare all Annual Action Plan Housing Goals with actual accomplishments for the program year.

HOME funds totaling \$3,303,965 were used to create new affordable housing, to rehabilitate rental units, create senior housing, to fund tenant-based rental assistance, assist homebuyers, and fund capacity-building activities for community development housing organizations (CHDOs).

ESG provided \$911,717 in funding for shelters, transitional housing and homeless prevention to 57 nonprofit agencies across the state.

HOPWA provided \$412,645 in funds for tenant-based rental assistance, supportive services, and short-term rent, mortgage and utilities to four regions of the state.

Community Development Block Grant State Program (CDBG): Colorado received its 2010 CDBG allocation of \$10,355,150 of which \$9,944,496 was available for local projects. The State set aside \$3,314,832 each for housing, public facilities and economic development projects. All projects receiving funds are awarded on a competitive basis.

The State contracted \$3,698,500 in public facility projects and \$1,483,000 in economic development projects during this reporting period. A detailed list of these projects is included in the program report. The Division of Housing contracted \$1,601,448 for single-family owner-occupied home rehabilitation.

Other Programs Administered by the Department:

Community Services Block Grant Program (CSBG): During this reporting period, the State received its 2010 CSBG allocation of \$6,043,816, of which \$5,439,434 was distributed to 40 local governments serving all 64 Colorado counties.

Energy and Mineral Impact Assistance Fund (EIAF): In 2010, the program was identified as a source of funding to help offset the budget challenges facing Colorado. Our ability to award grants was suspended temporarily as of August 2010. Prior to the suspension of the program, \$6,189,413 was made available for the funding of 27 projects. An additional \$11.9 million in Severance Tax Revenue and \$23.4 in Mineral Lease Revenue was distributed to energy-impacted city and county governments through the direct distribution program.

Local Limited Gaming Impact Fund (LLGIF): In 2010, the program held two grant cycles, awarding over \$9.9 million to 81 grantees.

General Questions

1. Assessment of the one-year goals and objectives:

a. Describe the accomplishments in attaining the goals and objectives for the reporting period.

The Colorado Department of Local Affairs established 13 goals in its 2010 Consolidated Plan Action Plan. Those goals and our progress toward them are listed below:

- 1. Preserve the existing supply of affordable housing.
- 2. Increase the supply of affordable "workforce" rental housing and homeownership in high need areas.
- 3. Increase the capacity and stability of local housing and service providers statewide.
- 4. Increase statewide pre-purchase homeownership counseling for low/moderate income and minority households.
- 5. Meet community needs for the homeless through supportive services and appropriate housing.

- 6. Increase statewide supply of housing for persons with special needs coupled with services that increase or maintain independence.
- 7. Provide rental subsidies statewide for low-income households who would otherwise have to pay more than 30% of their household income for housing.
- 8. Assist low-income renters and owners with energy-efficiency upgrades.
- 9. Ensure the statewide safety and habitability of factory built/manufactured structures through program services that are efficient and effective.
- 10. Provide assistance to qualified small businesses to start or expand their operations, and partner with local banks to fill gaps in financing packages, so that 51% of jobs are created or retained by persons of low-to moderate-income.
- 11. Assist communities with the installation of public infrastructure that will benefit start-up and expanding businesses that create or retain jobs, at least 51% of which will be or are filled by persons of low- to moderate income.
- 12. Provide financial assistance to rural communities to implement community development and capital improvement activities.
- 13. Increase the capacity of local governments to administer Federal grants that facilitate the development of sustainability activities.

b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

Obj.#	Objective	Expected	Actual	Funding Amount and
	DECENT HOUSING	units	Units funded	Sources
DH-1(1)	Permanent Supportive	100	0	CDBG \$
	Housing for non-			HOME \$
	homeless Special			ESG \$
	Needs Persons			HOPWA \$
DH-1(2)	HIV/AIDS housing, case	100	112	CDBG \$
	management &			HOME \$
	supportive services			ESG \$
				X HOPWA \$412,645
DH-1(3)	Tenant Based Rental	100	25	CDBG \$
	Assistance for the			X HOME \$200,000
	homeless or Special			ESG \$
	Needs			HOPWA \$
DH-1(4)	Single-family Owner-	140	153	X CDBG \$1,601,448
	Occupied Rehab			HOME \$
				ESG \$
				□HOPWA \$
DH-1(5)	Fair Housing Analysis	1	1	CDBG \$
				□HOME \$
				ESG \$
				HOPWA \$
DH-1(6)	Rental Rehabilitation	48	0	CDBG \$
				□HOME \$
				□ESG \$
				HOPWA \$
DH-1(7)	Urgent Needs Housing	10	Not yet	CDBG \$141,649
			available	□HOME \$
				ESG \$
				∐HOPWA \$

Obj.#	Objective DECENT HOUSING	Expected units	Actual Units funded	Funding Amount and Sources
DH-2(1)	Rental new construction	350	195	CDBG \$ X HOME \$34,557,522 ESG \$ HOPWA \$
DH-2(2)	Rental Acquisition & Rehab	500	13	CDBG \$ X HOME \$300,000 ESG \$ HOPWA \$
DH-2(3)	Homeownership Assistance	125	24	CDBG \$ X HOME \$234,000 ESG \$ HOPWA \$
DH-2(4)	Homelessness Prevention	500	11,277	CDBG \$ HOME \$ X ESG \$227,000 HOPWA \$
DH-2(5)	Homeownership new construction	25	70	CDBG \$ X HOME \$220,000 ESG \$ HOPWA \$
DH-2(6)	Tenant Based Rental Assistance for non- homeless, low-income people	50	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
DH-2(7)	Land trusts - development of owner housing	20	13	CDBG \$ X HOME \$198,250 ESG \$ HOPWA \$
DH-2(8)	Individual Development Accounts	20	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
DH-2(9)	CHDO Predevelopment	3	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
DH-3(1)	Housing Needs Assessments	3	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
SL-1(1)	Emergency Shelter Operations & Services	4000	24,846	CDBG \$ HOME \$ X ESG \$679,717 HOPWA \$
SL-1(2)	Creation of Shelter Beds and Transitional Housing Units	20	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
SL-1(3)	Permanent Supportive Housing for Chronically Homeless	20	0	CDBG \$ HOME \$ ESG \$ HOPWA \$

Obj. #	Objective	Expected	Actual	Funding Amount and
	DECENT HOUSING	units	Units funded	Sources
SL-3(1)	Acquisition of Real Property for public Facilities	400	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
SL-3(2)	Construction or Reconstruction of Public Facilities	5	6	CDBG \$3,608,590 HOME \$ ESG \$ HOPWA \$
SL-3(3)	Community Planning & Capacity Building	400	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
EO-3(1)	Financial Assistance to Business Loan Funds	100	75	CDBG \$250,000 HOME \$ ESG \$ HOPWA \$
EO-3(2)	Public Infrastructure to Support Business & Create Jobs	96	0	CDBG \$ HOME \$ ESG \$ HOPWA \$
EO-3(3)	Planning & Studies to Create Jobs	4	0	CDBG \$ HOME \$ ESG \$ HOPWA \$

c. If applicable, explain why progress was not made towards meeting the goals and objectives.

- DH-1(1) Permanent Supportive Housing for People with Special Needs: State funds were used to build 8 new units of supportive housing and to rehabilitate another 9 units.
- DH-1(6) Rental Rehabilitation: all rental rehabilitation projects that are active were either awarded prior to the reporting period and have already been reported, or were contracted after the reporting period.
- DH-1(7) Urgent needs housing: DOH provided \$141,649 in CDBG assistance to low-income households displaced by the Four-Mile Fire in Boulder County, but no beneficiary information is available at the time of this writing.
- DH-2(2) Rental Acquisition and Rehabilitation: 37 rental units were acquired and rehabilitated using \$2,644,675 in NSP1 funding.
- DH-2(8) Individual Development Accounts: No applications were received.
- DH-2(9) CHDO Predevelopment: No contracts were executed during the reporting period.
- DH-3(1) Housing Needs Assessments: No applications were received.
- SL-1(2) Creation of shelter beds and transitional housing: State funding provided 170 new shelter beds at three locations.
- SL-1(3) State funds provided 27 units of permanent housing for chronically homeless veterans
- SL-3(1) It was not necessary to acquire any property for public facilities
- SL-3(3) There were no new proposals for community planning and capacity building during the reporting period.
- EO-3(2) Projects are in the pipeline, but did not go to contract during the reporting period.

• EO-3(3) - Projects are in the pipeline, but did not go to contract during the reporting period.

Describe the manner in which the recipient would change its program as a result of its experiences.

We would better coordinate the Consolidated Planning and Analysis of Impediments to Fair Housing (AI) processes so that the AI could serve as a resource for the planning process and result in better coordinated goals and objectives.

2. Affirmatively Furthering Fair Housing:

- a. Provide a summary of impediments to fair housing choice.
- b. Identify actions taken to overcome effects of impediments identified.

Summary of Impediments

The Division of Housing designated a Fair Housing Coordinator during the reporting period, and drafted an update to the Analysis of Impediments. The list of impediments listed below is taken from that update. However, since the initial draft was completed during March of 2011 and is still under review, the Division's actions taken to affirmatively further fair housing during the report period were not directly related to the impediments listed below.

Lack of Fair Housing Education and Coordination

Review of survey responses and Analyses of Impediments from entitlement areas indicates that many residents and property managers do not have access to information about fair housing rights and responsibilities. Most of the following impediments appear to be related to lack of knowledge, so this appears to be an underlying problem.

High Housing Costs Combined with Low Income/Wages

Survey responses, entitlement-area Analyses of Impediments, and Colorado Division of Housing Rental Housing Mismatch report and American Community Survey data most frequently name the shortage of affordable units for households with low and very low incomes. The lack of affordable housing has a disparate impact on Black/African Americans, Hispanics, American Indians, women and people with disabilities because higher percentages of these protected classes are low income.

However, high housing cost is not, in and of itself, an impediment to fair housing. It is the actions that communities take to limit the types and locations of affordable housing that can represent impediments to fair housing when they cause or exacerbate existing segregation, whether or not that is the community's intent.

The shortage and cost of housing specifically suited to people with disabilities is an additional impediment, as is a shortage of apartments with more than three bedrooms, which makes it difficult to house large families who need to rent.

Among the causes of high housing costs are those imposed by local governments, such as impact development fees and planning, zoning and building regulations. Other causes involve high land costs, the cost of shipping building materials through the mountains.

Impediments Specific to People with Disabilities

This was the largest single source of fair housing complaints filed from 2006-2009, accounting for nearly half of all filings:

- Lack of appropriate, accessible housing that is also affordable.
- Failure of landlords/property managers to provide reasonable accommodations for tenants with disabilities.
- Communication issues, especially for people with mental disabilities.

Community Resistance to Affordable and Special Needs Housing

The "Not in My Back Yard Syndrome" is an impediment to fair housing because it discourages or may even prevent development of affordable housing that would provide fair housing choice to protected classes. Twelve of the fourteen communities whose Analyses of Impediments were reviewed cited this as a major impediment.

Lack of Fair Housing Enforcement

The economic downturn and subsequent reductions in State and Federal revenue have led to a lack of funding for fair housing testing and enforcement. No non-profit organizations in Colorado have received fair housing Initiatives Program (FHIP) funding since 2007. Comments in our survey noted lack of enforcement and difficulty in assistance when experiencing discrimination. The Colorado Civil Rights Division is the lead state agency for fair housing enforcement.

Predatory Lending and Foreclosures

A study by the Colorado Civil Rights Division found that minorities, especially Blacks and Latinos, were targeted for subprime mortgage loans and that these groups consequently have experienced a disproportionate number of foreclosures.

Language and Cultural Issues

Persons who do not speak English well may be vulnerable to discrimination or unfair acts. Language barriers especially complicate landlord/tenant issues. Colorado's population of low-English proficiency Spanish-speakers is 7.3%.

Transportation

Lack of public transit in many areas of the state as well as lack of affordable housing along existing transit routes impede fair housing choice. Housing patterns, location of employment opportunities and public transit are not coordinated so as to enable minorities and low income people to hold a job without having a car.

Local Government Regulations

Planning and zoning, definitions of "family," land use plans, development fees, growth management programs and housing design specifications may increase the cost of housing and otherwise create impediments to fair housing choice.

Actions taken to Affirmatively Further Fair Housing:

Steps that DOLA has taken to affirmatively further fair housing since the last Analysis of Impediments include:

- The appointment of a Fair Housing Coordinator within the Division of Housing.
- Creation of a fair housing page on DOLA's web site containing links to relevant documents, resources and trainings.
- Changes made to our proprietary database to better track fair housing compliance for projects that we fund.
- To help address lack of affordable housing, 26 communities received funding for Housing Needs Assessments since 2005.
- To help address high land costs, the Division of Housing has discussed land donations with local governments and has tracked the number and amount of local government donations of land or contributions to its acquisition. Local governments have donated land or money toward acquisition in 48 projects since January, 2005. The total value of their contributions over that period is \$25,522,888.

To address lack of affordable housing for people with disabilities the Division of Housing encourages local housing and disability service agencies to conduct tenant training programs. Specific efforts:

- Division of Housing sponsored Fair Housing workshops conducted by a national expert, Jeff Boyd, in 2008. Workshops were held in Denver, Pueblo, Grand Junction and Greeley. 102 people attended the workshops. The workshops covered the seven protected classes, how Fair Housing affects property access and use by all people including those with disabilities, families and immigrants, ways to help market the property, design leases, contracts and lending, and provide maintenance and services that proactively promote Fair Housing and how Fair Housing affects all types of housing.
- Division of Housing has funded two projects that created housing units for people with HIV/AIDS:
 - Juan Diego Apartments, \$200,000 21 units (permanent)
 - Eaton House in Boulder, \$ 35,000 4 units/8 beds (Transitional)
- DOLA provides technical assistance to local governments who are CDBG recipients to help develop actions the community will carry out to affirmatively further fair housing.
- The Division of Housing has created a web page devoted to Fair Housing information. (http://www.colorado.gov/dola/cdh/fairhousing.htm), with links to it available from the Home page, Landlords, Renters, Local Governments, and Section 8 pages. It includes links to HUD's Fair Housing web page, to the Colorado Civil Rights Division and other sources of Fair Housing information.
- At this time, Dept. of Human Services, Supportive Housing and Homeless Programs web site has considerable information on Fair Housing for the disabled, including links to HUD and to Colorado Civil Rights Division. The FHA has links to HUD's Fair Housing information. None of the other "partners" listed in section (4) II directly addresses Fair Housing, except that the Colorado AIDS Project (CAP) displays the Fair Housing logo and states CAP's compliance with Section 504.

To address language and cultural barriers, Division of Housing has taken the following actions:

- Fair Housing posters/flyers are available in Spanish on our web site
- Emergency Shelter Grant agencies are provided with Fair Housing flyers with contact information in both English and Spanish
- NSP 1 Substantial Amendment and all of its revisions have been made available in Spanish as well as English on our web site.
- The notice of Public Hearing was published in Spanish in newspapers.
- Meeting notices for HPRP and NSP were published in Spanish on our web site;
 HPRP meetings were published in the Denver Post in both English and Spanish.
- The "Puzzle of Homeownership" training on the Division of Housing web site is available in Spanish.

To address segregation and concentration of poverty, the Department of Local Affairs has made efforts to revitalize known areas of racial segregation and high poverty.

Out of 56 new rental construction projects undertaken since 2006, fourteen were undertaken in census tracts that exceeded the MSA's median income and twenty-six in tracts with minority populations below 25%. Twelve of these projects were built in census tracts that are both low minority and high income.

Eight projects in high-minority census tracts (minority percentage greater than 75%) were in entitlement areas in Denver and Adams counties. Eight projects carried out in very low income census tracts (below 50% of MSA median) were also in entitlement areas. Only six projects were located in census tracts that are both high-minority and very low income using 75% minority and 50% of MSA income as the cutoff points.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

CDOH led efforts to fund programs that can become models for communities throughout Colorado. Because the Division's funding is primarily discretionary, it served as the catalyst for other supportive housing efforts. The Division of Housing financed hard assets such as housing construction or rehabilitation, and soft costs such as rental subsidies. The direct impact of housing development is improved housing quality and additional construction jobs for a community.

CDOH and CHFA, as well as other funding agencies, often coordinate their efforts in order to make affordable housing projects successful. CHFA and CDOH are also working in a collaborative manner to preserve affordable housing projects that have experienced financial issues due to the economic slow down, resultant vacancy issues and intense market competition.

CDOH received \$2,225,000 in Housing Development Grant funds for State fiscal year 2011 (July 1, 2010 to June 30, 2011.) When available, these state funds are the most flexible of the Division's resources, and allow tailored community solutions to help ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

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

A primary housing program designed to reduce dependency on public assistance is the Housing Choice Voucher program. The Division also operates a Housing Choice Voucher Special Needs Program to coordinate organizations that provide supportive services. Five hundred disabled families receive rental assistance through independent living centers. Sixty families receive assistance through the Colorado Health Network; and 200 families in the Families Unification Program receive rental assistance, as well as 168 families who are homeless or at the risk of being homeless.

5. Leveraging Resources

- **c.** Identify progress in obtaining "other" public and private resources to address needs.
- **d.** How Federal resources from HUD leveraged other public and private resources.
- **e.** How matching requirements were satisfied.

During this Consolidated Plan Year, the Division of Housing awarded \$5,897,972 in HOME and CDBG funds, leveraging \$46,402,426 in private and other public funding, a ratio of 12.7:1. See the table below for details.

DD OJEGT WAVE	LEVER ACTAIG	CONTRACT	FUND
PROJECT NAME	LEVERAGING	AMT	SOURCE
HSSW2010 CHDO Operating	\$8,000	\$26,115	HOME
Del Norte Neighborhood Development Corp	\= 0.10.030		
Veterans Apt	\$5,919,970	\$450,000	HOME
La Puente Home-Emergency	#F3.000	#F2.000	CDBC
Shelter/Transitional Housing Town of Fowler-Tri-County Housing Inc. Single	\$52,000	\$52,000	CDBG
Family Self Help Rehab	\$501,170	\$222,249	CDBG
Crowley County - Tri-County Housing SFOO	\$301,170	\$ 222,249	СБВС
Rehab	\$452,250	\$313,223	CDBG
Delta CoDelta County - SFOO Rehab	\$255,800	\$100,073	CDBG
Huerfano Co. – SFOO Rehab Program	\$445,500	\$250,000	CDBG
Grand Junction Housing Authority - Next Step	¢104.063	±200,000	ПОМЕ
Housing Program Loveland Housing Dev. CorpLarimer Home	\$184,063	\$200,000	HOME
Improvement Program-Rehab	\$165,000	\$201,715	HOME
Upper Arkansas Area Council of Governments-	, ,	, ,	
SFOO Rehab Program	\$178,700	\$148,750	CDBG
Alamosa County SFOO Rehabilitation	\$102,845	\$281,143	CDBG
San Juan County-SFOO Housing Rehabilitation	\$78,967	\$296,710	CDBG
Mercy Housing - Bluff Lake Apartment			
Homes-New Construction	\$16,676,023	\$712,005	HOME
Renaissance Housing Development CorpWest			
End Flats-Rental New Construction	\$1,000,000	\$1,000,000	HOME
Habitat for Humanity of Colorado-Colorado			
Homeownership Program	\$2,664,709	\$220,000	HOME
Boulder County, Four Mile Fire	\$0	\$141,639	CDBG
Aurora Housing Authority - Village at Westerly			
Creek	\$10,961,529	\$550,000	HOME
Community Housing Development Association,			
Inc Regal Apartments	4010.000	+200 000	ПОМЕ
Acquisition/Rehabilitation	\$910,000	\$300,000	HOME
Rocky Mountain Community Land and Trust-El	¢2 275 000	¢100 250	HOME
Paso Scattered Site Acquisition Statewide - Colorado Housing Assistance	\$2,375,000	\$198,250	TIUME
Corporation - Down payment assistance	\$3,470,900	\$234,000	номе

\$46,402,426 \$5,897,872

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

The Department of Local Affairs took the following steps to ensure compliance:

- Extensively expanded our Oracle database to capture a greater amount of compliance information.
- Reviewed and revised the DOH funding application.
- Reviewed and revised our contract templates
- Reviewed and revised our monitoring procedures
- Enlisted HUD's TA provider for CDBG and HOPWA
- Improved the CDBG monitoring tool
- Conducted CDBG administration training for grantees
- Conducted monitoring training for staff.
- Sent CDBG staff to HUD/COSCDA CDBG Boot camp.

Citizen Participation

1. Provide a summary of citizen comments.

The Consolidated Annual Performance Evaluation Report was posted to the Colorado Department of Local Affairs along with a notice of Public Hearing on June 13, 2011. A public hearing was held on June 24. No citizen comments were received

Institutional Structure

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

Gaps in Institutional Structure:

Colorado State government works with local governments, private industry, and nonprofit organizations to tackle the issues involved in providing affordable housing. A Smart Growth initiative created by the Governor's Office includes affordable housing as a concern. The gaps remaining in the institutional structure in Colorado are educating the public and reducing the Not In My Backyard (NIMBY) phenomenon; developing better coordination and cooperation between special needs providers and the organizations that produce housing units; and continuing to educate local agencies to increase the production of affordable housing units statewide.

Local nonprofit organizations and housing authorities: Many nonprofits lack not only the funding to meet their community's housing demands, but also the staff expertise to expand or diversify existing services. CDOH works to improve agency capacity through technical assistance, workshops, training and monitoring efforts. These efforts will result in retention of existing housing and additional production of housing units where they are needed.

NIMBY: The problem of finding suitable sites for affordable housing continues to be a problem in Colorado. Many neighborhoods are unwilling to have even mixed income rental units nearby, let alone housing for persons with special needs. This lack of understanding about, and fear of affordable housing residents, also hampers efforts to expand Colorado's affordable housing inventory.

To overcome this issue, DOH development staff members routinely work with affordable housing providers and local jurisdictions to encourage early communications and informational meetings about affordable housing projects in their communities. In addition, DOH provides free copies of *Housing Colorado: A Guide for Local Officials* to elected and appointed officials. The Guide has a chapter about ameliorating the "Not in My Backyard" syndrome.

Strategy to Overcome Gaps

The Colorado Department of Local Affairs continues to increase the coordination and involvement of state and Federal agencies, public and private nonprofits and others in the leveraging of funding sources, the planning and delivery of housing-related services, and the development of special initiatives to increase and preserve affordable housing. CDOH staff works with local governments and housing providers to increase their capacity to create new affordable housing units. The Division supplements this one-on-one technical assistance by statewide training including the Developer's Toolkit, Affordable Housing: a guide for local officials, Creative Finance, Managing Nonprofits in Tough Times, Basic Underwriting, Advanced Financing, application workshops and other interactive presentations that increase the capacity of Colorado's housing providers.

The Division of Housing also works with the Department of Human Services and local special-needs providers to encourage partnerships between special population service providers and housing development agencies. These partnerships are essential to increasing the supply of affordable, accessible housing for special-needs populations. Public education efforts increase the awareness of the need for rental units affordable for those whose incomes are at or below 30% of AMI. The new Neighborhood Stabilization Program provides an opportunity for local governments and nonprofit agencies to stabilize housing markets through purchase and rehabilitation of foreclosed homes.

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

Governmental Coordination

The Department of Local Affairs (DOLA) is the one agency in Colorado that deals almost exclusively with local governments on all levels of its mission. DOLA promotes cooperation and coordination and involves other state agencies in its efforts.

Low-Income Housing Tax Credits (LIHTC)

The Colorado Housing and Finance Authority (CHFA) has the authority to allocate the LIHTC in Colorado. CHFA and the Division of Housing work closely together in using LIHTC to develop affordable housing. The staff of both agencies is in constant contact to discuss new and existing projects, and meet formally on a quarterly basis to update each other on pending projects. This system will continue during the next year. The annual plan for allocation of tax credits in 2010, approved by CHFA's Board of Directors and by the Governor, is on CHFA's website at www.chfainfo.com. CHFA and the Division of Housing will continue their close coordination in using LIHTC, Federal, State, and private funds for project funding.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

Colorado Division of Housing (CDOH) uses a monitoring plan that ensures that the affordable housing units it funds comply with applicable State and Federal guidelines. During the course of grant and or loan administration, Asset Managers (AMs) and other CDOH staff monitor project performance in a variety of ways. CDOH's monitoring plan describes the monitoring methods for the HOME, CDBG, ESG and HOPWA programs. Monitoring for the Neighborhood Stabilization Program (NSP) takes place in accordance with CDBG standards, plus new requirements imposed by the Housing and Economic Recovery Act of 2008.

Project Performance Plan

The Project Performance Plan (PPP) individually developed for each project lists the goals and milestones that a project must meet for it to be successful and comply with Federal and state requirements. The PPP addresses anticipated project problems and time lines needed to complete and manage the project. The PPP (Exhibit D) applies to HOME and CDBG projects and forms the basis for measuring and tracking the grantee's performance throughout the term of the project. The PPP can include:

- Financial management systems in place
- Development of a maintenance plan
- Development of a marketing plan
- Leasing and occupancy policies
- Risk management implementation
- Construction time lines
- Housing Agency management capacity and production

CDOH also uses the PPP to plan training and technical assistance. A change in the PPP does not warrant a change letter or contract amendment.

The PPP is an assessment of the project needs, milestones and goals, as determined by the CDOH Housing Developer (DEVO) and Asset Manager (AM). The DEVO develops a first draft of the PPP; the AM then reviews it and suggests modifications. The grantee usually participates in the preparation of the PPP by providing feedback/input; the PPP is considered a working document.

Project Performance Plans vary, as do the different types of projects that CDOH funds. To ensure that the PPP includes all major milestones, CDOH has developed templates covering the different types of developments and projects. The templates are not intended to be all-inclusive, as each development team (DEVO and AM) has the ability to tailor the PPP to the individual projects. The PPP template contains a column that the Grantee can use to track quarterly performance. Because the PPP covers all critical milestones a project must meet, AM's are able to easily determine if a project is on track or if its plan needs revision. Some projects will have limited performance measures because it has a high-functioning developer and/or another organization such as CHFA, Mercy Loan Fund, Rural Development, HUD or a private lender is involved in the project. These organizations often provide project oversight in such areas as construction monitoring, maintenance plans and property inspections. When other monitoring systems are in place, CDOH does not duplicate

these efforts. Other projects will have a comprehensive and detailed PPP because they involve a first-time developer and/or there has been staff turnover.

On-Going Project Monitoring

CDOH requires each project it funds to submit quarterly reports for each project (monthly for HPRP). The reports provide AMs and CDOH staff with a project update that flags pending or anticipated problems.

Quarterly Financial Report

The financial quarterly report lists the full financial status of the project including fund balances of the loan or grant provided. The Grantee reports on Project Performance Plan milestones within the PPP format. The milestones to be completed in the near future are also listed and any problems or issues that have been encountered. AMs reconcile the performance reports against the PPP for project to track milestones that need completion. AMs contact the grantee or borrower on a monthly basis to track the project performance.

Section 8 Monthly Financial Reports

The Section 8 Contractors submit monthly Housing Assistance Payment (HAP) requests and Lease Status Reports. These reports are used to track the utilization of the program, initiate rental payment changes and certify the rental assistance payments to property owners and participating families. CDOH Section 8 staff provides technical support on an on going basis when needed for program compliance.

Contract Monitoring

Near the end of the contract term or during the course of a fiscal year, AMs monitor CDOH projects to ensure that the projects comply with the applicable Federal and state requirements. Because some projects need more attention than others do, CDOH has developed a Risk-Based Monitoring approach. CDOH Risk-Based monitoring allows Asset Managers to focus more time on new grantees and on projects that are at higher risk of encountering problems during the project development.

The CDOH Developer and Asset Manager will determine the level of monitoring for the project. The Developer and Asset Manager discuss the administrative capacity of each grantee and determine the level of monitoring. The PPP attached to the grantee's contract will list the level of monitoring. The monitoring level may change during the term of the contract, if needed, and if it does not warrant a change letter to be routed for signature. Projects are placed in one of the following three categories:

<u>FULL</u> - A FULL monitoring determination requires an Asset Manager to address all identified areas pertaining to the project within the regular CDOH monitoring documents. The Asset Manager will also have to visit the project site and complete a housing quality standards inspection on a minimum 5% of the units. The Developer and Asset Manager will recommend a FULL monitoring if the project contains the following:

- New Grantee Grantee who has never received funding from CDOH and/or Grantee that has not received funding in the last three years
- New activity for existing grantee

- Complicated project
- Unresolved findings or concerns on last contract
- Repeat instances of findings or concerns
- Existing Grantee new staff in key positions
- Staff recommendation due to unexpected problems occurring during the project

<u>PARTIAL</u> - A PARTIAL monitoring requires the Asset Manager to complete a modified monitoring form and perform a site inspection. CDOH may ask the grantee to supply reports such as rent rolls. The Developer may assist the Asset Manager in performing the site inspection if convenient. The Developer and Asset Manager will recommend a PARTIAL monitoring if the project has the following characteristics:

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

Under the same PARTIAL monitoring category, the Asset Manager can classify a project as a Self-Certification monitoring. The grantee completes a modified monitoring form pertaining to the use of the funding award, has it notarized, and sends it back to the Asset Manager.

<u>MINIMUM</u> - A MINIMUM monitoring can only apply to a continuing program such as single-family owner-occupied rehabilitation, down payment assistance, ESG or Housing Choice Voucher Rental Assistance. Minimum monitoring requires only grantee technical assistance, if needed, and the contractual monthly/quarterly reporting documents. CDOH may choose to delay an on-site visit for up to two year. An on-site visit may be delayed for up to two years for a very high-functioning grantee. The Asset Manager and Developer will only approve this type of monitoring if the project contains the following:

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

The Division of Local Government and Governor's Office of Economic Development and International Trade conduct a full monitoring of all their CDBG grantees using the state's standardized monitoring tool to ensure that the requirements of the grant have been met. These monitoring visits occur on site between the state, grantee, and, if applicable, the sub-grantee. Projects will not be considered closed until all compliance requirements have been met and documented and findings, if any, have been adequately addressed.

Project Close Out

DOLA closes out all projects upon the completion. Required closeout reports include the following:

- Project Description
- Actual Accomplishments
- Remaining Actions
- Audits: Name and address of firm selected to do the audit(s) and expected completion date.
- Total Actual Expenditures for the Activity
- Project Beneficiaries and outcome-based funding requirements
- Program Income will be reported at close and into the future as generated.
- Actions to affirmatively further Fair Housing

- Section 3
- National Objective (CDBG)

HOME Long-Term Monitoring

HOME-funded rental projects are required to comply with HOME regulations through out the term of affordability. CDOH conducts on-site monitoring of these projects based on the number of HOME units funded.

- At least every three years for projects containing one to four HOME-assisted units:
- At least every two years for projects containing five to twenty-five HOMEassisted units;
- At least once a year for projects containing more than twenty-five HOMEassisted units.

CDOH requires yearly rent rolls and eligibility certification by mail in the years between on-site monitoring.

DOLA Monitoring of Consolidated Plan Goals and Objectives

DOLA monitors its progress in achieving goals and objectives of the Consolidated Plan through its Oracle database, which captures housing units, projects and leverage; through HUD's Integrated Disbursement Information System (IDIS); through periodic reports on housing to the State Legislature; and by completing the Annual Performance Evaluation Reporting System report for HUD. CDOH continually assesses compliance with program requirements, including timeliness of expenditures, both programmatically and through accounting and internal audit functions of DOLA.

2. **Describe the results of your monitoring including any improvements**. During this period CDOH monitored 72 HOME rental projects; 36 of the monitorings had no findings and 28 had findings. The majority of findings were because of missing documents in family files. Eight monitorings had HQS issues which caused the findings - water damage, non-operating smoke detectors and bed bugs were found.

3. Self Evaluation

a. Describe the effect programs have in solving neighborhood and community problems.

The Colorado Department of Local Affairs, through its Housing and Local Government Divisions, uses HUD funding to address neighborhood and community problems throughout the state, but especially outside of the Denver metropolitan area. The funding is used to build or rehabilitate homes for low income families and households; to provide shelter and a path to self-sufficiency to those who have lost their homes; to build or improve aging water and sewer systems and other infrastructure in low income communities; to help build business and job opportunities and to create communities where people will want to live and work. Our objective is to help communities become economically, socially and environmentally healthy and sustainable.

b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

Needs identified in the Consolidated Plan include rental housing for very-low income people (those whose incomes are less than 40% of the area median income); permanent supportive housing for the homeless and for people disabilities or other special needs; the preservation and stabilization of homeownership; affordable housing specifically for the elderly, people with disabilities and domestic violence survivors.

The table on pages 5, 6 and 7 is a profile of our consolidated plan activities and the progress made in meeting our goals. That progress has been slower than we would like it to be, primarily because of the economic downturn of the last few years and its aftereffects. The need for affordable housing and supportive services has increased as people have lost their jobs and/or lost their homes to foreclosure. Foreclosures have increased the number of people who need rental housing, resulting in very low vacancy rates and driving up rents. This is occurring even as the unemployment rate continues to be high and wages have stagnated or even been reduced.

At the same time, federal and state funding for affordable housing is being cut back. In short, the need greatly exceeds our ability to meet it and the gap is growing.

For example, the most recent Housing Mismatch Analysis produced by the Division of Housing that Colorado has 581,472 households earning \$25,000 or less (which represents 42% of AMI), while only 516,340 rental units are available that are affordable at that income – a gap of over 65,000. During the most recent reporting period, the Division was able to fund 130 new units to serve this population.

c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

During this reporting period, DOLA and its divisions used HUD funds to help finance the construction of 220 affordable rental homes, 70 newly built single-family homes, rehabilitation of 153 single-family homes, down payment on 24 single family homes, provided shelter or other assistance to 24,846 homeless people and helped prevent homelessness for another 11,277. Twenty-five formerly homeless people received rental assistance and 112 people with HIV/AIDS received rental assistance and supportive services for themselves and their families.

d. Indicate any activities falling behind schedule.

Programs related to homeownership, i.e., single-family owner-occupied rehabilitation programs and down payment assistance programs, are having difficulty meeting their numeric goals on time. One project listed in last year's CAPER, 10-049, Yale Station Apartments, has been delayed because of contract negotiations, but is now under way.

e. Describe how activities and strategies made an impact on identified needs.

Needs identified in our Consolidated Plan included 1) affordable housing for very low income households – those with incomes at or below 40% of the area median, 2) Permanent supportive housing for the homeless and for people with disabilities. During the reporting period, Division of Housing helped in the creation of 90 units of housing affordable to those earning less than 40% of the area median. CDBG, HOME, NSP and State funds were used to provide 23 units of permanent supportive housing for people with disabilities and 77 units for people who were formerly homeless.

f. Identify indicators that would best describe the results.

In this Annual Performance Evaluation report we use the number of units produced and the area median income at which those units will be affordable. However, the indicator that would best describe the results would be the income and demographic characteristics of the people who occupy the housing when it is completed. Affordability at certain levels of area median income (AMI) represents the maximum income level of those who will be eligible to live there; in reality, the housing is often occupied by those earning less than the maximum and their rents are adjusted accordingly.

g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

Lack of Low-Income Housing Tax Credits created complications and delays in getting new construction and rehabilitation projects off the ground. Tighter underwriting standards for single family home purchases and rehabilitation have made it difficult for low and moderate income families to qualify for loans. Lack of qualified borrowers means that our programs have trouble meeting their numeric goals.

h. Identify whether major goals are on target and discuss reasons for those that are not on target.

Major goals are on target, being achieved through State funding as well as other funding not reported through the CAPER, such as NSP. For example, 170 beds in homeless shelters or units of transitional housing were created using \$1,168,681 in Colorado State funding.

i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

Since most major goals are on target and most challenges are the result of lingering economic issues that have resulted in high unemployment, tighter credit standards, lower government revenues, or reduced values of single-family homes, we are not able to identify any adjustments or improvements at this time.

Lead-based Paint

1. Describe actions taken during the last year to evaluate and reduce leadbased paint hazards.

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

As of September 10, 2001, all provisions of Title X became enforceable in Colorado. These provisions include the regulations found in HUD's Lead Safe Housing Rule (24 CFR Part 35). The staff of CDOH reviews each proposed housing development program or project to ensure on-going compliance with all applicable sections of Title X. The review is based on: the type of project; the type, amount, and duration of financial assistance; and the age of the property. In addition, CDOH makes all

applicable training and technical resources available to local housing providers and developers.

The Colorado Department of Public Health and Environment (CDPHE) has statutory responsibility for the ongoing implementation of the statewide comprehensive plan to reduce childhood lead poisoning. The Environmental Protection Agency (EPA) has authorized the CDPHE to provide training, certification, and enforcement programs surrounding lead poisoning and lead-based paint in the State. CDPHE is also responsible for compiling information on the number and location of children found to have elevated lead blood levels (greater than 10 micrograms/deciliter). In addition, the CDPHE is considering submitting a request for authority to manage the Lead Renovation, Repair and Painting Program in Colorado for the EPA.

The Northeast Denver Housing Center (NDHC) has provided lead-based paint technical assistance and inspection and hazard control services since 2000 in Colorado. Through these activities, including the delivery of an Office of Healthy Homes Lead Hazard Control Grant, NDHC responds to reported incidences of elevated blood level in lower in children in lower-income households across the State and comprehensive lead hazard identification and reduction activities in specific neighborhoods in the City of Denver.

Estimate of Units with Lead-Based Paint

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

	Estimate of Housing Units with Lead-Based Paint – State of Colorado							
		Re	enter Units	3	0	wner Units		
Built Date Range	Total Units Built	Total rental units	Extremely Low	Low	Total owner units	Extremely Low	Low	Total Low Income Units
Pre- 1940	145,236	56,435	34,453	18,934	88,801	18,214	32,771	104,372
1940- 1959	54,530	22,286	12,970	8,329	32,244	5,775	14,349	41,423
1960- 1978	61,516	168,400	88,644	67,551	293,116	39,258	90,488	285,941
Total	661,282	247,121	136,067	94,814	414,161	63,247	137,608	431,736

Recent data from the Colorado Department of Public Health and Environment indicates that approximately 2.5% of all children between the ages of 6 months and 6 years of age tested statewide had elevated blood lead levels. In one Denver neighborhood, over 16% of the children tested had elevated blood lead levels. CDPHE and Medicaid educate parents on the sources and hazards of lead poisoning to increase the number of children tested every year statewide. These efforts resulted in a 40% increase in the number of children tested for possible lead poisoning from 2001-2002 (most recent data available).

To protect against the risks of lead dust and disturbance of lead-based paint, on April 22, 2008, the Environmental Protection Agency (EPA) issued the Lead Renovation, Repair, and Painting Program Rule that requires the use of lead-safe work practices and other actions aimed a preventing lead poisoning. Under the rule, beginning in April 2010, all contractors performing renovation, repair, and painting projects that disturb lead-based paint in homes built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

The EPA Lead Renovation, Repair, and Painting Rule is expected to expand the availability and expertise of renovation, repair and painting contractors, as well as, the availability of the necessary training and technical assistance across the State. This increased availability and knowledge concerning lead-based paint will enhance the efforts to create lead-safe housing through all of the projects and programs funded by the Department of Local Affairs.

The Colorado Division of Housing implemented the following activities during the 2009-2010 program year to ensure statewide compliance with applicable lead-based paint regulations.

Activity 1: Enhance Existing Partnerships

DOH assisted public and private efforts to reduce lead-based paint hazards across the State. This included ongoing involvement in the Colorado Lead Coalition interagency work group, which develops and implements strategies for statewide lead hazard reduction and education efforts. Besides the Colorado Division of Housing, this coalition includes the U.S. Environmental Protection Agency, Denver Health, the U.S. Department of Housing and Urban Development, Colorado Department of Health and Environment and other agencies. CDOH also worked with the Northeast Denver Housing Center to ensure that assistance is available to assist households with identified elevated-blood-level children across the State.

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

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

Activity 3: Enhance Existing Delivery System and Technical Capacity

To comply with the HUD and new EPA lead-based paint regulations in the most effective and economical way, CDOH continued its involvement with the CDPHE's lead-based paint education activities, lead-based paint compliance requirements, and training and technical assistance opportunities around the State. CDOH provided technical assistance to sub-grantees, contractors, and local housing and service providers about Title X requirements through web-based training, onsite visits, project underwriting and the distribution of best practice methods.

HOUSING

Housing Needs

1. Describe Actions taken during the last year to foster and maintain affordable housing.

The 2010 housing priorities and specific objectives listed below involved commitment and expenditure of both current and prior year HOME, CDBG, ESG and HOPWA funds, since the majority of activities and projects are multi-year funded.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

	Percentage of Area Median Income						
Project Type	0 - 30%	31-40%	41 – 50%	51 - 60%	61 - 80%		
Homeless	10	31	25	9	0		
New Homeowners	0	0	70	0	37		
Homeowner Rehabilitation	0	0	9	15	129		
Rental Units	5	2	14	0	0		
People with Disabilities	1	10	21	0	0		
Senior Housing	6	0	32	17	0		
Tenant Based Rental Assistance Targeted to the Homeless	25	0	0	0	0		
TOTAL	47	43	171	41	166		

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

The Division of Housing did not set numeric goals for production by percent of AMI, but rather has a policy of including as many 30 to 50% AMI units as economically possible in each project.

ACTUAL
25
1
6
47
79
75
6
32
144
257
336

3. Describe efforts to address "worst-case" housing needs and housing needs of persons with disabilities.

Worst case housing needs (WCN) are experienced by unassisted very low-income renters (below 50 percent of the local area median income) who either (1) pay more than one-half of their monthly income for rent; or (2) live in severely inadequate conditions, or both.

Based on American Community Survey data, the Colorado Division of Housing estimates that there are approximately 103,000 households in the state with income below 50% AMI who are paying 50% or more of their income for rent. According the Worst Case Housing Needs of People with Disabilities report for 2009, "renter households that include people with disabilities are more likely than those that do not include people with disabilities to have very low incomes, experience worst case needs, pay more than one-half of their income for rent, and have other housing problems such as living in inadequate or overcrowded housing."

During the reporting period, the Colorado Division of Housing used HUD funds to create 101 new units of housing affordable to households with incomes below 50% AMI. Of these, 45 were created to meet the needs of people with disabilities or seniors. Another 25 households in this income range received tenant-based rental assistance to make their rents more affordable.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

The Colorado Division of Housing does not own or operate public housing, so this section is not applicable.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Local Regulatory Barriers

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

The CDOH publication *Affordable Housing: A Guide for Local Officials*, which addresses these same issues, is available free on the DOLA/DOH web site.

Effectiveness in Reducing Impact of Land Use Regulation

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

Technical Assistance

Using its CDBG TA dollars, the Division provided Fair Housing Training in the communities of Greeley, Grand Junction, Denver and Pueblo. Topics included Fair Housing and Predatory Lending.

DOLA/DOH staff members discuss regulatory barriers with local governments during project funding.

Please see the "Affirmatively Furthering Fair Housing" section beginning on page 10.

HOME Program

- 1. Assessment of Relationship of HOME Funds to Goals and Objectives
 - a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

Use of HOME funds was essential to CDOH's efforts to provide affordable housing. HOME funds were used to produce 335 units of affordable housing, 247 (74%) of which are affordable to households at or below 50% of AMI.

The State of Colorado received \$8,373,866 for the 2010-2011 program year. That total was sub funded as follows: \$837,386.60 (10%) for administrative costs; \$1,256,079.90 (15%) for CHDO reserve; and \$418,693.30 for CHDO operating and predevelopment loans.

CDOH contracted \$3,830,640 in HOME funds during the program year. HOME grantees that generate program income through down payment assistance or single-family owner-occupied rehabilitation programs and retain it to be used for the same purpose had net program income of \$5,526.83. The state's revolving loan fund received program income of \$104,409.81.

The projects that we funded and the income levels of households they benefit are listed in the table below.

2010-2011 HOME-Funded Projects with Number of Units by Percent of AMI

GRANTEE	HOME Funds	30%	40%	50%	60%	80%	Total
Homeownership Assistance							
Colorado Housing Assistance Corp.	\$234,000	0	0	0	0	24	24
Homeownership New Construction							
Habitat for Humanity of Colorado	\$220,000	0	0	70	0	0	70
Land Trust							
Rocky Mountain Community Land Trust	\$198,250	0	0	0	0	13	13
Rental Acquisition and Rehabilitation							
Community Housing Development	\$300,000	2	0	11	0	0	13
Association							
Rental New Construction							
Del Norte Neighborhood Development Corp.	\$450,000	0	10	16	0	0	26
Renaissance Housing Development	\$1,000,000	35	31	25	9	0	100
Corp.	. , ,	c	0	22	17	0	EE
Aurora Housing Authority	\$550,000	6	0	32	17	0	55
Mercy Housing Mountain Plains	\$712,015	4	4	1	4	0	13
Single-Family Owner-Occupied Rehab							
Loveland Housing Development Corp.	\$201,715	0	0	0	0	21	21
TOTALS	\$3,865,980	47	45	155	30	58	335

2. HOME Match Report

 Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

Please see attached report.

3. HOME MBE and WBE Report

a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).

A total of \$1,245,762 in HOME funding was contracted to 20 sub-contractors through two projects. Eleven contracts went to woman-owned enterprises and nine to minority-owned businesses. Please see attached report for greater detail.

4. Assessments

a. Detail results of on-site inspections of rental housing.

CDOH monitored 72 HOME rental projects; 28 had HUD findings. The majority of findings were because of missing documents in family files. Eight monitorings had HQS issues which caused the findings - water damage, non-operating smoke detectors and bed bugs were found.

Monitoring findings are listed below:

DDO IECT		MONII		
PROJECT #	PROJECT NAME	MONI TORED	RESOLVED	FINDING COMMENTS
98-009	Riverwalk Apartments	06/09/10	07/08/10	Missing SS cards
05-043	Westchester Apartments	06/01/10	07/19/10	HQS, missing SS cards
05-023	Fountain Ridge South Apartments	08/25/10	03/23/11	Need financial statements, 1 file missing immigration
08-023C	Thistle Community Housing Rental	09/08/10	01/05/11	Missing SS copies, financial reports, immigration affidavit
05-038	Boulder County Thistle Community Housing Rentals	07/23/10	02/18/11	No citizenship form, missing SS card, assets not verified if under \$5000, missing reserve statements
04-040	New Castle Senior Housing	09/22/10	03/23/11	Need cash flow information
04-030	Vistoso Apartments	07/07/10	12/14/10	Only 3rd party verification at move-in
96-068	202 Henkle Place	09/09/10	In process	Bed bugs in three units, only inspected one unit and it failed.
01-011	Five Points Rental	12/17/10	In process	Missing SS cards and immigration affidavits.
99-045	Highland Garden Village Senior Apartments	12/14/10	In process	SS cards missing from tenant files
07-069T	Jefferson County Housing Authority, Redwood Village Apartments	12/02/10	02/18/11	HQS failed -condensation/ mold in bedroom. No income verification for initial move-in; need copy of voucher, income incorrectly calculated.TIC not dated, no assets verified.
07-068T	Jefferson County Housing Authority, Aspen Ridge Apartments.	12/02/10	In process	One unit failed due to water damage on the bathroom wall by shower.
06-026	Mesa Developmental Services Group Home	01/26/11	04/21/2011	Missing initial service plan information for 2009 which would show the individual's income and what the rent was at that time.
02-055	Colorado Homeless Families Transitional Housing	12/07/10	02/18/11	HQS: front burner not working, replaces light bulb, replace toilet holder. No documentation re: third party verification
98-027	Rio Sacramento Apartments	08/12/10	10/18/10	No copy of SS card.

PROJECT #	PROJECT NAME	MONI TORED	RESOLVED	FINDING COMMENTS
05-064	Belmont Manor Apartments	12/10/10	02/14/11	Lease not signed for one file
00-073	English Village Apartments	09/09/10	02/09/11	Missing SS verification, financial reports
07-078	Accessible Space, Inc. Senior Housing	10/05/10	11/26/10	Need construction monitoring form filled out.
10-045	Jefferson County Housing Authority, Parkview Village	03/15/11	In process	Tenant release form missing, ids, SS card, one failed HQS
96-039	Southview Plaza Apartments	06/23/10	08/16/10	Missing file documentation
99-062	Boulder Co. Housing Authority, Genesco and Emery St. Apartments.	12/01/10	06/23/11	Need recertification income, social security
00-044	Boulder County Housing Authority, Sunnyside Place Apartments	12/01/10	In process	Missing annual income verifications on 3 files
98-082	Southwest Horizon Ranch Single Family Rental	08/16/10	In process	HQS
01-027	Plaza Del Sol Farm Worker Housing	12/28/10	03/23/11	1 HQS fail and 4 file findings
06-063	1601 Colorado Apartments	10/27/10	11/03/10	Declaration of citizenship forms missing for all family files
96-051	Advocates Against Domestic Assault Transitional Housing	08/18/10	11/08/10	Missing immigration affidavits. HQS - two apartments failed because the smoke detectors did not work properly.
06-003	Liberty House	09/23/10	In process	Missing IDs, rent is above the FMR
02-038	Middle Creek Village Apartments	03/24/11	06/10/2011	One tenant had no income at move-in and no proof of income in file.

b. **Describe the HOME jurisdiction's affirmative marketing actions**.

The CDOH loan/grant application requires that all applicants certify that they will affirmatively further fair housing and comply with the civil rights act of 1964 and 1968. Applicants must also address the requirements for handicapped accessible units in their project application and a public hearing must be conducted to gather public and private comments on the proposed project. The meetings must be handicapped accessible and outreach must be done to non-English speaking citizens.

CDOH contracts require compliance with all applicable civil rights laws, including Section 504, Section 3 and the Age Discrimination Act.

CDOH project performance plans often list outreach and affirmative marketing plan requirements. When needed, CDOH staff will provide technical assistance to a grantee so that they may comply with the civil rights requirements. CDOH asset

managers monitor each project to further ensure civil rights compliance. The CDOH Project Close-Out (PCO) process requires the reporting of direct benefit activities in order to track those who have been served with Federal/state funding. The PCO also requires the grantee to list in writing the actions they have undertaken to affirmatively further fair housing.

CDOH maintains monitoring records and project close out data demonstrating that it has reviewed the civil rights performance of each grantee it funds.

CDOH grant recipients document the actions they have carried out to affirmatively further fair housing.

• Rental projects of 5 units or more funded with HOME dollars are required to develop an Affirmative Marketing Plan (Plan). CDOH staff monitors projects to ensure that the Plans have been developed and implemented.

At project close out, CDOH requires each grant recipient to track beneficiary information on the individuals/families that they serve. The grantee must list in writing the project beneficiaries by area median income, race, ethnicity, disability and head of household gender. The grantee is also asked to report on all contracts and sub-contracts with Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs). They must also list minority owners of rental property.

The following examples demonstrate CDOH's efforts to affirmatively further fair housing in the past year during its monitoring visits:

- CDOH requires that Fair Housing logos be placed on all agency publications
- CDOH requires that Colorado Relay Service be used if an agency does not have TDD service
- CDOH provides documentation on 504 Self-Assessment requirements and requires that grantees implement them
- Grantee procurement policies are reviewed and recommendations are made on doing outreach to minority/women owned businesses.
- Handicapped accessible units are inspected during monitoring visits

c. Describe outreach to minority and women owned businesses.

The Division of Housing reviews each Grantee's procurement policies and makes recommendations on doing outreach to minority and women-owned businesses. When an affordable housing project or program is awarded funding from CDOH, the funding recipient receives guidance on the Federal/state civil rights compliance requirements. Guidance provided is set forth within the terms of the grantee's contract, the contract project performance plan, monitoring compliance requirements and technical assistance given to grantees by CDOH staff. CDOH funding recipients know early on that they will be required to demonstrate how they comply with the civil rights requirements and how their organization affirmatively furthers fair housing.

These procedures resulted in subcontracts worth \$1,079,376 being awarded to nine minority-owned businesses during the reporting period. Eleven women-owned businesses received subcontracts worth\$166,386.

HOMELESS

Homeless Needs

- 1. Identify actions taken to address needs of homeless persons.
- 2. Identify actions to help homeless persons make the transition to permanent housing and independent living.
 - CDOH coordinated its efforts with the three Colorado Continuums of Care (CoCs): Metropolitan Denver Homeless Initiative (MDHI); Homeward Pikes Peak and the Balance of State.
 - CDOH provided financial assistance to projects that created permanent supportive housing for chronically homeless individuals or families in coordination with those Continuums of Care;
 - CDOH continued to fund nonprofit organizations using HOME, ESG, HOPWA, HPRP and CDBG funding to assist with supportive services for chronically homeless persons.

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

3. Identify new Federal resources obtained from Homeless SuperNOFA.

Federal Resources from SuperNOFA					
Metropolitan Denver Homeless Initiative CoC	\$14,839,177				
Homeward Pikes Peak CoC	\$1,840,015				
Balance of State CoC	\$3,186,053				
TOTAL McKinney Vento Homeless Assistance (SHP)	\$19,865,245				

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

CDOH provided 26 agencies with homeless prevention dollars through the Emergency Shelter Grant Program. The Division continued to work with a collaborative endeavor to prevent foreclosures and strengthened a housing counseling program to assist families in maintaining their homeownership. Research indicates that many low-income families are victims of or at risk of predatory lending practices.

In addition, CDOH continued to administer a Homelessness Prevention and Rapid Re-Housing award of \$8,154,036. This funding was allocated statewide by distributing it by Continuum of Care as follows:

GEOGRAPHIC AREA	GRANTEE	AWARD ALLOCATION
Metropolitan Denver Homeless Initiative area	Colorado Coalition for the Homeless	\$5,036,663
Homeward Pikes Peak area	City of Colorado Springs	\$ 795,668
Balance of State area	Colorado Coalition for the Homeless	\$2,182,665

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 and credit repair services. The State retained \$407,702 to cover administrative costs and allocated \$630,000 to upgrade the Homeless Management Information data system to collect and report accomplishment information required by the program.

This program serves both families and individuals and combines and coordinates with direct HPRP grants of local governments in Adams County, the City of Aurora, the City of Colorado Springs, the City and County of Denver, and the City of Pueblo. DOLA/DOH was able to combine this funding with a TANF Supplemental grant of \$4.7M from the State of Colorado to augment the array of services made available through the HPRP program.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

During the period of April 1, 2010 – March 31, 2011, the Division funded 1,086 homeless shelter beds and 158 transitional housing beds through Emergency Shelter Grants.

A dollar-for dollar match is required for the ESG program which our agencies met through foundations, local government match, private contributions, and volunteer hours. Please see the attached ESG Match Report.

- 2. Assessment of Relationship of ESG Funds to Goals and Objectives
 - Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.

Of the \$946,567 received by the State, \$911,717 was distributed by a competitive application process to 53 agencies and local governments located in twelve different State planning regions. The State retained \$34,850 for state administration and allocated \$8,000 for local administration. Homeless prevention activities accounted for\$227,000, \$225,500 went to essential services, \$87,000 to staff operations, and the balance of \$367,217 went to local operating costs.

b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.

The Division of Housing has a comprehensive set of strategies to decrease homelessness in Colorado that include the ESG program, Community Development Block Grant funding for shelters and homeless services; creation of transitional housing units and permanent supportive housing (utilizing HOME dollars), and Colorado Housing Development Grants to create housing for special needs, homelessness and affordable housing.

ESG projects allow homeless shelters and transitional housing providers to have access to a funding stream that provides for operations, staff operations and essential services that stabilize clients. Approximately 24,846 homeless persons received assistance that helped provide this stability. This grant also provided homelessness prevention assistance to an additional 11, 277 persons.

3. Matching Resources

a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

Please see the ESG Matching report attached.

4. State Method of Distribution

a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.

The State's method of distribution is consistent with details published in the 2010-2012 Action Plan.

- (1) An RFP was issued to invite ESG participation by interested agencies;
- (2) For non-metropolitan Denver, ESG application kits were mailed to previously-funded local governments and nonprofit organizations, with other homeless providers receiving application kits upon request. The State also used CDBG funding for homeless services in rural areas.
- (3) In metropolitan Denver, application kits were mailed to previously funded projects;
- (4) A scoring system was implemented for the application process; evaluation of all projects occurred using criteria published in the Action Plan.

5. Activity and Beneficiary Data

a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.

Regarding collecting, reporting and evaluating the reliability of this information, we note that we must constantly "retrain" subgrantees due to turnover, capacity issues, etc. We have now instituted a competitive grant process which includes accuracy, timeliness and completeness of reporting as scoring factors.

b. Homeless Discharge Coordination

i. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.

The State works with the Community and Interagency Council on Homelessness as a partner in improving and coordinating discharge from institutions.

ESG Homeless Prevention Funds do sometimes assist individuals released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.

An example of a program tailored to this purpose is The Empowerment, which works with women released from prison to ensure that they have access to housing through either their transitional program or their homeless prevention program. Program clients also receive job training and counseling as well as other esteembuilding services.

c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

The Community and Interagency Council on Homelessness is developing a discharge coordination policy for State-funded institutions.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Assessment of Relationship of CDBG Funds to Goals and Objectives

a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.

The Colorado Department of Local Affairs (DOLA) has achieved its goal of responding to the needs of the local governments as illustrated by the types of projects it has funded during the program year.

- b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

DOLA has consistently exceeded the expectation of awarding a minimum of 70% of its funds over a three year period to projects that primarily benefit low and moderate-income persons. As shown in Part I of the project annual summaries, in 2010, 100% of its projects were funded under the national objective of low and moderate-income benefit.

2. Changes in Program Objectives

a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

In an effort to improve the state's expenditure ratio, DOLA is focusing on awarding its public facility funds to projects that have all other revenue sources committed and are ready to move forward.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.
- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.

All requests for certifications of consistency were compared to the Consolidated Plan and approved if the Plan contained a provision for the type of activity proposed.

c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

No actions were taken that hindered the implementation of the Consolidated Plan.

4. For Funds Not Used for National Objectives

- a. Indicate how use of CDBG funds did not meet national objectives.
- b. Indicate how did not comply with overall benefit certification.

All CDBG funds used during the report period met National Objectives.

5. **Anti-displacement and Relocation** – for activities that involve acquisition, rehabilitation or demolition of occupied real property.

a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

The Colorado Department of Local Affairs (DOLA) requires that any CDBG recipient adhere to the Residential Antidisplacement and Relocation Assistance Act. Applicants must have in place a formal antidisplacement and relocation assistance plan with signatures from appropriate county and/or municipal officials.

b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

DOLA ensures that its activities do not trigger the Uniform Relocation Act by (1) educating grant participants of antidisplacement requirements, (2) by screening projects, (3) by requiring timely issuance of information notices to tenants, residents, or potentially displaced households concerning their rights, needs and preferences. All of these steps are monitored by our Asset Management Team and Regional Managers to ensure that they occur in an accurate and timely manner.

c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

DOLA staff monitors the process of issuing information notices and ensures that it occurs in a timely fashion.

- 6. Low/Mod Job Activities for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
 - a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

Grantee, subgrantee, and businesses work in cooperation with the local Job Service Center, and the local Workforce Development Center to screen potential employees for low- and moderate-income status, skills, and abilities, and provide appropriate training, if necessary, to selected individuals for the jobs being offered by the businesses.

b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

Nine categories of job titles are noted on the quarterly employment report format required on all CDBG economic development projects, and permanent jobs created or retained in a project are entered in the appropriate category.

c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

Not applicable, other than such training provided by the Job Service center or the Workforce Development Center.

7. **Low/Mod Limited Clientele Activities** – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit

a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

For activities that benefit a limited clientele, grantees are required to provide documentation prior to funding that their clientele are at least 51% low and moderate income. If funded, documentation is required at time of project monitoring and again at project close-out using HUD established income levels to verify the low and moderate income benefit. These income levels are included in the grantee contracts.

8. Program income received

a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

Single-Family Owner-Occupied Rehabilitation programs and homeownership assistance programs generated \$1,347,002.32 in program income, all of which was retained by local agencies to be reused for the same purposes. There was no program income received or reported for public facility and economic development projects.

b. Detail the amount repaid on each float-funded activity.

There were no float-funded activities during the reporting period.

c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.

DOLA did not make any loans out of CDBG funds and there were no loan repayments.

d. Detail the amount of income received from the sale of property by parcel.

DOLA did not own or sell any property during the report period.

- 9. **Prior period adjustments** where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:
 - a. The activity name and number as shown in IDIS;
 - The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;
 - c. The amount returned to line-of-credit or program account; and
 - d. Total amount to be reimbursed and the period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

There were no prior period adjustments during this reporting period.

10. Loans and other receivables

a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.

There were no float-funded activities during the reporting period.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.
- c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.

d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.

The Department of Local Affairs makes only grants with CDBG. Therefore, there are no loans outstanding or in default.

e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

Colorado statutes prohibit the Department from owning any property; therefore this question does not apply.

11.Lump sum agreements

- a. Provide the name of the financial institution.
- b. Provide the date the funds were deposited.
- c. Provide the date the use of funds commenced.
- d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

The Department of Local Affairs did not enter into any lump sum agreements

- 12. **Housing Rehabilitation** for each type of rehabilitation program for which projects/units were reported as completed during the program year
 - a. Identify the type of program and number of projects/units completed for each program.
 - b. Provide the total CDBG funds involved in the program.
 - c. Detail other public and private funds involved in the project.

2010-2011 SINGLE-FAMILY OWNER-OCCUPIED REHABILITATION

Grantee	CDBG Funds	Number of	Other
	Awarded	Units	Funding
Otero County	\$222,249	8	\$501,170
Crowley County	\$302,523	41	\$452,250
Delta County	\$100,073	15	\$255,800
Huerfano County	\$250,000	26	\$445,500
Fremont County	\$148,750	19	\$178,700
Alamosa County	\$281,143	14	\$102,845
San Juan County	\$296,710	9	\$78,967
Totals	\$1,601,448	132	\$2,015,232

- 13. **Neighborhood Revitalization Strategies** for grantees that have HUD-approved neighborhood revitalization strategies
 - a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

The Department of Local Affairs implemented a pilot program called the Colorado Sustainable Main Streets Initiative (CSMSI). The Colorado Livable Communities Initiative appeared in our Consolidated Plan, and the CSMSI is one program we are using to reach the goals of the CLCI. The goal of the CSMSI is to maximize efficiencies through strong intra-agency communications and planning in order to

be most effective in meeting outcomes for communities. Solutions may involve land use, economic development and redevelopment, workforce housing, and sustainable energy policy among other efforts.

The CSMSI plan involves the following steps:

- A. Development of a sustainability self-assessment (completed) that will:
 - (1) Allow communities to do a self-assessment on a variety of sustainability criteria and identify possible outcomes and
 - (2) Enable the Department to identify the projects and partners to assist communities in meeting these outcomes.
- B. Agencies from across state government identified communities that could benefit from catalytic engagement. The Department evaluated the communities based on dedication and political will, current sustainability efforts and past engagement with state agencies that would serve as a foundation. Nine potential pilot communities were sent to the Governor, out of over 40 identified communities.
- C. Governor Ritter announced the communities of Denver's Five Points neighborhood, Fowler, Monte Vista and Rifle to participate in the pilot program. Each community has agreed to participate. Sustainability team members we identified from multiple state agencies for each community.
- D. Through collaborative problem-solving, the team identified at least two short term, low-cost improvements to increase the economic competitiveness in downtowns/central business districts; begin implementation; and identified additional two to five year action items.
- E. DOLA will act as the primary point of contact and will provide technical expertise relating to community development and downtown revitalization.
- F. Each state agency including, among many, the Office of Economic Development and International Trade, Governor's Energy Office, Governor's Policy Office, Department of Public Health and Environment and the Department of Transportation, has identified functions and will work to achieve coordinated job creation, attainable workforce housing, better transportation systems, improved environmental quality and educational opportunity. Partnering agencies will seek to leverage resources from government, private and nonprofit sectors and institutionalize creative, collaborative problem-solving for communities.
- G. One goal of the initiative is to improve the coordination of state agency missions and strategic plans to better support a collaborative community vision for jobs, housing, transportation, education and environment.
- H. Part of the success of this initiative will be in targeting local communities with the potential for progress, and agreeing upon measured outcomes early on in the process to clearly define local expectations.
- I. Finally, it is the hope of the Department that this effort results in the creation of local teams that have the leadership, attitude and knowledge to continue these approaches/efforts after the DOLA sustainability team exits.

Program Engagement

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

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

CDOH believes that supportive services linked to housing are the key to helping homeless families escape poverty. DOLA worked with other state agencies, local governments and non-profit service providers to coordinate supportive services to help families escape poverty. The coordinated linking of job training, education, employment opportunities, childcare, transportation, housing and food stamps enabled families in poverty to receive a full benefits package to assist them in getting off the welfare rolls.

In 2010, DOLA provided \$14,641,618 in Community Services Block Grant and Recovery Act funds to carry out anti-poverty strategies.

Through the Colorado Works Program, the Colorado Dept. of Human Services coordinates the State's Temporary Assistance to Needy Families (TANF) across 64 counties. Each Colorado county designs how it will administer its TANF funds to help reduce poverty. The TANF system provides households with job training, housing, childcare, transportation, family health care, educational support and continuous employment to help them achieve self-sufficiency and escape from poverty. Many counties in Colorado had difficulty providing employment opportunities to TANF recipients because of limited job availability. In accordance with Federal statutes, the Colorado Works Program imposes a 60-month cumulative lifetime limit for receipt of basic cash assistance and requires most adult recipients to be in a work activity within 24 months of being deemed job-ready.

In 2009, the Department of Local Affairs continued to lead the State in designing programs that can become models for communities throughout Colorado. The Department implemented the Colorado Livable Communities Initiative as a holistic approach to community development issues that affect economic opportunity and social well-being.

CDOH was able to use its Homelessness Prevention and Rapid Re-Housing funding in conjunction with TANF funds through an interagency agreement with the Colorado Department of Health and Human Services, enabling non-profits to provide a wider range of coordinated services than would have been possible through either program by itself.

The Division of Housing used its HOME, CDBG and NSP funding as a catalyst for other sustainable housing efforts. The Division allocated Neighborhood Stabilization Program (NSP) funding to local governments for activities to stabilize neighborhoods in areas highly impacted by foreclosures. Twenty-five percent of the DOH NSP allocation is going to assist persons who earn less than 50 percent of the Area Median Income (AMI).

The Division of Housing financed housing construction or rehabilitation and soft costs including rental subsidies through its other housing programs. The direct impact of housing development is quality housing and additional construction jobs for a community.

Colorado Housing Finance Authority (CHFA) also explores ways to provide low-interest loans for housing development that serves families at 30% of AMI. The Division and CHFA, as well as other housing agencies, often coordinate their funding in order to make affordable housing projects successful. CHFA and DOH are also collaborating to preserve affordable housing projects that have financial problems due to the economic slow down, resultant vacancy issues and intense market competition.

CDOH received \$2,225,000 in Housing Development Grant funds for State fiscal year 2011 (July 1, 2010 through June 30, 2011) for affordable housing, homeless shelters or transitional housing units. These state funds are the most flexible of the Division's funding, and allowed the creation of tailored community solutions to help ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

CDOH, Supportive Housing and Homeless Programs (SHHP) and the Colorado Interagency Council on Homelessness actively work to promote independence by connecting housing with supportive services. These services may include job training, education, employment, childcare, transportation, housing and food stamps.

The Housing Choice Voucher (HCV) Program is a major Federal government program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Based on Federal requirements, DOH must provide 75 percent of its vouchers to applicants whose incomes are less than 30 percent of the area median income.

CDOH is one of the designated agencies for the administration of the HCV Program in Colorado. DOH currently administers 2693 vouchers in 48 counties statewide of which,

- 85 families in the Family Self Sufficiency program (FSS).
- 200 families in the Family Unification program (FUP) that provide housing and case management to families and homeless youth.
- 50 Veterans Administration Supportive Housing vouchers (VASH) that provide permanent housing to homeless veterans.
- 25 Project Based VASH vouchers that link housing and services for homeless Veterans.
- 100 families utilizing their voucher towards Homeownership.

Annually, CDOH conducts a statewide housing survey to determine the number of families on Colorado's PHA waiting lists. The survey, although a snapshot in time, indicates that in January 2011, roughly 49,757 families were waiting for government rental assistance. This substantiates there is not enough deep subsidy rental assistance available to the lowest income renters in Colorado.

NON-HOMELESS SPECIAL NEEDS

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

During the Report year, CDOH used HOME funds to help create two rental new construction projects for seniors, adding 105 new units of affordable supportive housing to the state's inventory. In addition, two new construction projects supplied 23 affordable rental units with supportive services for people with disabilities.

Using HOPWA funds, the Division of Housing provided rental assistance and supportive services to 103 households comprised of 143 individuals; short-term rent/mortgage/utility assistance and supportive services to another 5 households containing 11 individuals. Of these, 4 people with HIV/AIDS received permanent housing placement assistance.

Specific HOPWA Objectives

- 1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
 - a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
 - That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
 - c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;
 - That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
 - e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
 - f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.
- 2. This should be accomplished by providing an executive summary (1-5 pages) that includes:
 - a. Grantee Narrative
 - i. Grantee and Community Overview
 - (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services
 - (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
 - (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS

- (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
- (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
- (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.

ii. Project Accomplishment Overview

- (1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences
- (2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds
- (3) A brief description of any unique supportive service or other service delivery models or efforts
- (4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.

iii. Barriers or Trends Overview

- (1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
- (2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
- (3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years

b. Accomplishment Data

- i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
- ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

HOPWA Summary

Using HOPWA funds, the Division of Housing provided rental assistance and supportive services to 87 households comprised of 287 individuals; short-term rent/mortgage/utility assistance and supportive services to another 19 households containing 19 individuals. Of these, 7 people with HIV/AIDS received permanent housing placement assistance.

Please see the HOPWA CAPER attachment for more details of our annual performance for the HOPWA program.

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

In addition to the accomplishments narrated above, the Colorado Department of Local Affairs administered funds granted through the Neighborhood Stabilization Program (NSP), the Homelessness Prevention and Rapid Re-Housing Program, and the CDBG-R program. Copies of their accomplishment reports as of March 31, 2010 are attached in the appendices.