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# Department of Local Affairs



*Strengthening Colorado Communities*

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## Executive Summary

### ES-05 Executive Summary

#### 1. Introduction

Colorado's Annual Action Plan serves as an application to the Department of Housing and Urban Development (HUD) for funding of the HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Programs. The Colorado Department of Local Affairs (DOLA) administers these four programs and serves as a link between this federal funding and local communities that will benefit from it.

The Annual Action Plan also allows Colorado to report and describe to HUD any changes or trends in affordable housing needs during the period since the submission of the Consolidated Plan. It summarizes the State's progress and new initiatives the State will take to support the strategic goals identified in the Five-Year Consolidated Plan. This Action Plan covers the program year from April 1, 2013 through March 31 of 2014 as set forth in 24 CFR Part 91 of the Community Investment Act.

The Department of Local Affairs is dedicated to strengthening Colorado communities. Meeting the needs of local communities through the careful allocation of these resources is a key part of that effort. DOLA will use these funds to stimulate economic development, facilitate the building and maintenance of public facilities and services, and ensure the availability of safe, decent affordable housing for all Coloradans. Because inclusive communities are vital communities, DOLA's commitment to Fair Housing is integral to all of our efforts.

#### 2. Summary of the objectives and outcomes identified in the Plan Needs Assessment

##### Overview

The Division of Housing, which is the lead agency for administering HOME, ESG and HOPWA funds, and which administers one third of the state's CDBG allocation has determined that its areas of greatest need lie in preventing and eliminating homelessness; providing decent, affordable and accessible

housing for people with special needs, including supportive services where needed; and preserving and expanding the supply of decent affordable housing.

The recently-developed Homelessness Prevention team will lead efforts to prevent and eliminate homelessness by working with the Continuums of Care to fully implement the HEARTH program, and to coordinate the use of all funding available to address this problem.

A new source of funding, the Colorado Housing Investment Fund, comes from the settlement between 49 states' attorneys general and five largest mortgage servicing companies. \$13.2 million of the \$50 million Colorado received from this settlement has been designated to address Colorado's need for affordable rental housing. These funds have been used to create a revolving loan fund, providing short-term low- interest loans to bridge the long-term permanent financing sources or short-term loan guarantees for new construction and rehabilitation. DOH issued a Special Request for Applications in August, 2012 with a November 1st deadline. In response, DOH received applications for nearly \$17 million and is currently reviewing them.

DOH is collaborating with Colorado's Money Follows the Person program to apply for Section 811 funds in hopes of using them to help people with disabilities leave nursing homes and live more independently.

We plan to present a series of Fair Housing training sessions around the state this year that will include an overview of the laws and emphasize the handling of requests for reasonable accommodations, particularly for those with mental disabilities.

The Division of Local Government has chosen to prioritize the use of its CDBG funds for the construction and reconstruction of public facilities, and the Office of Economic Development and International Trade will continue to prioritize job creation.

### **3. Evaluation of past performance**

Colorado's Consolidated Annual Performance and Evaluation Report (CAPER) provides a snapshot of the State's progress in meeting its performance goals. Since the Second Program Year CAPER is not yet available, information provided is for the Second Action Plan period of April 1, 2011 to March 31, 2012. HUD's response to our most recent CAPER stated that Colorado had "carried out its program substantially as described in its Consolidated Plan and has the continuing capacity to carry out its approved program in a timely manner." During the 2011-2012 program year, the Division of Housing funded the production of affordable housing with HOME and CDBG as summarized below:

- Constructed 302 units of new rental housing and 76 single-family homes to increase the state's supply of affordable housing.
- Acquired and/or rehabilitated 188 affordable rental units and rehabilitated 103 single-family owner-occupied homes to preserve the current supply of affordable housing.

- Helped provide down payment assistance to 59 low and moderate income households to increase the affordability of homeownership.
- Provided tenant-based rental assistance to 61 families and households.
- Made 10 operating grants to Community Housing Development Organizations to increase their capacity and support development of future affordable housing projects and programs.
- Increased the supply of housing for people with special needs through construction of 262 new rental units.
- Increased the supply of permanent supportive housing for the homeless by 96 rental units.

The State contracted \$3,698,500 in CDBG funds for public facility projects and \$1,483,000 in economic development projects during the 2011-2012 program year.

Through ESG funds, provided emergency shelter and services to over 24,000 individuals and homelessness prevention assistance to another 15,718.

HOPWA funding provided rental assistance and supportive services to 69 low income persons with HIV/AIDS and their families.

#### **4. Summary of citizen participation process and consultation process**

A legal notice of public hearing was published in the Denver Post on Friday, January 11, 2013, announcing the hearing held at 1313 Sherman Street on January 18th. A draft of the Annual Action Plan was published on DOLA's web site on January 11th. Notice of the hearing and of the availability of the AAP was also made via the Division of Housing blog ([www.divisionofhousing.com](http://www.divisionofhousing.com)) and e-newsletter on January 10th. A copy of the draft AAP was e-mailed to the Executive Director and the Housing Specialist at Colorado Cross Disabilities Coalition to solicit comments from the disabilities community.

#### **5. Summary of public comments**

No members of the general public attended the public hearing that was held on January 18, 2013, and no comments were received.

#### **6. Summary of comments or views not accepted and the reasons for not accepting them**

No members of the general public attended the public hearing that was held on January 18, 2013, and no comments were received.

#### **7. Summary**

No public comments have been received at this time.

## PR-05 Lead & Responsible Agencies

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	COLORADO	Department of Local Affairs

**Table 1 – Responsible Agencies**

### Narrative

The Department of Local Affairs (DOLA) is the lead agency for the application. Three Divisions of DOLA administer the HUD formula programs, coordinate administration and provide reporting for these HUD funds under the authority of the Executive Director. The lead agency for the CDBG program is the Division of Local Government, while the Division of Housing is the lead agency for the HOME, ESG and HOPWA programs.

### Consolidated Plan Public Contact Information

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## **AP-10 Consultation**

### **1. Introduction**

The state of Colorado does extensive consultations for the 5-year Consolidated Plan, but far fewer formal consultations for the Annual Action Plan, relying instead on its ongoing working relationships with related agencies and organizations. These interactions are summarized below.

#### **Summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

- DOH facilitates interagency coordination of housing, health and social service activities of various public and private agencies by participating in the following efforts:
- Established a “Housing Initiatives” program to coordinate and collaborate with multiple agencies across additional program areas, including Veterans’ Housing, Renewable Energy, and other areas of interest.
- Second Chance Housing and Prisoner Reentry Program (C-SCHARP) Task Force
- Intradepartmental CDBG Coordinating Group. DOLA created a cross-divisional work group to coordinate and integrate its use of CDBG funds.
- The Housing “Pipeline” which includes development staff from DOH, the Colorado Housing and Finance Authority (CHFA), Funding Partners for Housing
- Solutions, Mile High Community Loan Fund, the USDA Rural Development, and Department of Housing and Urban Development (HUD).
- Colorado and Community Interagency Council on Homelessness is a State coordinating organization appointed by the Governor to develop a strategic plan to end homelessness.
- Participation in Colorado’s three Continuums of Care (CoC): Metropolitan Denver Homeless Initiative; Homeward Pikes Peak and the Balance of State.
- Housing Colorado, Inc. is a 501(c)(3) membership organization that facilitates workshops, meetings and educational opportunities for housing organizations.
- Colorado Chapter, National Association of Housing Redevelopment Organizations (NAHRO) is a state trade association for housing authorities and redevelopment agencies.
- Established an internal Homeless Prevention Team to focus on homeless issues.
- Office of Homeless Youth, a program within the Division of Housing, will meet on a regular basis with statewide agencies to establish goals, objectives and to seek funding.

#### **Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

Colorado collaborates with its three Continuums of Care (CoCs) in designing its Emergency Solutions Grant (ESG) program. Representatives of the CoCs met with DOH staff to draft an allocation plan and

host discussions for performance standards, evaluating outcomes, projects, policies and procedures for activities assisted by ESG funds, and developing funding, policies and procedures for the administration and operation of HMIS.

DOH will follow the recommendation of the CoCs to “hold harmless” those agencies that received homeless assistance funds in 2011, while allocating homeless prevention and rapid re-housing funds to a lead agency for each CoC. This strategy will allow one year for existing emergency shelter agencies to shift their emphasis from a homeless assistance model to a rapid re-housing model.

Coordination to assist the homeless and prevent homelessness will be led by Colorado’s CoCs. Service providers must be actively engaged members in the CoC to receive funding. The CoC will further engage and coordinate resources to improve current programs and funding strategies, and to provide ongoing training as procedures are refined.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

DOLA invited internal and external expertise to create a framework for its Five-Year Consolidated Plan. Consultation with other State agencies and stakeholder groups occurred from August through November 2009. In September and October, the State held focus groups to discuss the housing and community development needs of specific populations, including HIV/AIDS providers, homeless service agencies, financial institutions, the disability community, and faith-based organizations. The Department consulted with these other State and local agencies during preparation of the 2010-2015 Consolidated Plan:

Administrators, State Business Loan Funds	Metropolitan Denver Homeless Initiative
Atlantis Community	Colorado and Community Interagency Council on Homelessness
Collaborative Partners for Neighborhood Stabilization	Colorado Council of Churches
Colorado AIDS Project and Stakeholders	Colorado Counties Incorporated
Colorado Civil Rights Division	Colorado Cross Disabilities Coalition
Colorado Coalition for the Homeless (CCH)	Colorado Department of Education
Colorado Continua of Care	Colorado Department of Health and Environment
Balance of State	
Homeward Pikes Peak	State Housing Board

Colorado Department of Human Services (CDHS)

Supportive Housing and Homeless Programs (SHHP) (*now part of DOLA*)

Area Agency on Aging

Disabilities Division

Colorado Foreclosure Hotline

Colorado Housing and Finance Authority

Colorado Municipalities

Colorado Municipal League

Colorado Office of Energy Conservation

Colorado Rural Economic Development Council

Governor’s Energy Office

Homeless Providers

Housing Colorado

Independent Living Centers

Lead-Based Paint Coalition

Metropolitan -Denver Black Church Initiative

18 Public Housing Authorities

USDA Rural Development

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Colorado Coalition for the Homeless	Colorado Coalition for the Homeless is the lead agency for two of Colorado's three CoCs. DOH works with CCH extensively in coordinating the use of ESG funds, but also in providing permanent housing for the homeless and promoting use of HMIS.
Public Housing Authority Annual Plan	Division of Housing	The Division of Housing PHA shares two high priority missions with the Strategic Plan: providing housing for people with disabilities and for the homeless. It also operates a Homeownership program consistent with the Division's Strategic Plan. In addition, the PHA reserves the right to to allocate up to 20 percent of its Housing Choice Vouchers for potential use under the Project Based Vouchers Assistance Program. These vouchers would be used in coordination with HOME,CDBG,HDG,CHF and/or PAB funds in production of affordable housing. Finally, both the PHA and the larger Division of Housing share the goal of ensuring and affirmatively furthering fair housing and work together to meet this goal.
Low-Income Housing Tax	Colorado Housing and Finance	Low-income Housing Tax Credits are an essential funding source for adding and preserving affordable rental housing in

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Allocation Plan	Authority	the state. CHFA's goals and priorities as included in it's 2012 QAP are consistent with Division of Housing's Strategic plan in the areas of serving people at the lowest income level, the homeless, people with special needs, seniors, preservation of affordable rental housing, and many other areas.
Pathways Home Colorado	Colorado Governor's Office	Under Governor Hickenlooper, the homeless team work with service providers and homeless agencies to assess and address homelessness in Colorado. Building on past success, this Homeless Prevention Team will implement our state plan to address homelessness. The team has identified the following goals: Encourage six regional strategies via a coordinated state plan by January 2013; Creating housing and accessible services for homeless veterans by January 2015; Creating housing and accessible services for homeless families, youth, chronic, and other populations by January 2020.
Colorado Analysis of Impediments to Fair Housing	Colorado Dept. of Local Affairs, Division of Housing	Ensuring and affirmatively furthing fair housing. The AI contains a fair housing action plan, and we include those actions in our strategic plan each year.
HUD 2010-2015 Strategic Plan	US Dept. of Housing and Urban Development	Relevant sections of HUD's strategic plan include meeting the need for quality affordable rental homes, using housing as a platform for improving quality of life, and building inclusive and sustainable communities free from discrimination.

**Table 3 – Other local / regional / federal planning efforts**

### **3. Narrative**

The Department of Local Affairs does the majority of its consultation in the preparation of its 5-year Consolidated Plan. Development of the Annual Action Plan is informed by our continual contact with housing developers, service providers, lenders, other state agencies, local governments, public housing authorities, advocacy groups and other stakeholders.

## AP-12 Participation

### 1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

To be completed after Public Hearing

#### Citizen Participation Outreach

Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Newspaper legal notice	All Colorado citizens	TBD	TBD	TBD	
Division of Housing Blog/eneews	Colorado housing community/stakeholders	TBD	TBD	TBD	<a href="http://www.DivisionOfHousing.com">www.DivisionOfHousing.com</a>

## Expected Resources

### AP-15 Expected Resources

#### Introduction

DOLA receives a variety of federal and State resources, including the HUD formula amounts shown below that help meet the State's housing, community development and economic development needs. DOLA links these resources together and combines them with funding from local jurisdictions and private sources to maximize cost efficiency and stretch the public dollar.

Amounts shown in this table for the four consolidated plan funding sources have been calculated assuming full implementation of the sequestration agreement made in 2012. Since spending cuts have not been finalized as of this writing, we have reduced our 2012 allocations by 8.2% across the board.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	7,313,899	120,000	0	7,433,899	14,627,798	Funds received for State-administered Small Communities CDBG funds via formula allocation
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	391,648	0	0	391,648	783,296	HOPWA funds received via formula allocation for the Balance of State region.
HOME	public -	Acquisition Homebuyer	4,267,235	3,300,000	0	7,567,235	8,534,470	Housing Investment Partnership funds received

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
	federal	assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA						from HUD via formula allocation
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	1,711,234	0	0	1,711,234	3,422,468	Emergency Solutions Grant funds received via formula allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Continuum of Care	public - federal	Overnight shelter Rapid re-housing (rental assistance) Services Short term or transitional housing facilities Supportive services Transitional housing	18,908,442	0	0	18,908,442	0	This is the total sum awarded to all Continuums of Care in Colorado from the FY 2011 Competitive grant process.
General Fund	public - state	Acquisition Conversion and rehab for transitional housing Housing Multifamily rental new construction Multifamily rental rehab Overnight shelter Transitional housing	2,000,000	0	0	2,000,000	0	When the state's general fund is adequate, the State of Colorado provides funds for Housing Development Grants. The amount of these funds varies from year to year as determined by the state legislature.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other – Private Activity Bonds	public - federal	Acquisition Economic Development Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab	285,000,000	0	0	285,000,000	0	DOH anticipates receiving approximately \$285 million of Private Activity Bond volume cap in September, 2012. These funds may be used for a variety of affordable housing and economic development purposes. While not a grant source, Private Activity Bonds provide tax exempt bonding authority to originate tax-exempt mortgages. For rental housing they also give projects access to 4% Low Income Housing Tax Credits.
Other – NSP 1 Program Income	public - federal	Acquisition Multifamily rental rehab	3,000,000	0	0	3,000,000	0	Program income generated by projects undertaken through the NSP1 funding. May be used to acquire and/or rehabilitate foreclosed properties.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Colorado Housing Investment Fund	public - state	Acquisition Multifamily rental new construction Multifamily rental rehab Other						In February 2012, the state of Colorado together with 48 other states reached a settlement with the five largest mortgage servicing companies. Through this settlement, Attorney General John Suthers announced that over \$50 million, all custodial funds through the Attorney General's office, would be used for homeowner relief, foreclosure prevention and affordable housing. The Colorado Housing Investment Fund (CHIF) was created with \$13.2 million of the custodial funds by DOH to address Colorado's great need for affordable rental housing. In early April 2012, the Division of Housing began soliciting comments on the proposed use of the CHIF funding. Based on public comment, the Division of Housing is offering two funding mechanisms: 1) revolving loan fund, and 2) loan guaranty program. A special Request for Applications was issued August 1, 2012 to solicit interest in this funding and, in particular, to promote its use along with Private Activity Bonds and

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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Homeless Prevention Activities Fund	public - state	Homelessness prevention	125,000	0	0	125,000	Unknown	These funds come from a check box on Colorado's state income tax form that specifies that part of the taxes being paid are to be used for homelessness prevention.
Energy and Mineral Impact Funds	Public-state	Planning, construction and maintenance of public facilities, public services	60,000,000	0	0	60,000,000	Unknown	These funds come from federal mineral lease and state severance tax revenues, and go to local areas impacted by development of mineral and mineral fuel extraction activities.

**Table 1 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The Division of Housing matches HOME funds with state loan funds spent on HOME eligible activities, local funding used in HOME projects, foundation funds used in HOME projects, and other HOME eligible match sources.

ESG applicants must make matching contributions in an amount that equals the amount of ESG funds awarded by DOH. The matching contributions must meet all requirements that apply to the ESG funds provided by HUD. In the event that a subrecipient is unable to meet its matching requirements due to a financial hardship, it may request in writing, an exception to this rule, with explanation of amount, nature and cause of the hardship. DOH shall consider such requests on a case by case basis.

During the 2011-2012 program year, the Division of Housing leveraged the HOME and CDBG funds it awarded at a ratio of 10.85 to 1. In other words, \$10.85 of other funding went to these projects for every \$1 of HOME or CDBG funds.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

A former veterans' hospital and state prison in Fort Lyon, CO is currently the subject of budget negotiations to be funded as a housing and treatment center for the homeless. The 500-acre property would house and provide treatment for 200 homeless persons if approved. It would also help mitigate the local economic problems created by the closure of the prison two years ago and put this large facility to use rather than leave it abandoned.

**Discussion**

DOLA is the only department in the State that has both a Consolidated Plan and two Public Housing Administrative Plans. As such, the Department has the ability to strategically place or invest both Section 8 and the Consolidated Plan-related funding streams of HOME, CDBG, ESG and HOPWA. It is DOLA's intent to use its HOME and/or CDBG resources to fill gaps on the housing development side of a project, while using project-based Section 8 Housing Choice Vouchers to create revenue for the project. This approach will be a forerunner to other jurisdictional collaborations for greatest need populations in Colorado.

The Local Government Financial Assistance section manages a number of grant and loan programs within the Department of Local Affairs specifically designed to address public facility and service needs. Through coordination and outreach with the Department's field offices, grant and loan resources are distributed on both a formula and discretionary basis depending upon applicable state statutory provisions, federal requirements and/or program guidelines. The section oversees applications, contract and payment distribution processes, develops partnerships with federal funding agency providers and conducts training sessions for local government grantees in project administration activities.

The Colorado Office of Economic Development and International Trade (OEDIT) strengthens Colorado's prospects for long-term economic growth by providing broad-based support to Colorado businesses. (OEDIT) fosters a positive business climate that encourages quality economic development through financial and technical assistance provided in support of local and regional economic development activities throughout the State of Colorado. OEDIT uses its allocation of funds to capitalize the state's Business Loan Funds. Currently, the state has 15 Business Loan Fund locations which have service areas covering the majority of the rural areas of the state.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

**Table 2 – Goals Summary**

Goal	Category	Geographic Area	Needs Addressed	Funding
Prevent and Eliminate Homelessness	Homeless	State of Colorado	Housing for the Homeless Rental Housing for Low Income Households	ESG, CoC, HOME, CDBG, HPAP, HDG
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative:  One of the primary goals in the coming year is to focus on increasing access to housing units (particularly for the chronically homeless, veterans, persons with disabilities, and youth) through the continuum of housing. The Homelessness Prevention Team (HPT) will work toward the production of new permanent supportive housing units by providing leadership and technical assistance to local partners on the housing development process and resources. Not only will this work shorten the period of time that individuals and families experience homelessness, the HPT will also facilitate increased access to affordable housing units. The team will accomplish this by working with new and existing projects to promote unit set-asides for targeted populations (e.g. chronically homeless, veterans, persons with disabilities, or youth) and recommend incentives for this, such as project-based voucher allocations for projects dedicating units to priority populations.			
	Goal Outcome Indicator		Quantity	UoM
Homeless Person Overnight Shelter		20,000	Persons Assisted	
Overnight/Emergency Shelter/Transitional Housing Beds added		10	Beds	
Homelessness Prevention		15,000	Persons Assisted	
Housing for Homeless added		75	Housing Unit	

Housing for People with Special Needs	Affordable Housing Non-Homeless Special Needs	State of Colorado	Housing for People with Special Needs Rental Housing for Low Income Households	HOME, CDBG, HOPWA, HDG, HDLF											
	Start Year: 2013	End Year: 2014	Outcome: Availability/accessibility	Objective: Provide decent affordable housing											
	<p><b>Narrative:</b> The Division of Housing will provide funding for housing designated for people who have physical, sensory or mental disabilities, people living with HIV/AIDS, and other hard to house groups of people, such as those released from prison with no home or women recovering from prostitution.</p> <table border="1"> <thead> <tr> <th>Goal Outcome Indicator</th> <th>Quantity</th> <th>UoM</th> </tr> </thead> <tbody> <tr> <td>Rental units constructed</td> <td>100</td> <td>Household Housing Unit</td> </tr> <tr> <td>Rental units rehabilitated</td> <td>50</td> <td>Household Housing Unit</td> </tr> <tr> <td>HIV/AIDS Housing Operations</td> <td>65</td> <td>Household Housing Unit</td> </tr> </tbody> </table>				Goal Outcome Indicator	Quantity	UoM	Rental units constructed	100	Household Housing Unit	Rental units rehabilitated	50	Household Housing Unit	HIV/AIDS Housing Operations	65
Goal Outcome Indicator	Quantity	UoM													
Rental units constructed	100	Household Housing Unit													
Rental units rehabilitated	50	Household Housing Unit													
HIV/AIDS Housing Operations	65	Household Housing Unit													

Preserve Existing Affordable Housing	Affordable Housing	State of Colorado	Rehabilitation for Older Housing	HOME, CDBG, HDG, HDLF
	Start Year: 2013	End Year: 2014	Outcome: Availability/accessibility	Objective: Provide decent affordable housing
	<p>Narrative: The Division of Housing (DOH) will provide funding for the acquisition and rehabilitation of affordable rental housing, especially to preserve existing affordable units as affordable. DOH will also fund single-family rehabilitation programs that provide low-cost loans to low/moderate income homeowners to keep their homes habitable.</p>			
	Goal Outcome Indicator		Quantity	UoM
Rental units rehabilitated		348	Household Housing Unit	
Homeowner Housing Rehabilitated		140	Household Housing Unit	
Increase Affordable Housing Supply	Affordable Housing	State of Colorado	Housing for the Homeless Housing for People with Special Needs Rental Housing for Low Income Households	HOME, CDBG, HDG, HDLF, CHIF
	Start Year: 2013	End Year: 2014	Outcome: Availability/accessibility	Objective: Provide decent affordable housing
	<p>Narrative: The Division of Housing (DOH) will help to increase the affordable housing supply by providing funding for construction of both rental and ownership housing that is designated to be affordable to households and individuals whose income falls below 80% of the area median. DOH will maximize funding for housing affordable to families/households at the extremely-low and very-low income levels as much as possible and still make individual projects financially sustainable. Funding will come primarily from HOME Investment Partnership funds, but CDBG funds may be used to acquire property or to cover soft costs. Other primary</p>			

funding resources will include the state Housing Development Grant fund and Housing Development Loan fund, as well as the Colorado Housing Investment Fund.				
Goal Outcome Indicator		Quantity	UoM	
Rental units constructed		400	Household Housing Unit	
Homeowner Housing Added		135	Household Housing Unit	
Improve Housing Affordability	Affordable Housing	State of Colorado	Housing for the Homeless Rental Housing for Low Income Households Affordable Ownership Housing	HOME, CDBG
	Start Year: 2013	End Year: 2014	Outcome: Affordability	Objective: Provide decent affordable housing
	Narrative: Activities associated with this goal reduce the cost of housing by rental assistance, down payment assistance or contributions to development costs that will ultimately reduce the cost to the consumer, such as subsidies for Habitat for Humanity housing or land trust housing.			
	Goal Outcome Indicator		Quantity	UoM
Homeowner Housing Added		60	Household Housing Unit	
Other		140	Other	

Meet Urgent Community Needs	Homeless Public Infrastructure	State of Colorado	Housing for the Homeless Public Infrastructure Interim Assistance	CDBG, HOME
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create Suitable Living Environments
	Narrative: Provide interim assistance to communities that experience disasters such as fires, floods, tornados, etc. Assistance may take the form of funding for housing assistance, repairs to streets, sidewalks, public buildings, publicly-owned utilities, clearance of streets, improvements to private property. Funding for this purpose is, fortunately, not needed every year, but only when disasters occur. When that happens, funds may be diverted from other planned uses.			
	Goal Outcome Indicator		Quantity	UoM
Other		10	Other	
Improve Housing Non-Profit Capacity	Affordable Housing	State of Colorado		
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Provide decent affordable housing
	Narrative: This goal includes CHDO operating funding for pre-development and capacity building, resulting in the production of housing units, downpayment assistance loans or rehabilitation loans within two years.			
	Goal Outcome Indicator		Quantity	UoM
Other		10	Other	

Community Development and Capital Improvement	Non-Housing Community Development	State of Colorado	Public Infrastructure	
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative: Provide financial assistance to rural communities to implement community development and capital improvement activities. Includes acquisition of property (to be used for public facilities), and construction or reconstruction of public facilities that primarily benefit low/moderate income persons.			
	Goal Outcome Indicator			Quantity
Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit			6,335	Persons Assisted
Improve Local Government Capacity	Non-Housing Community Development	State of Colorado	Local Government Capacity Building	
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create suitable living environments
	Narrative: Increase the capacity of local governments to administer federal grants that facilitate the development of sustainable communities through training classes offered by the Department of Local Affairs, Division of Local Government. Accomplishments will be measured by the number of local governments who participate in the training.			
	Goal Outcome Indicator		Quantity	UoM
Other		338	Other	

Small business development	Non-Housing Community Development	State of Colorado	Economic Development	
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create economic opportunities
	Narrative: Provide assistance to small businesses to start or expand their operations, and partner with local banks to fill gaps in financing packages so that 51% of jobs created or retained are filled by persons of low to moderate income.			
	Goal Outcome Indicator		Quantity	UoM
Jobs created/retained		92	Jobs	
Public Infrastructure for economic opportunity	Non-Housing Community Development	State of Colorado	Public Infrastructure Economic Development	
	Start Year: 2013	End Year: 2014	Outcome: Sustainability	Objective: Create economic opportunities
	Narrative: Help 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 filled by persons of low to moderate income.			
	Goal Outcome Indicator		Quantity	UoM
Jobs created/retained		92	Jobs	

## AP-25 Allocation Priorities

### Introduction

Because the Department of Local Affairs allocates much of its funding by competitive processes, it is difficult to determine in advance exactly what proportion of each funding type will go to each priority need. In addition, the amount of funding for each need may not reflect its relative importance, but rather the capacity of the recipients to use the funding effectively or to provide matching funds where required.

### Funding Allocation Priorities

Program	Prevent and Eliminate Homelessness	Increase Affordable Housing Supply	Improve Housing Affordability	Preserve Existing Affordable Housing	Community Development and Capital Improvement	Improve Local Government Capacity	Small business development	Public Infrastructure for economic opportunity	Meet Urgent Needs	Improve Housing Non-Profit Capacity	Total
CDBG	0	10	0	10	35	1	26	4	1	0	100
HOPWA	0	100	0	0	0	0	0	0	0	0	100
HOME	25	25	20		0	0	0	0	5	5	100
ESG	100	0	0	0	0	0	0	0	0	0	100
Continuum of Care	100	0	0	0	0	0	0	0	0	0	100
General Fund	0	0	0	100	0	0	0	0	0	0	100
Colorado Housing Investment Fund	0	0	100	0	0	0	0	0	0	0	100
Private Activity Bonds	0	50	0	50	0	0	0	0	0	0	100
NSP 1 Program Income	0	0	0	100	0	0	0	0	0	0	100
HPAP	100	0	0	0	0	0	0	0	0	0	100
EIAF	0	0	0	0	100	0	0	0	0	0	100

Table 3 – Funding Allocation Priorities

## **Reason for Allocation Priorities**

The priorities for housing funding are to best serve those with the lowest incomes and the greatest needs. Prevention and elimination of homelessness will receive 100% of the funding from the Emergency Solutions Grant, the Continuum of Care competitive funding, and the Housing Prevention Activities fund, as well as 5% of CDBG funding. The Division of Housing's most recent housing affordability and supply study indicates that there are twice as many families with incomes below \$35,000 as there are rental units affordable to them.

## **How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?**

Funding will be directed toward the projects that best fit each program's statutory and regulatory requirements, and meet the needs of local communities.

## **AP-30 Methods of Distribution**

### **Introduction**

DOLA uses a different method of distribution for each fund type. HOPWA is the only program for which geographic distribution is explicitly included, and that distribution is based on need by region. Each of the other types of HUD funding is distributed competitively.

### **Distribution Methods**

### **State Programs Addressed**

**State Program Name:** Colorado State CDBG Program

**Funding Source:** CDBG

### **Describe the state program addressed by the Method of Distribution.**

The State of Colorado, Department of Local Affairs, administers the "State and Small Cities" Community Development Block Grant (CDBG) program for non-entitlement jurisdictions of the State.

The mission of the CDBG program is to improve the economic, social and physical environment of eligible cities and counties in ways that enhance the quality of life for low- and moderate-income residents.

The Department's Division of Housing has "lead" responsibility for housing and homeless assistance projects funded through the program. The Department's Division of Local Government (DLG) is responsible for CDBG-assisted public facilities and community development projects, as well as overall coordination of the State's CDBG program. For economic development projects, DLG works in cooperation with the governor's Office of Economic Development and International Trade (OEDIT).

The "**entitlement**" program. The U.S. Department of Housing and Urban Development (HUD) directly administers CDBG to jurisdictions that meet certain thresholds. Entitlement communities are those cities within a metropolitan area that have a population of 50,000 or more, or are designated as a "central city," and counties that are within a metropolitan area that have a combined population of 200,000 or more in their unincorporated areas and non-entitlement municipalities. There are 20 entitlement jurisdictions in Colorado, not eligible for State CDBG. Please refer to Appendix D for the list of entitlement jurisdictions.

The "**non-entitlement**," or "**State and Small Cities**," program. This portion of the overall program assists communities that do not qualify for the entitlement program. The State of Colorado assumed responsibility for administration of this portion of the CDBG program starting in federal Fiscal Year 1983. The State is given latitude in its interpretation of requirements and regulations and in the design of its programs through maximum feasible deference (24 CFR Part 570.480(c)). The State of Colorado uses this latitude in the design and implementation of its CDBG program.

OEDIT is responsible for promoting and fostering economic development efforts at the local level by providing financial assistance in the form of loans and loan guarantees to businesses in their respective regions. The loan program is locally driven, with each loan fund having its own local loan review committee and local Board of directors who approve the types of businesses they feel will have a positive economic impact in the community.

### **Criteria and their importance**

The State expects to receive an allocation of **\$7,967,210** in FFY 2013. Of this amount, about **\$7,628,194** will be available for commitment to local projects, and about **\$339,016** (3% of total, or  $\$239,016 + \$100,000 = \$339,016$ ) will be available to the State for administration of the program and will be matched on a dollar-for-dollar basis with State funds.

The State plans to use its CDBG award, plus any funds de-obligated from local governments and previous annual grant remaining balances, for public facility, economic development and housing activities. Because funds are distributed through a competitive process, the State cannot predict the ultimate geographic distribution of CDBG resources.

DOLA will distribute CDBG resources through a competitive process to eligible non-entitlement local governments through the divisions who administer these programs. The Division of Housing administers housing programs, the Division of Local Government administers public facility and economic development programs in cooperation with the Governor's Office of Economic Development and International Trade.

No less than seventy percent (70%) of funds received by the State during the period of FFYs 2010, 2011, and 2012 will be used for project activities that benefit low- and moderate-income persons.

### **Access of application manuals**

Potential applicants can access application instructions and the Department of Local Affairs' CDBG manual on our web site, [www.colorado.gov/dola](http://www.colorado.gov/dola), or by contacting the regional manager or housing development specialist.

### **Resource Allocation among Funding Categories**

Three divisions of the State utilize CDBG funds: the Division of Local Government, the Division of Housing, and the Office of Economic Development and International Trade. These divisions collaborate to create a seamless approach to funding community development needs. The FFY 2013 CDBGf funds will be divided roughly equally among these divisions, although more or less funding in each category may actually be awarded, depending on the relative quality and quantity of proposals received and on State priorities.

The State will provide information upon request, for those communities interested in applying for guaranteed loan funds under subpart M, the Section 108 Loan guarantee program as well as give consideration to funding multi-year and/or multipurpose applications.

### **Threshold Factors and Grant Size Limits**

The Department of Local Affairs has set no absolute limits to the amount of funding an applicant may request. The Department suggests that \$500,000 be considered the maximum grant guideline for public facility or community development projects. There is no suggested maximum for housing projects. There is no maximum limit for economic development projects. Suggested guidelines vary based on the use of funds.

**Outcome Measures expected as results of Distribution Method**

Public facilities funding provides for the sustainability of a suitable living environment. Housing uses of CDBG money provide for either the affordability or availability of decent housing. Economic Development strategies provide for the sustainability of expanded economic opportunity.

**State Program Name:** Colorado HOME Program **Funding Source:** HOME

**Describe the state program addressed by the Method of Distribution.**

The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990. DOH anticipates an allocation of at least \$4,647,950 in HOME Investment Partnership funds for federal fiscal year 2012 with 10%, \$464,795, dedicated to Administration. The Division will distribute any funds received, whether less or more than this amount.

HOME funds provide competitive funding to local government, non-profit, and private developers. The purpose of the HOME Program is to provide a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or ownership or provide direct rental assistance to low-income people.

Because the amount of HOME funds available is much smaller than the need, DOH will use a competitive application process.

**Criteria and their importance**

Funding applications for each project type will occur with the following frequencies:

<b>Project Type</b>	<b>Frequency</b>
Home Buyer Assistance Programs	1x/year
Rental Development Projects (new construction, acquisition, rehabilitation of existing structures), Special Needs Housing Projects (shelters, seniors, disabled, transitional), Subdivisions	Monthly
Operating funds for non-profits, housing studies	1x/year

Single-Family, Owner-Occupied Rehabilitation Programs	1x/year
Pre-development loans	Monthly

The Division may end or defer consideration of housing proposals when no funds are available to commit, or when proposals are incomplete or premature.

In addition to establishing a schedule for reviewing and approving applications, DOH has created a set of minimum standards that an application must meet to move forward in the approval process. The minimal criteria include demonstrated need for the project, sufficient administrative capacity, completeness of the application, project readiness to proceed, compliance with Division of Housing Energy Performance Standard Policy and Affordability Period Policy, and compliance with Consolidated Action Plan Annual funding priorities.

After meeting the minimum criteria, the application is underwritten using two tools that analyze applications and guide potential applicants: the Cost and Effectiveness Rating Instrument (CERI) and the Funding Gap Analysis Spreadsheet. DOH staff members review applications to ensure that proposals meet the federal requirements for each program, including the HOME program.

DOH staff and the State Housing Board use the Cost and Effectiveness Rating Instrument (CERI) and the Funding Gap Analysis Spreadsheet to evaluate the relative merits of funding applications. Four separate assessments determine the Division’s Cost Effectiveness Rating – cost per person housed, externalities, rent savings and leveraging. The sum of these assessments measures the cost and effectiveness of each development.

The second tool used by DOH staff is a gaps analysis spreadsheet, used to analyze project development cost, income and expense. This analysis determines how much debt a project can reasonably service, and the amount of gap funding required for the project to proceed. A variety of sources, including DOH-administered funding, fill that "gap."

**Resource Allocation among Funding Categories**

Because the Division of Housing bases its allocations on a competitive process, the exact allocation among funding categories cannot be determined in advance. The Division retains 10% of its allocation from HUD for state administrative costs, and customarily allocates the maximum 5% for CHDO operating.

### **Threshold Factors and Grant Size Limits**

DOH does not designate threshold or grant size limits, but each award is limited to the minimum amount needed to adequately fill the funding gap identified during the underwriting process.

### **Outcome Measures expected as results of Distribution Method**

Most of the projects funded will meet the outcome measure of providing for availability/accessibility of decent housing. Others, such as TBRA or down-payment assistance provide for the affordability of decent housing.

**State Program Name: Colorado State ESG Program Funding Source: ESG**

### **Describe the state program addressed by the Method of Distribution.**

The Emergency Solutions Grant (ESG) is authorized by subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371-11378) as amended by the HEARTH Act. The goal of the ESG Program is to maximize communitywide planning and strategic use of resources to prevent and end homelessness, improve coordination with mainstream services, capitalize on existing strengths, increase efficiency, improve coordination within each community; realign existing programs and systems to focus on shortening homelessness; direct funding to the most critical services to help people achieve long-term housing stability and avoid becoming homeless again; standardize eligibility determinations and improve the targeting of resources to help those most in need; improve data collection and performance measurement; and allow each community to tailor its program to the particular strengths and challenges within that community.

### **Criteria and their importance**

ESG Housing Assistance applications will be submitted to the Division of Housing, whose staff will screen applications for threshold criteria and forward eligible applications to a scoring committee. This committee, composed of seven members representing the three Continuums of Care, local government, a homeless or formerly homeless person and two at-large representatives, will score applications and recommend agencies for funding. The Program Manager will present funding recommendations to the Division Director, DOLA's Executive Director and State Housing Board. DOLA's Executive Director will make the final funding decision.

## **THRESHOLD CRITERIA**

- 501(c)(3) status or unit of general local government
- Compliance with HMIS Participation
- Dollar for Dollar match requirement
- Ability to meet certification of insurance requirement

## **SCORING CRITERIA**

- Years of experience in serving special needs population
- Staff capacity and track record for serving special needs population
- Staff capacity and track record
- Identify and document NEED for shelter and/or services
- Financial capacity
- Policies and procedures for assessing client needs
- Ability to conduct income determinations
- Ability to comply with grant requirements

### **Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)**

Colorado uses an application process to solicit proposals for its ESG Program. The State will prioritize projects in ESG non-entitlement jurisdictions (local governments) for ESG funding; however, the State may elect to award Community Services Block Grant (CSBG) or Community Development Block Grant (CDBG) funding to qualified non-entitlement local governments in lieu of ESG funding. The State will utilize a NOFA process in 2013 with applications due back by April 5, 2013.

Applicants must prioritize the activities for which they are requesting funding and should develop programs that address supportive service needs and homelessness prevention. A grant review committee will judge how well proposed projects meet evaluation criteria and will score applications based upon the following criteria. The review will be primarily internal, based on agency performance in meeting standards.

### **Resource Allocation among Funding Categories**

ESG resources will be allocated in the following approximate proportions:

- Homeless Prevention and Rapid Rehousing: 57%
- Homeless Assistance: 35%
- State Administration: 8%

### **Threshold Factors and Grant Size Limits**

No minimum threshold or maximum grant size has been established for ESG funds, but a maximum size is effectively determined by the amount of matching funds that the agency can raise.

### **Outcome Measures expected as results of Distribution Method**

Street outreach and/or shelter services provide for the availability/accessibility of a suitable living environment. Homeless prevention and rapid rehousing provide for the affordability of decent housing;

**State Program Name:** Colorado Balance of State HOPWA Program      **Funding Source:** HOPWA

### **Describe the state program addressed by the Method of Distribution.**

The resources of the HOPWA program are granted to Colorado AIDS Project, an umbrella organization that serves the balance of state outside the Denver Metro Area. CAP distributes funds through its subsidiary organizations, Southern Colorado AIDS Project, Western Colorado AIDS Project and Northern Colorado AIDS Project. CAP also enters into a memorandum of understanding with Boulder County AIDS Project to provide tenant-based rental assistance and supportive services in Boulder County. Funds are allocation on the basis of the number of people living with HIV/AIDS in each catchment area as well as the ability to use the funds timely.

HOPWA funding will help clients access housing and related supportive services. Funds will enable low-income Coloradans living with HIV/AIDS and their families to achieve housing stability and gain access to health-care and related supportive services.

### **Criteria and their importance**

None. The Balance of State HOPWA program was designed in partnership with Colorado AIDS project, and there are no other organizations in the state capable of providing the same level of specialized services for people living with HIV/AIDS.

### **Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)**

The Division of Housing works with Colorado AIDS Project (CAP) agencies to determine distribution of the expected \$391 allocated to the State of Colorado for federal fiscal year 2013. The funding will be distributed statewide according to the incidence of HIV/AIDS and the sponsors' ability to use the funds. The Division of Housing will also use up to 3% of funding for administrative costs. Colorado AIDS Project, the subrecipient, will use up to 7% of funding for its administrative costs

### **Resource Allocation among Funding Categories**

Of the total amount allocated to the state, 3% is retained for state administration, 7% is used for subrecipient administration, 78% to rental assistance, and 6% helps to fund supportive services.

### **Threshold Factors and Grant Size Limits**

There are no designated factors or grant size limits other than those imposed by the size of the grant allocated to the State of Colorado.

### **Outcome Measures expected as results of Distribution Method**

We expect CAP to provide tenant-based rental assistance and supportive housing services to at least 65 low/mod income persons living with HIV/AIDS. The associated outcome measure is to increase the affordability of decent housing.

### **Discussion**

All methods of distribution are designed to meet specific program requirements and to ensure the most effective use of the funds by incorporating competitive processes in the HOME, CDBG and ESG distribution.

## Projects

### AP-38 Project Summary

#### Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding
Homeowner - Single-Family Owner-Occupied Rehab	State of Colorado	Preserve Existing Affordable Housing	Housing for People with Special Needs Rental Housing for Low Income Households Housing for the Elderly Rehabilitation for Older Housing	CDBG: \$1,000,000
Tenant-Based Rental Assistance for People with Special Needs	State of Colorado	Improve Housing Affordability Housing for Persons with Special Needs	Housing for the Homeless Housing for People with Special Needs	HOPWA: \$413,383
Rental Rehabilitation	State of Colorado	Increase Affordable Housing Supply Preserve Existing Affordable Housing Housing for Persons with Special Needs	Housing for the Homeless Housing for People with Special Needs Rental Housing for Low Income Households Housing for the Elderly Rehabilitation for Older Housing Affordable Rental Housing	HOME: \$1,495,000 CDBG: \$1,097,000
Permanent Supportive Housing	State of Colorado	Prevent and Eliminate Homelessness Housing for Persons with Special Needs	Housing for the Homeless Housing for People with Special Needs Housing for the Elderly	General Fund: \$1,000,000
Homeownership New Development	State of Colorado	Increase Affordable Housing Supply	Rental Housing for Low Income Households	HOME: \$700,000

		Improve Housing Affordability	Affordable Ownership Housing	
Rental New Construction	State of Colorado	Increase Affordable Housing Supply	Rental Housing for Low Income Households Affordable Rental Housing	HOME: \$2,000,000 General Fund: \$1,000,000
Rental Acquisition and Rehabilitation	State of Colorado	Increase Affordable Housing Supply	Rental Housing for Low Income Households Rehabilitation for Older Housing Affordable Rental Housing	CDBG:

**Table 5 – Project Summary**

## AP-35 Projects

### Introduction

The projects below will be used to meet the needs addressed in this plan through the goals spelled out in part AP-20.

#	Project Name
1	Homeowner - Single-Family Owner-Occupied Rehab
2	Tenant-Based Rental Assistance for People with Special Needs
3	Rental Rehabilitation
4	Permanent Supportive Housing
5	Homeownership New Development
6	Rental New Construction
7	Rental Acquisition and Rehabilitation

**Table 6 – Project Information**

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

Our allocation priorities for housing will be driven by providing assistance to those most in need.

## **AP-40 Section 108 Loan Guarantee**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No

**Available Grant Amounts**

**Acceptance process of applications**

## **AP-45 Community Revitalization Strategies**

**Will the state allow units of general local government to carry out community revitalization strategies?**

Yes

### **State's Process and Criteria for approving local government revitalization strategies**

The Colorado Main Street program works with communities throughout Colorado to revitalize their historic commercial districts. The Main Street approach is a nationally recognized, successful program in which communities apply a comprehensive approach to improving their districts, creating jobs, and building a stronger economic base. All while preserving the character of the community. In addition, the Main Street program helps communities develop thoughtful development plans with maximum stakeholder engagement. The Colorado Main Street program sees a strong potential to partner with the CDBG program to offer more in-depth services to our non-entitlement areas. Additionally, both programs could support each other by marketing and educating communities about the other. Ideally, Main Street Staff would like the opportunity to work with CDBG staff to explore how to connect our programs and how to best direct funds that will ultimately benefit the communities we serve.

## **AP-50 Geographic Distribution**

### **Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

The Department of Local Affairs distributes its funding using competitive applications processes for all funding other than HOPWA. This means that geographic distribution cannot be predicted, and will often be determined by the capacity of local governments and non-profits to carry out projects successfully and in compliance with program regulations. This may result in geographic distribution that is not consistent with geographic need.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
State of Colorado	100

**Table 7 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Not applicable.

# Affordable Housing

## AP-55 Affordable Housing

### Introduction

The following goals are based on the 2010 - 2015 Consolidated Plan adjusted for reductions in funding levels that have occurred since that plan was developed, and changes in homeless programs created by the HEARTH Act. We have also taken into account the projects that the local housing community expects to carry out during the 2013-2014 program year. These goals are limited to those that will use HUD Consolidated Plan funds; additional housing and services will be created using other funding sources.

One Year Goals for the Number of Households to be Supported	
Homeless	13,100
Non-Homeless	300
Special-Needs	200
Total	13,600

**Table 8 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	140
The Production of New Units	200
Rehab of Existing Units	200
Acquisition of Existing Units	200
Total	740

**Table 9 - One Year Goals for Affordable Housing by Support Type**

### Discussion

DOLA's ability to meet housing goals will be largely determined by the types of applications that are brought forward and the quality of each proposed project, and the type of funding most suitable to it. This may result in production of units that is not consistent with the projections above.

## **AP-60 Public Housing**

### **Introduction**

Housing assistance provided by the Division of Housing (DOH) is funded by HUD. These federal funds are used in the administration of the Housing Choice Voucher program. DOH has jurisdiction to serve all 64 counties within the state.

The current rental assistance programs retain the number of vouchers formerly targeted to persons with special needs including those with developmental, mental health, substance abuse and/or physical disabilities. DOH partners with thousands of private landlords and approximately 50 community-based service providers across the State to combine housing assistance with supportive services. These providers include: mental health centers, centers for independent living, community center boards, and homeless service providers. The four-way partnership between DOH, the service agency, the property owner and the participant provides an effective and efficient approach to providing housing and supportive services to some of Colorado's most vulnerable citizens.

Other housing choice vouchers are also targeted to people most in need; however preferences are provided to a wide array of individuals including the homeless, victims of domestic violence etc. For these vouchers, DOH primarily partners with local housing authorities, many in rural areas, to administer the vouchers.

### **Actions planned during the next year to address the needs to public housing**

The Division does not own or operate any public housing.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The State does not operate public housing and therefore does not plan resident initiatives.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance.**

The Division of Housing PHA is not designated as troubled.

### **Discussion**

The Division of Housing (DOH), like all HUD-funded public housing authorities is required to follow the Department of Housing and Urban Developments (HUD) program regulations. HUD clearly outlines participant obligations, program administration regulations, and required statutes for public housing authorities to follow. However, DOH has designed an approach to administering the very regulation-intensive Housing Choice Voucher (HCV) Program that complies with HUD regulation while keeping the unique needs and successes of its participants as the primary goal.

DOH contracts/partners with 46 nonprofit disability and homeless providers across Colorado in addition to other community housing partners. Partnerships include all 17 of Colorado's Community Mental Health Centers, all but two Community Center Boards, and many of the Independent Living Centers.

Through these partnerships, each HCV participant is assigned an agency residential coordinator with whom they work directly to complete the required housing processes. In addition, most participants also have access to case management services to assist in other aspects of their lives. Most residential coordinators have experience and training working with persons with disabilities and/or special needs. This training brings a level of support that is unmatched at most public housing agencies. If a participant does not complete the necessary paperwork, or does not attend a scheduled meeting, the participant is not terminated but rather the residential coordinator reaches out to the participant visiting their house if necessary.

DOH has also implemented alternatives to termination by considering all circumstances including an individual's disability and the role the disability may have played in the program violation. DOH only proceeds to immediate termination in the most extreme cases. In all other circumstances, DOH implements its termination process that involves participant conferences with program participants where the program violations are discussed and alternatives to termination are developed. The close relationship with DOH's agency partners often facilitates successful resolutions by having all interested parties participate in a dialogue.

Additionally, DOH is in the process of developing statewide training opportunities designed to assist both the public and private sector housing providers in working with persons with disabilities and other special needs populations. The trainings will cover topics such as Fair Housing and also trainings designed to educate the housing community on housing persons with disabilities.

## **AP-65 Homeless and Other Special Needs Activities**

### **Introduction**

In 2012, DOH created the Homeless Prevention Team (HPT) in partnership with the Governor's Office made up of key personnel from DOH. The HPT provides expertise on housing and homelessness and represents the State Office of Homeless Youth Services, families with children, senior citizens, veterans, persons with disabilities, and those who experience chronic homelessness. This team is now in place to focus exclusively on ending and preventing homelessness for Colorado's most vulnerable citizens. Activities carried out by the HPT include the facilitation of partnerships to create more permanent supportive housing, management of Federal Supportive Housing Programs, serving those with special needs and administering the Emergency Solutions Grant (ESG) allocation. The HPT Advises other DOH staff members and the DOH Director on the regional needs to address homelessness, makes funding recommendations for programs statewide and researches, analyzes and sets policies to address homelessness statewide.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The HPT will continue to work closely with the Governor's office to use data from the Vulnerability Index survey tool in communities around the State to identify the most vulnerable individuals experiencing homelessness. With the information gleaned from the Vulnerability Index along with the annual HUD Point-in-Time survey data, the HPT makes funding and policy recommendations for new supportive housing partnerships. An example of this in the coming year is increased advocacy for Veterans supportive housing as the population has been found to be extremely vulnerable and experiencing high levels of chronic homelessness in several communities according to survey tools. DOH works with community partners to assess the individual needs of program participants and works to fund a continuum of service-enriched housing from very intensive services, serving chronically homeless individuals for example, to less intensive "step up" supportive housing models with case management services available as needed.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

While the HPT prioritizes permanent supportive housing, DOH also works to address emergency shelter and transitional housing needs of homeless persons. Each community's needs for emergency and transitional housing are determined by the population that they serve, mainly through the survey data collected statewide. Many communities are in need of additional emergency shelters and transitional housing units and the HPT will recommend funding, specifically through the ESG program, to fill the local service gaps for those experiencing homelessness. This year DOH funded sixty-four programs statewide providing emergency shelter and other homeless prevention activities to address the needs of those experiencing homelessness in Colorado communities. DOH will continue this into the future, awarding ESG funding to local HUD Continuum of Care organizations in order to give local organizations a greater ability to prioritize programs based upon their unique needs. Additionally, the HPT advises DOH staff

and Housing Development Specialists on emergency shelter and transitional housing projects that are appropriate for, and in need of federal CDBG or HOME funds in order to serve homeless individuals and families.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

One of the primary goals in the coming year for the HPT is to focus on increasing access to housing units (particularly for the chronically homeless, veterans, persons with disabilities, and youth) through the continuum of housing. This calls for collaboration and capacity building at the local level to help communities identify their service gaps and most vulnerable populations with the longest histories of homelessness. Also, the HPT will work towards the production of new permanent supportive housing units by providing leadership and technical assistance to local partners on the housing development process and resources. Not only will this work shorten the period of time that individuals and families experience homelessness, the HPT will also facilitate increased access to affordable housing units. The team will accomplish this by working with new and existing projects to promote unit set-asides for targeted populations (e.g. chronically homeless, veterans, persons with disabilities, or youth) and recommend incentives for this such as project-based voucher allocations for projects dedicating units to priority populations.

Additionally, DOH has taken the lead on a pilot project converting a recently closed State Prison: the Ft. Lyon facility in Bent County, CO- into affordable housing. Specifically, the Ft. Lyon program will combine many state, local, federal, and private resources (including mortgage settlement funds awarded to Colorado) to provide a place for chronically homeless veterans to transition from homelessness to permanent housing with a HUD-Veterans Assisted Supportive Housing (VASH) voucher. The Ft. Lyon facility will provide a place for stabilization and treatment for those experiencing chronic homelessness for the longest period of time in Colorado-not exclusively veterans- with intensive services and access to permanent housing upon exit. This exciting pilot is scheduled to commence in early 2013.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

DOH will continue to provide temporary homelessness prevention services and funding through the ESG grant. The HPT is collaborating with numerous other agencies as part of the Pathways Home Colorado initiative to prevent homelessness by increasing the supply of affordable housing, improving access to mainstream benefits, improving access to education and employment opportunities, improving access to the supportive services needed by some populations to maintain housing. A copy of the the

Pathways Home Colorado document is attached to this AAP.

### **Discussion**

DOH is happy to report the progress of the HPT and our efforts as a State towards preventing and ending homelessness. We hope that our model of establishing the HPT to provide leadership and focus specifically on housing for special needs populations is one that can be successfully replicated in other States and Regions.

## AP-70 HOPWA Goals

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	65
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	65

## **AP-75 Barriers to affordable housing**

### **Introduction**

The State's rapid development from the early 1990's to early 2000's made growth management issues a concern for State and local elected officials in Colorado, causing many communities to adopt policies that growth should "pay its own way," resulting in sometimes complex impact fee structures. These growth-control policies and fees remain in place and continue to work against development of affordable housing.

Growth control policies can serve either as management tools – controlling and directing appropriate development – or as regulatory barriers – to prevent additional development. This is most apparent in housing development, which is affected by every tool a community might use to control growth. Tools include annexation and zoning policies, both in terms of the amount of land available for residential development and its density; subdivision design and engineering standards; impact fees for infrastructure and other public facilities; building codes; limits on the number of building permits allowed each year; and regulations to protect environmental and cultural resources.

The Division defines regulatory barriers as either deliberate or de facto actions that prohibit or discourage construction of affordable housing without reasons directly related to public health and safety; a federal, State, or local statute, ordinance, policy, custom, practice, or procedure that excessively increases the cost of new or rehabilitated housing, either by improperly restricting the location of housing, or by imposing unjustified restrictions on housing development with little or no demonstrated compensating assistance.

The problems created by regulatory barriers are compounded by the "not in my backyard" syndrome. The problem of finding suitable sites for affordable housing or community development projects continues to be a problem in Colorado. Many neighborhoods are unwilling to have mixed income rental units, housing for persons with special needs or senior housing. This lack of understanding and fear of affordable housing residents also hampers efforts to expand Colorado's affordable housing inventory.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

DOLA staff works with local governments and housing providers to increase their capacity to design, locate and provide infrastructure, economic development and new affordable housing projects. The Department supplements technical assistance with statewide training including capacity building activities for local governments, technical assistance to nonprofit organizations and classes such as the *Developer's Toolkit*, *Advanced Financing*, and application workshops for housing.

DOH provides technical assistance to local governments that want to modify land use regulations in order to encourage affordable housing development. During our application review process, the Division makes 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.

The primary way the Division will provide technical assistance is through its ongoing discussions with local governments during project funding. The Division will also provide workshops for local government officials about regulatory barriers as requested.

### **Discussion**

Barriers to affordable housing are also barriers to fair housing in many instances. Since members of racial and ethnic minorities, women, and people with disabilities, protected under Fair Housing law, are disproportionately low-income, lack of affordable housing places greater burdens on them. Overcoming barriers to affordable housing is essential to providing fair housing opportunity for all.

## **AP-85 Other Actions**

### **Introduction**

#### **Actions Planned to Affirmatively Further Fair Housing:**

DOH will Partner with Housing Colorado, an affordable housing information and advocacy group, to present fair housing workshops in different areas of the state to improve the capacity of PHAs and other affordable housing providers that receive funding from the Division of Housing. The workshops will include an overview of fair housing requirements and focus on the needs of people with disabilities.

DOH will also collaborate with the new local fair housing advocacy organization, Metro Denver Fair Housing, to advance fair housing education and compliance.

#### **Actions planned to address obstacles to meeting underserved needs**

General areas of assistance include but are not limited to Budgeting, Finance, General Government Administration, Special District Administration and Elections, and Water and Wastewater management. In addition, Technical Assistance staff process and assist with a number of required local government filings that are received by the Department of Local Affairs, and perform research functions for the state, local governments, and other interested individuals.

Technical Assistance Services include administrative, financial, and other assistance to local officials, staff, and citizens in the day-to-day operation of a local government. The Technical Assistance Section delivers assistance through workshops, publications, individual consultations and on-line resources.

The Division of Local Government provides professional assistance to local governments in many areas of financial management, including investment and cash management strategies, short and long term capital financing options, revenue development, expenditure control, and banking. Staff are available to provide financial trend analyses, a valuable tool in predicting future outcomes. The Division of Local Government offers an annual series of workshops usually at 6-9 locations around the state on topics of current financial management interest.

Supplying safe drinking water and treating wastewater are two of the basic services local governments provide. Department staff can assist communities in addressing the range of water and wastewater problems they often face, from deteriorating distribution lines to inadequate budgeting and accounting practices. Department staff are available to analyze needs and develop goals, develop a capital improvement program, analyze rate structures for user and tap fees, coordinate with the Colorado Department of Public Health and Environment and other state and federal agencies, explore funding alternatives and identify plant operator training programs.

DOLA leads efforts to fund programs that can become models for communities throughout Colorado. For example, DOLA received and matched a Community Challenge Grant from HUD and the U.S. Department of Transportation for its Colorado Sustainable Main Streets Program. As part of the overall project, the Five Points community of Denver solicited and received participation from low-income and minority citizens to assist with community planning efforts. The communities of Fowler, Monte Vista and Rifle involved local citizens in strategic planning processes.

DOLA, through OEDIT, serves all rural counties with its Business Loan Funds. The Department reaches out to businesses by annually participating in at least five regional business finance forums throughout

the state. The State advertises its infrastructure grants to municipal, county and economic development officials.

### **Actions planned to foster and maintain affordable housing**

The DOLA, through the Division of Housing (DOH), employs many strategies to meet the needs of the underserved, including the following: (1) promoting the development of low-income units by providing HOME and/or CDBG resources to fill gaps on the housing development side of a project, while using project-based Section 8 Housing Choice Vouchers to create innovation on the revenue side; (2) applying for Veterans Housing Authority vouchers (VASH) to assist veterans experiencing homelessness; (3) creating an initiative that ensures linkage between housing and Medicaid, SAMHSA, TANF and other mainstream human service assistance; (4) Working with key stakeholder groups to make progress toward recognizing and treating the long-term effects of addiction and alcoholism as a disabling condition; (5) coordinating HEARTH ACT services with Continuums of Care and local jurisdictions to ensure that it funds projects and programs to meet the greatest homeless needs.

When State revenues are sufficient DOH may receive Housing Development Grant funds. 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. DOH does not know the amount of HDG funding it will receive in 2012.

A primary housing program designed to reduce dependency on public assistance is the Housing Choice Voucher program. These funds are used in the administration of both the Housing Choice Voucher and Shelter Plus Care programs through DOH and Supportive Housing Programs.

Colorado Housing and Finance Authority (CHFA) is exploring ways to provide low-interest loans for housing development that serves families at thirty per cent of AMI. DOH, CHFA and other funding agencies often coordinate their efforts to make affordable housing projects successful.

The Colorado Community Interagency Council on Homelessness (CCICH) creates statewide collaboration among nonprofit corporations, State and federal agencies. DOH actively participates 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.

Colorado cooperates and collaborates with Colorado's three Continuums of Care (CoCs)

### **Actions planned to reduce lead-based paint hazards**

DOH works closely with subgrantees, contract agencies, and the Colorado Department of Public Health and Environment (CDPHE) to assure that the State's housing programs and projects comply with current requirements of Title X of the Community Development Act of 1992. Approximately 431,736 (+/-10%) homes in Colorado may contain lead based paint.

The staff of DOH reviews each proposed housing project to ensure compliance Title X, based on the type of project, the type, amount, and duration of financial assistance, and the age of the property. In addition, DOH makes training and technical resources available to local housing providers and developers.

DOH will implement the following activities during the period of 2010–2015 to ensure statewide compliance with applicable lead-based paint regulations.

### **1. Enhance Existing Partnerships**

DOH will assist public and private efforts to reduce lead-based paint hazards across the State through involvement in the Colorado Lead Coalition interagency work group, which develops and implements strategies for statewide lead hazard reduction and education efforts. The coalition includes the U.S. Environmental Protection Agency, Denver Health, the U.S. Department of Housing and Urban Development, the Colorado Department of Health and Environment and other agencies.

DOH also provides technical assistance and support integration of the various services offered to lower-income households, including participation in current healthy home projects in the state. This includes the Denver Green and Healthy Homes Initiative (GHHI) that promotes the provision of comprehensive housing rehabilitation and household services to lower-income households. The GHHI works to maximize the interventions for each household in regard to their overall well-being by linking housing rehabilitation and weatherization services with medical care and hazard mitigation programs. DOH will continue to participate in the GHHI. DOH also supports the proposed HUD Safe and Healthy Homes Investment Partnership certification program as a tool for program integration.

### **2. Provide Lead Hazard Information to Housing Providers, Local Officials and Assisted Households**

DOH provides 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 Division funds.

The DOH staff has a working knowledge of the Environmental Protection Agency (EPA) Renovation, Repair, and Painting Rule (RRP) that requires that all rehabilitation contractors to be certified in lead-based paint procedures. DOH has processes in place to confirm that contractors compensated through DOH funded activities are properly RRP certified.

### **1. Enhance Existing Delivery System and Technical Capacity**

DOH has increased its involvement in CDPHE's lead-based paint education activities and sponsored additional lead-safe work practice trainings around the State. DOH will continue to provide technical assistance about Title X requirements through web-based training, on-site visits, project underwriting and the distribution of best practice methods. DOH continues to search for funding opportunities to

provide additional resources concerning lead-based paint and other home hazards, including funds from HUD's Office of Healthy Homes and Lead Hazard Control grants.

DOH will coordinate applications for funding under the Lead Hazard Reduction Program – Healthy Homes Initiative on behalf of the entire state.

### **Actions planned to reduce the number of poverty-level families**

#### **Employment**

The fundamental “antipoverty strategy” is a good job. Thus, the key element for lifting people out of poverty is jobs – creating and retaining job, helping people acquire the right skills to fill those jobs, and connecting the unemployed to jobs.

The Office of Economic Development and International Trade (OEDIT) focuses on using CDBG funds on job creation. By helping provide businesses and local governments with the funding and infrastructure they need, OEDIT enables businesses to create and retain jobs.

HUD's formula grants to DOLA also contribute to creating and retaining jobs in Colorado, although that is not their primary purpose.

The Divisions of Housing and Local Government are working to strengthen Section 3 compliance in their use of federal funds to better create and retain jobs through their public facilities and housing projects.

#### **Housing and Supportive Services**

The Division of Housing works to lift people out of poverty by combining housing opportunities with the supportive services needed to achieve self-sufficiency. The Division funds transitional and permanent supportive housing development for people with special needs as well as the homeless and chronically homeless. Programs operated by our Public Housing Authority section include the Family Self-Sufficiency and Family Unification programs, Housing Choice Voucher special needs programs for people with disabilities, Homeless with Substance Abuse initiatives, Housing Choice Voucher Welfare-to-Work program, Project Access vouchers to assist younger persons with disabilities in moving from institutions into the community and Veterans Administration Supportive Housing vouchers that provide permanent housing to homeless veterans.

### **Actions planned to develop institutional structure**

The Department of Local Affairs works with local governments, private industry, and nonprofit organizations to tackle issues involved in providing affordable housing, and community and economic development. The primary gaps remaining in the institutional structure in Colorado are:

#### **Governmental Coordination:**

*Problem:* Gaps in communications can affect the decision-making of an entire region and lead to inefficient land use or excessive burden on one locale.

*Solution:* 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. DOH 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.

The State's interagency "Housing Pipeline" is composed of key agencies that include the DOH, 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.

Colorado consults and collaborates with its CoCs.

#### **Capacity of Local Nonprofit Organizations and Housing Authorities:**

*Problem:* 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.

*Solution:* DOLA works with the Department of Human Services and special-needs providers to encourage partnerships between service providers and housing development agencies. These alliances are essential to increasing the supply of affordable, accessible housing for persons with special needs. The new Neighborhood Stabilization Program provides an opportunity for local governments and nonprofit to stabilize housing markets through purchase and rehabilitation of foreclosed homes.

DOLA works to improve agency capacity through technical assistance, workshops, training and monitoring. These efforts encourage retention of existing housing and new production of housing units and the creation and expansion of projects and programs that meet community needs.

#### **Actions planned to enhance coordination between public and private housing and social service agencies**

The Division of Housing is taking the following actions to enhance coordination between public and private housing and social service agencies:

- Established a "Housing Initiatives" program to coordinate and collaborate with multiple agencies across additional program areas, including Veterans' Housing, Renewable Energy, and other areas of interest.
- Second Chance Housing and Prisoner Reentry Program (C-SCHARP) Task Force

- Intradepartmental CDBG Coordinating Group. DOLA created a cross-divisional work group to coordinate and integrate its use of CDBG funds.
- The Housing “Pipeline” which includes development staff from DOH, the Colorado Housing and Finance Authority (CHFA), Funding Partners for Housing Solutions, Mile High Community Loan Fund, the USDA Rural Development, and Department of Housing and Urban Development (HUD).
- Colorado and Community Interagency Council on Homelessness is a State coordinating organization appointed by the Governor to develop a strategic plan to end homelessness.
- Participation in Colorado’s three Continuums of Care (CoC): Metropolitan Denver Homeless Initiative; Homeward Pikes Peak and the Balance of State).
- Housing Colorado, Inc. is a 501(c)(3) membership organization that facilitates workshops, meetings and educational opportunities for housing organizations.
- Colorado Chapter, National Association of Housing Redevelopment Organizations (NAHRO) is a state trade association for housing authorities and redevelopment agencies
- Colorado Foreclosure Task Force, a public-private task force in which the Division of Housing participates as an active member.
- Supportive Housing Program is a statewide housing authority whose oversight transferred to the Division of Housing as of July 1, 2011. SHP will establish and maintain its own Housing Board.
- Examine linkages between HOME, CDBG and the HUD Section 8 Housing Choice Voucher Program. The purpose of the examination is to increase the supply of affordable housing for persons of limited income.
- Established an internal Homeless Prevention Team to focus on homeless issues.
- Office of Homeless Youth, a program within the Division of Housing, will meet on a regular basis with statewide agencies to establish goals, objectives and to seek funding.

## Program Specific Requirements

### AP-90 Program Specific Requirements

#### Introduction

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220.(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	100,000
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	70.00%

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.220.(I)(2)

**A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

The Division of Housing does not provide any forms of investment to projects other than those described in 92.205(b) of the HOME regulations.

**A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

The State will review applications for homeownership projects and programs to determine whether resale or recapture restrictions are best suited to each proposal. Generally, recapture is preferred, unless the applicant can demonstrate that they will be able to assist homebuyers with meeting resale requirements during the HOME affordability period.

**A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:**

**Recapture the HOME Investment and Create another Affordable Unit:** HOME funds subject to recapture include any development subsidy or direct assistance to the homebuyer that reduced the purchase price from fair market value to an affordable price, or any down payment or subordinate financing provided on behalf of the purchaser.

- The property may be sold during the affordability period with full or partial repayment of the HOME assistance. Recaptured funds must be used for more HOME-eligible activities.
- Full Recapture, subject to net proceeds – the agency (or subgrantee) will recapture 100% of the funds if the client sells their home before the end of the affordability period, unless the client can demonstrate that the sale was an arms-length transaction and that net proceeds are not adequate to pay off 100% of the loan.
- Net proceeds = Sales price – Senior debt repayment – Closing costs. Any excess net proceeds, after repayment of the DPA loan to the agency, may be kept by the client, unless their loan is structured with an equity ratio instead of an amortizing interest rate (for Shared Equity Programs).

**Resale of the Existing Property to another Low-income Buyer**

- The subsequent purchaser must be a low-income family (80% or less of area median income) that will use the property as its principal residence.
- The sale of the property to the new low-income family must be at a price that allows for "fair return on investment, including any improvements" to the seller (the former homebuyer).
- The former homebuyer's investment is defined as their down payment plus the value of any improvements they made to the house. For example, the homebuyer made a \$1,000 downpayment to purchase an existing home. They also invested in a new kitchen that added \$5,000 to the value of the home. Their investment equals \$6,000. "Fair return" is defined as the percentage change in the value of the home, based on the percentage change in median home prices and documented by appraisals from the former homebuyer's purchase and the subsequent (new) homebuyer's purchase.
- For example, the median sales price for the home's unit type (single family vs. condo; existing vs. new construction) and market area, according to the local Multiple Listing Service, was \$200,000 when the homebuyer purchased it. When they decide to sell, the same measure of median sales

price indicates an increase of 2.5% to \$205,000. The seller must be allowed to sell the home for enough to recoup both their original investment (\$6,000) and a 2.5% fair return on that investment ( $\$6,000 \times 2.5\% = \$150$ ), a total of \$6,150.

- NOTE: if median sales prices actually decline between sales, the seller may not receive a return on their investment.

AND ALSO,

- The property must be sold at a price that is affordable to a household at 75% to 80% of area median income that will pay not more than 30% of their income for principal and interest.
- If the affordable sales price is not enough to allow the seller to realize a fair return on their investment, the State may will provide HOME funding to help a qualified buyer afford a sales price that does ensure a fair return. The new HOME funding would be provided through an existing State subgrantee.

**Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The Division of Housing may use HOME funds to refinance existing debt on an eligible single-family, owner-occupied property when it uses HOME funds to rehabilitate the unit, if the refinancing will reduce overall housing costs for the owner and make the housing more affordable.

The Division may also use HOME funds to refinance existing debt on multifamily rehabilitation, or new construction projects if refinancing is necessary for continued long-term affordability and is consistent with State-established guidelines. To qualify, the proposed project must meet one of the following criteria:

- Rehabilitation is the primary eligible activity. This means that the amount of HOME funds for rehabilitation must equal or exceed the amount of HOME funds used to refinance existing debt on the property. The minimum ratio of rehabilitation costs to refinancing costs must be 1 to 1, or a minimum rehabilitation cost of \$5,000 per unit;
- A review of management practices should demonstrate that disinvestment in the property has not occurred, that the long-term needs of the project can be met, and that it is feasible to serve the targeted population over the proposed affordability period;
- The application must state whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
- The required period of affordability will be a minimum of 30 years;
- The State will accept applications for refinancing statewide; and,
- The State will not use HOME funds to refinance multifamily loans made or insured by any Federal program, including CDBG, unless additional affordable units will be income-restricted to low-income households or the affordability period is extended.

## Emergency Solutions Grant (ESG)

### 1. Include written standards for providing ESG assistance (may include as attachment)

Colorado requires its subrecipients to establish and consistently apply written standards for providing ESG assistance. At a minimum these written standards must include:

(i) Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG);

(ii) Standards for targeting and providing essential services related to street outreach;

(iii) Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, *e.g.*, victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest;

(iv) Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter;

(v) Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers (see §576.400(b) and (c) for a list of programs with which ESG-funded activities must be coordinated and integrated to the maximum extent practicable);

(vi) Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance;

(vii) Standards for determining what percentage or amount of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance;

(viii) Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time; and

(ix) Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive

assistance.

(x) Participation in HMIS. The subrecipient must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. If the subrecipient is a victim service provider or a legal services provider, it must use a comparable database that collects client-level data over time (i.e., longitudinal data) and generates unduplicated aggregate reports based on the data. Information entered into a comparable database must not be entered directly into or provided to an HMIS. Subgrantee organizations will be required to submit monthly data quality reports to ensure compliance with this provision.

**2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.**

The Continuums of Care are working to develop a centralized assessment system.

**3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).**

ESG Housing Assistance applications will be submitted to the Division of Housing whose internal staff will screen applications for threshold criteria and forward eligible applications to a scoring committee. This committee comprised of seven members representing the three Continuums of Care, local government, a homeless or formerly homeless person and two at-large representatives will score applications and recommend agencies for funding. The Program Manager will present funding recommendations to the Division Director, DOLA's Executive Director and State Housing Board. DOLA's Executive Director will make the final funding decision.

**THRESHOLD CRITERIA**

- 501(c)(3) status or unit of general local government
- Compliance with HMIS Participation
- Dollar for Dollar match requirement
- Ability to meet certification of insurance requirement

**SCORING CRITERIA**

- Years of experience in serving special needs population
- Staff capacity and track record for serving special needs population
- Staff capacity and track record
- Identify and document NEED for shelter and/or services
- Financial capacity
- Policies and procedures for assessing client needs
- Ability to conduct income determinations
- Ability to comply with grant requirements

4. **If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

The ESG application scoring committee includes a homeless or formerly homeless individual among its seven members.

5. **Describe performance standards for evaluating ESG.**

Currently, the Division of Housing is relying on quarterly e-snaps reports that capture unduplicated numbers of persons or households served as well as on-site monitoring performed by DOH staff members.

In partnership with the Continuums of Care, new written performance standards will be developed using the Consolidated plan, quarterly e-Snaps report, Annual Action Plan and CAPER, as a guide to which performance standards will be recorded, tracked and produced in monthly or quarterly reports. General performance standards such as the unduplicated number of persons or households prevented from becoming homeless and the unduplicated number of persons or households assisted from emergency shelters/streets into permanent housing will be reported.