COLORADO
Department of Local Affairs

DEPARTMENT OF LOCAL AFFAIRS
FY 2015-16 JOINT BUDGET COMMITTEE HEARING AGENDA

Monday, December 1, 2014
1:30 pm – 3:00 pm

1:30-1:50 **INTRODUCTIONS AND OPENING COMMENTS**

1:50-2:10 **QUESTIONS COMMON TO ALL DEPARTMENTS**

(The following questions require both a written and verbal response.)

1. SMART Government Act:
   a. Please describe how the SMART Government Act is being integrated into the department's existing processes (both in terms of service delivery and evaluating performance).
   b. How is the data that is gathered for the performance management system used?
   c. Please describe the value of the act in the department.

a. Please describe how the SMART Government Act is being integrated into the department's existing processes (both in terms of service delivery and evaluating performance).

DOLA Response:
DOLA has been very deliberate about integrating the SMART Act into its existing processes to better align its long-term goals, specific strategies and program budgets to deliver measurable progress in servicing our customers' needs in accordance with the Department mission. Because DOLA's greatest asset in serving its customers is its employees, all staff members within each Division were engaged in discussions about WHO are that Division's customers, WHAT should be the long-term goals and near-term strategies to serve those customers, and HOW to measure our performance to that end.

Each of the Goals and Strategies within DOLA's Strategic Plan supports DOLA's Mission and at least one of DOLA's Core Tenets.

DOLA's Mission:
Strengthen communities and enhance livability in Colorado by providing accessible assistance in the following areas:

1. *Equitable and consistent implementation of property tax laws;*
2. *Community development that is revitalizing and sustainable;*
3. *Financial support for community needs; and*
4. *Safe, affordable housing.*

DOLA Tenets:

1. *Assist customers in solving problems.*
2. *Fulfill regulatory responsibilities.*
3. *Cultivate DOLA employees.*
4. *Improve internal business systems.*

DOLA has been very deliberate about integrating the SMART Act into existing processes.

1. The Department has incorporated elements of its Strategic Plan into each employees' Individual Performance Objectives (IPOs), including the Executive Director. These IPOs provide the basis for each employee's annual performance evaluation.
2. DOLA engages all employees in an annual review of its Strategic Plan to confirm that ALL employees see themselves in that plan and understand how their individual work contributes to its success.
3. The Department aligns its budget requests to support the elements of its Strategic Plan.
4. DOLA has embraced a culture of continuous process improvement by providing LEAN training to employees, appointing a LEAN Champion to facilitate formal improvement events, and hosting several LEAN events. One of DOLA's LEAN events focused on streamlining the process of gathering information associated with the Division of Housing's Section 8 program, and resulted in the elimination of over 50 duplicative forms.

b. How is the data that is gathered for the performance management system used?

DOLA Response:

DOLA uses the performance metrics identified within our Strategic Plan to:

1. Measure the department's success towards our long-term goals.
2. Provide monthly feedback to assess the performance of Work Sections.
3. Evaluate individual employee performance by incorporating these metrics into employee's Individual Performance Objectives (IPOs).
4. Report progress to the Governor on a monthly basis.
5. Share the data and report the mid-year and annual performance of programs in the Department.

c. Please describe the value of the act in the department.

DOLA Response:

DOLA has realized multiple benefits in how the SMART Act has influenced both the development of our Strategic Plan and the focus within it.

- All employees have a sense of ownership in our Strategic Plan because they were involved in its development. This sense of individual ownership has contributed to each employee feeling more committed to DOLA's mission and more valued to that end.
- The Strategic Plan has helped to refocus all of our department's efforts on our customers, and to recognize the uniquely different customer bases which our various programs serve.
- By clearly articulating DOLA's long-term goals and near-term strategies consistent with our Mission and values, the Strategic Plan provides a functional roadmap to guide our day-to-day work and support a culture of continuous improvement.
- The Strategic Plan provides clear metrics to measure our performance as a department. And by incorporating elements of the plan into employees' Individual Performance Objectives, the Plan also provides metrics to measure our performance as individual team members.
- The SMART Government Act gives DOLA leadership opportunities to more effectively target, coordinate and implement its client centric focus through efficient processes and their resultant outcomes. Specifically, the current annual performance report identifies the following examples of effectiveness in DOLA's four Divisions:
    - The Division of Housing serves as a statewide housing authority including areas not served by a local authority and continues to increase the numbers of affordable housing units through vouchers, loans, tax credits, and grants to meet the demand from continual increases in the numbers of low-income renters, disabled, homeless, and families on Section 8 housing wait lists.
    - The Division of Local Government administers at least $175 million in distributions, competitive and formula-based grant programs designed to address impacts from energy development, gaming activities, and community needs to design and replace aging local water systems.
    - The Division of Property Taxation processes over 96% of taxpayer petitions for refund or abatement within 10 days. Timely review ensures proper allocation of tax responsibilities while minimizing the interest cost to taxpayers and counties.

- The Board of Assessment Appeals provides a hearing process that has eliminated a significant backlog of property tax appeals and resolves these appeals within one year of receipt.
- In DOLA's administration of the State's CDBG-Disaster Recovery program, DOLA provides $160 million in Federal recovery resources to households, businesses and local governments to foster long-term recovery of disaster-impacted communities by investing in over 1,400 housing recovery, infrastructure, rehabilitation and infrastructure projects over the next three years.

In addition to these values recognized by the department, the SMART Government Act:

- Provides the statutory framework for state government to be accountable and transparent in such a way that the general public can understand the value received for the tax dollars spent by the State of Colorado.
- Enhances the communication between DOLA and the General Assembly. Semiannually, the Department meets with its committee of reference to discuss its key strategic policy initiatives and report the effectiveness of operational efforts of major programs established to accomplish those initiatives within budgeted resources. These discussions allow for the Department to provide context for much of its day-to-day work and its related tracked performance.

2. Do you have infrastructure needs (roads, real property, and information technology) beyond the current infrastructure request? If so, how do these needs fit in with the department's overall infrastructure priorities that have been submitted to the Capital Construction Committee or Joint Technology Committee? If infrastructure should be a higher priority for the department, how should the department's list of overall priorities be adjusted to account for it?

DOLA Response:
The Department has not formally identified additional infrastructure needs for funding consideration beyond its current FY 2015-16 Budget Request. During FY 2012-13, the Department informed the Capital Development Committee of the future controlled maintenance needs of the Fort Lyon facility beginning in FY 2016-17. The Department acts as owner/agent of Fort Lyon on behalf of the Department of Personnel and Administration. Over the coming years Fort Lyon will require Controlled Maintenance upgrades and other building improvements. A ten year projection of the Fort Lyon operations and capital construction estimates was reported to the Capital Construction Committee in FY 2012-13. Subsequent to the Fort Lyon hearing, the Capital Construction Committee visited Fort Lyon to better understand the operations of the facility. Currently, the Department is working with the State Architect to identify capital improvements needs, energy efficiencies and the appropriate resources.

In addition, improving business systems is a key tenet of the Department. While there are no specific references to information technology (IT) needs in the strategic plan, the nature of the work implies extensive IT support. As the Department continues to implement and complete its Strategic Plan beyond this budget horizon, key measures, processes and managerial analysis may begin to indicate that infrastructure improvements (such as pursuing energy and database efficiencies) may be necessary for the Department to more effectively accomplish its many statutory responsibilities.

2a. Describe the department's experience with the implementation of the new CORE accounting system.

a. Was the training adequate?

DOLA Response:

Additional training would have been beneficial, and may have helped alleviate some of the challenges associated with the transition between COFRS and CORE The Department looks forward to additional training when it is made available.

b. Has the transition gone smoothly?

DOLA Response:

As with any new system, there has been a large learning curve. The transition for DOLA was much more labor intensive than expected. The processes used in CORE to accomplish regular day-to-day tasks are often quite different than in COFRS, and adapting to these different processes has been challenging. Additionally, it has been more difficult to pull information from the system than anticipated. It is our hope that as we gain operational experience with the system, our efficiency will increase.

c. How has the implementation of CORE affected staff workload during the transition?

DOLA Response:

During the first four months of system implementation, CORE impacted employees and supervisors put in about 20% more hours to close the year end and open FY 2014-15. Again, we hope that our efficiency will increase as we become more familiar with the system.

d. Do you anticipate that CORE will increase the staff workload on an ongoing basis? If so, describe the nature of the workload increase and indicate whether the department is requesting additional funding for FY 2015-16 to address it.

DOLA Response:

The Department is not requesting additional funding for FY 2015-16 related to DOLA workload impacts from CORE accounting system activities. The Department recognizes that the implementation of such a substantial new system will drive additional short-term workload as employees adjust to new ways of doing business. As employees adjust to new business processes and become more familiar with the CORE system, it is expected that this short-term workload increase will dissipate. Any long-term staffing changes resulting from CORE -- whether increases or decreases -- will not be known before the system reaches a steady operational state. At this time, the Executive Branch is not submitting any requests for FY 2015-16 to address the impact of CORE on normal departmental financial services operations.

2:10-2:30 DIVISION OF HOUSING

Requests R1 – Building Regulation Fund Deficit

3. Describe the manufactured building industry in the state. How many factories produce manufactured buildings in Colorado? Where are they located and how large are their operations? What's the relationship between where units are produced and where they are installed? What's the State's inspection role at the factory versus the installation site?

   DOLA Response:
   The Division has attached an explanation of the seven functions of the Housing Technology and Standards Section (also referred to as CODES) and examples of their application. Attachment 1 also includes a brief overview of Colorado's Manufactured Building Industry.

   The Housing Technology and Standards (HTS) Section licenses, regulates, and is a technical resource for the residential and non-residential factory-built industry that provides products for use in Colorado. This includes the registration and certification of manufacturers, dealers, and installation professionals statewide in Colorado. In addition, the HTS Section administers the state's manufactured housing consumer complaint process and provides support for the adoption of the 2012 International Energy Conservation Code (IECC).

4. Respond to the staff proposal to transfer funds back to the Building Regulation Fund from the General Fund. Would that adequately address the problem?

   DOLA Response:
   DOLA is in agreement with the staff proposal to transfer at least $500,000 in General Fund back to the Building Regulation Fund to resolve its structural deficit for the near term. This transfer will partially restore the $1.1 million in fee revenues previously paid by the industry that were swept by S.B. 09-279 in FY 2008-09 and permit the Building Regulation Fund to maintain industry and consumer services over the next three fiscal years while monitoring the economic health of the industry to determine future fiscal actions. Certainly, as Tabor issues arise and necessary fee increases identified in the Department's Request are deferred, the Department would endorse a larger repayment of General Fund in lieu of fee revenues previously swept as part of a larger Tabor limit solution.

5. Why have your expenditures been increasing more rapidly than revenues? What federal funds have you been using to subsidize the program? Are you asking to backfill declining federal funds with General Fund?

DOLA Response:
Over the last four fiscal years, the Building Regulation Fund expenses for general operations (travel, telephones, equipment) have remained relatively flat. There are two areas of expenditures that account for most of the expenditure increases: personnel costs and indirect costs. Building Regulation Fund personnel costs were consistent with increases in other programs and state common policy. The indirect rates for the program increased from a rate of 27.8 percent of personal services costs in FY 2012-13 to 29.9 percent of personal services costs in FY 2013-14.

Prior to the Great Recession, this program was solely cash funded. In FY 2008-09, costs for the Section totaled $1.1 million. However, during the Great Recession, as fee revenues began to decrease, the Division of Housing reduced its FTE from 11.7 to 7.3 and applied for and received one-time grants for building code education and training related projects in FY 2011-12 and FY 2012-13 that allowed the Department to modify CODES staff duties to use these federal funds. Even with the federal moneys augmenting the program, Section costs and spending authority were reduced by over $400,000. While no federal funds subsidized the Building Regulation Cash Fund, these federal funds were used to augment the cash fund supported expenses. Since the end of FY 2012-13, no federal funds have been available to supplement the Building Regulation Cash Fund expenditures. Therefore, the Section expenditures that had been temporarily supported by federal grants returned to be fully reflected in the expenditures from the Building Regulation Fund in FY 2013-14.

6. What's the history of fees that support this program? Did you drop them when you developed a fund balance?

DOLA Response:
The fees that support current Building Regulation Fund activities have not been adjusted in the last ten (10) years. The Division's concern was and remains that any fee increase will be passed along to consumers. In the case of manufactured housing these households are often the families that can least afford cost increases. The current fee structures are listed as Attachment A and also contained in the DOLA Division of Housing Resolutions 34, 35, 36 and 38.

Building Regulation Fund fees were not adjusted downward when a fund balance was developed. The fund balance was established in anticipation of the industry slowdown associated with the Great Recession in order to continue to meet industry and consumer response expectations as revenues decreased. In FY 2008-09, over $1.1 million of industry fee reserve funds were transferred to the General Fund to help solve the State's General Fund shortages that occurred during the Great Recession.

Affordable Housing Programs and R4 Housing Development Grants

7. The Committee would like to get a grip on the statewide picture for affordable housing.
   a. What information can the Department provide about state housing *needs*? Has the Department done a gap analysis to identify state housing needs and the needs of local communities in different parts of the State?
   b. What information can the Department provide about housing *resources* around the State? How are these distributed around the State?
   c. Which areas of the State is the *State* affordable housing budget supporting? Is it primarily urban? Rural?

DOLA Response 7a1:

The need for housing is profiled in the Third Quarter Rent and Vacancy Surveys for Metro Denver and statewide markets. The third quarter 2014 average market rent for metro Denver is $1,145. To afford this rent a household would need to earn $46,000 annually or an hourly wage over $22. The average statewide market rent is $1,087, requiring an annual income of $43,500. Even if one can afford these rents it is becoming increasingly difficult to find a vacant apartment. The average vacancies continue to decline: 2.3% in Greeley, 4.3% in Colorado Springs, 0.9% in Fort Collins, 2.4% in Glenwood Springs, 2.7% in Durango, and the metro Denver average is now 3.9%.

Colorado's need for affordable housing is attributed directly to the disparity between the housing costs compared to household income. Since 2007, this gap has dramatically increased. Attachment 2A shows rents increasing 6%, while incomes remain flat; however, the most telling factor in this table is the limited market correction resulting from the 2009 recession. Rents decline only 1.6% in 2007 followed by the 2009 drop in income of 4%.

As this disparity grows the priority for the requested $3.42 million for the Housing Development Grant funds is affordable housing for seniors and persons with disabilities. The Department's goal with this request is to finance 500 new units for these households. Attachment 2 shows the number of households with extremely low incomes who are seniors, disabled or families with children.

DOLA Response 7a2:

Several sources are used by the Division to analyze the state's housing gap: the Rent and Vacancy Surveys conducted by the University of Denver, which surveys Metro Denver and 19 other markets in Colorado; the American Community Survey; local needs assessments; and individual market studies for each new proposed investment. The other source that identifies specific at-risk households is reported by the Center on Budget and Policy Priorities. Attachment 2B is the summary of Colorado 2012 need for affordable housing.

Given the increasing demand for affordable housing the Division also maintains a current pipeline of affordable housing developments. Each of these is based on individual market analysis. The current pipeline accounts for financing the development of 6,377 new units over the next two years totaling $189,378,502 in total development costs.

DOLA Response 7b and 7c:
Attachment 3 shows, by county, the distribution of funds from all sources administered by the Division of Housing. These sources include federal and state funds from the HOME program, the Community Development Block Grant program, Emergency Shelter Grants, and six other sources. These funds are used for the rehabilitation of single family homes, and constructing or acquiring affordable apartments, farmworker housing, homeless shelters, transitional housing for homeless families and self-help homeownership communities. Attachment 4 shows the distribution of over 6,500 Housing Choice Vouchers; 83% are used to subsidize rents for disabled individuals. The Division believes this to be the largest percentage of housing vouchers going to the disabled in the country.

8. Provide additional detail about what you have in mind with request R4. Who will you target? How much of the request is for vouchers? What are the costs and benefits?

DOLA Response:
The requested funds total $3.42 million. The goal is to finance 500 more affordable rental units with these funds, including 300 newly developed rental units and 200 vouchers. The purpose in requesting funding for vouchers is statutorily permitted by H.B. 14-1017 and is designed to serve individuals who are disabled and require specific locations near services and community or family support. The request for vouchers directly responds to the State's objectives outlined the recently adopted Olmstead Plan. The amount of funding for 200 vouchers would be $1,260,000. This represents the current average monthly subsidy of $525 per month for persons with disabilities receiving Social Security Disability (SSDI) monthly income. The balance of the requested funds $2,160,000 would be used to finance 300 new affordable units for seniors.

9. What leveraging occurs with this request? What economic benefits does it provide?

DOLA Response:
The most current source of data that can be used to calculate leveraging potential would be the leverage ratio resulting from recent investments of the Housing Development Grant fund. Attachment 5 lists the past four years of HDG investments. The overall leverage ratio is 14:1.

The Division's objective with the requested amount is to leverage at least $30 million from other public and private investments.

A soon to be released study by the National Association of Home Builders (NAHB) analyzed the economic impacts of affordable housing development in Colorado. The study conducted October 2014 makes a compelling case for strong return on invested public funds.

According to the study, the one-year estimated economic impacts of constructing 823 new subsidized rental apartments in Colorado include:

- Over $113.1 million in income for Colorado residents;
- Over $20.9 million in taxes and other revenue for the state and local governments; and
- Over 1,658 jobs in Colorado.

The additional, annually recurring impacts of constructing 823 subsidized apartments in Colorado include:

- Over $20.6 million in income for Colorado residents;
- Over $4.4 million in taxes and other revenue for the state and local governments; and
- Over 282 jobs in Colorado

The estimated one-year impact of rehabilitating 584 subsidized rental apartments in Colorado include:

- $42.4 million in income for Colorado residents,
- $7.0 million in taxes and other revenue for state and local governments
- 465 jobs in Colorado

10. What relationships exist between the Division and organizations like Habitat for Humanity?

DOLA Response:
The Division of Housing's first investment with Habitat for Humanity was in 1990. Since that time the Division has invested over $10.2 million in Habitat for Humanity (Habitat). The state's funding has been used to purchase building sites for Habitat homes through the state. The Division's investment increased commensurate with the growth in Habitat's local capacity. In the last three years, the Division has invested over $2.5 million and financed 210 homes. Statewide, the production of Habitat homes has increased to 5.1 homes per month. The Division is expanding its Habitat partnership by contracting with them to build homes in the flood impacted communities. This past summer, Habitat received a non-FEMA federal grant of $4 million for construction of new homes in Larimer, Weld, and Boulder counties.

2:30-3:00 Division of Local Government

Request R2 Colorado Main Street Program

11. Describe the consulting services you plan to use. Do you expect to use multiple consultants or

just four? Will these consultants be hired from the local communities? Are they temporary or permanent employees? Are they contract employees? Are they specialists in one specific community?

DOLA Response:
The consultants will be hired through an annual contract and will be experts in one of the Four Points of the Main Street Approach (i.e., business development, promotions, design and organization). The consulting services will vary year to year based on all of the Main Street communities' needs as they evolve and increase their capacity. Each Main Street community across the state has a wide range of challenges and capabilities that are constantly evolving. The program staff meets with each community to provide the required annual year end evaluation and annual work plan facilitation. Staff will use this information to determine what is most needed from the Main Street communities. The needs from all of the communities will determine what services the contractors need to provide each year. Program staff hopes to contract with local or regional consultants where the needed expertise exists. The program anticipates contracting with the equivalent of four full time experts who will not be employees of the Department.

12. Lyons and Brush and Victor are receiving assistance from this program. These are all areas where there have recently been natural disasters. How does the selection relate to areas where there have been disasters? Are you attempting to address issues FEMA funding doesn't?

DOLA Response:
Currently, the program does not have disaster criteria as part of the selection process. These communities were in the Main Street program prior to their respective disasters. While communities are not selected based on need from disaster events, utilizing the Main Street program's comprehensive and structured approach certainly helps the community recover faster. The Four Points of Main Street® assist the communities to be better organized in order to develop solid recovery action plans and receive additional assistance from state, federal and nongovernmental agencies. The Main Street program has been able to provide each of these communities with additional structure and technical assistance during each recovery process. Often, the technical assistance provided is specific to historic preservation or long-term downtown revitalization planning efforts.

In Lyons, in particular, the DOLA Main Street staff facilitated the Town to use the Main Street Four-Point Approach® to provide structure to their long-term recovery process, complementing state and federal resources. In addition, the program has noticed that after a disaster occurs, communities tend to come together around a common cause, such as downtown revitalization. This creates the momentum and consensus for the community's recovery.

Request R3 Improve Statutory Compliance

13. Is the growth in the number of special districts a problem for the State? What is causing the proliferation of special districts? Should the General Assembly try to stop or reverse the process? What are the options for this?

DOLA Response:
The growth in the number of local governments (mostly special districts) has caused an increased workload for the Division of Local Government. With a more than 41% growth in the number of special districts in the last decade, the Division's duties involving receiving transparency and compliance filings have increased commensurately. With the goal of continuously tying the program work to the DOLA strategic plan as outlined in the SMART Government Act, the Division conducted a LEAN event on the filings process, implemented improvements and has submitted a budget request for 1.0 FTE to assist program managers with compliance duties. Due to the increased workload, the Division has seen an increase in noncompliance and has experienced a decrease in technical assistance capacity to help these local governments avoid noncompliance.

The growth in special districts is being caused by the housing needs of a growing population, the public service needs of new subdivisions and redevelopment of areas (such as Stapleton, Lowry, Denver Union Station, etc.), and also a change in the model of master developments from large areas like Highlands Ranch and Pueblo West using a few special districts, to smaller master developments now using multiple Metropolitan Districts.

The Department does not have a position on whether the General Assembly should "try to stop or reverse the process." Colorado's Constitution and statutes ensure services and governance at a local level. Previous General Assemblies have provided statutory direction where the Division of Local Government is to serve as a repository of certain local government documents to ensure transparency and a basic level of local government administrative compliance.

Any modifications to the Special District Act requires a statutory change.

Severance and Federal Mineral Lease (FML) Revenue Projections

14. Will severance tax and FML revenue be impacted by the recent downturn in oil and gas prices? How do you expect current FY 2015-16 revenue projections to change?

DOLA Response:

Yes, severance tax and FML revenue will be impacted by the recent downturn in oil and gas prices and as Legislative Council and OSPB economists have and will address in their quarterly forecasts, state revenues from mineral extraction are highly dependent upon price—especially the prices of oil and natural gas.

The Department anticipates FY 2015-16 revenues projections for severance to drop somewhat from the revenues for FY 2013-14 and FY 2014-15. Legislative Council and OSPB will be reviewing their forecasts for the December briefing and recent price changes are expected to be incorporated accordingly.

15. What programs will not be funded if severance tax goes down?

DOLA Response:
In the event of a severance tax revenue decline, les money will be available for granting to local governments for critical infrastructure and provision of services, as well as for direct distributions by formula.

16. Even if the price of oil is falling, might some tax revenues increase? For example, is there higher use of fuels because the prices are falling? Will that positively affect some revenue streams?

DOLA Response:
The Department relies on the Legislative Council and OSPB Severance Tax and FML forecasts and analysis which are next released in December and will provide a thorough analysis addressing these questions. Generally, these forecasts are primarily based on anticipated commodity prices and production quantities to model expected revenues. Severance Tax modeling also incorporates the lagging impact of oil and gas property tax credit. Decreases in mineral commodity prices usually result in a decline in exploration and extraction as these costs become unrecoverable by mineral producers selling at lower prices.

<u>Local Government Severance and FML Direct Distributions and Grants:</u>

17. Describe the relationship between where severance and FML moneys are earned and where they are spent.

    a. Which counties bring in severance and FML money?
    b. How much severance and mineral lease money is actually spent in communities that have mineral impacts?
    c. Are there impacts that affect counties where there isn't mineral production?

DOLA Response:

Because DOLA does not receive the revenues, the Department utilizes OSPB revenue data alongside the formulaic direct distribution per county to identify top extraction areas. Attachment 6 shows the Direct Distributions received by counties since the reinstatement of the grant program which serves as a proxy for revenue.

Since reinstatement of the grant program, Colorado local governments received $220,611,981 from both competitive grants and direct distributions through FML and severance. The map referenced above shows the counties that received the greatest Direct Distribution and dollars received in grants within those counties. The map clearly indicates a strong alignment between direct distribution, grant dollars awarded and extraction activity.

Every county in Colorado receives some level of Direct Distribution, and legislation requires that factors other than current extraction activity determine eligibility. Statewide, demands are placed onto all local governments when extraction activities occur or have occurred historically. Workers may live in neighboring communities from where the extraction actually occurs—roads traveled and transported on, water and sewer service demands based on population needs are all examples of infrastructure and provision of public service demands placed on communities statewide.

For further information on the distribution of severance and FML, please review the program guidelines available at:
http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%22DD+Program+Guidelines.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1252008329699&ssbinary=true

Because impacts to the entire State occur as a result of extraction activities, DOLA utilizes an impact scoring for all counties in Colorado. Those counties with the highest impact score are those with the greatest current day extraction activities. (see the following chart which describes how the Impact Score is established).

Local Impact Score

*Revenue Index = Ratio of industry impacts (active wells, rig count, Highway Users Tax Fund (HUTF) road miles, employee residence, mine inventory) to estimated property tax from production and direct distribution payments by county.

For FY 2013-14 distribution dollars, please review distributions at: http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-Type&blobheadervalue1=inline%3B+filename%3D%22Severance+Distribution+report+2014.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1252030432475&ssbinary=true

18. Provide additional information on the executive branch initiatives that use local government severance and FML grant funds. Why aren't these initiatives subject to appropriation?

DOLA Response:
Revenues are statutorily continuous appropriations and the Executive Director establishes not only how much is available during the traditional cycles of grants, but also the initiatives.

Initiatives are developed in response to statewide demand, local priorities and the ability to capitalize on unique time-sensitive opportunities.

These initiatives are developed with consultation with the Energy Impact Assistance Fund Advisory Committee, state agency partners, local governments and other key local government stakeholders (Colorado Counties Inc. (CCI), Colorado Municipal League (CML), Special District Association (SDA), etc.).

Current initiatives include:

- Statewide Broadband Opportunities– partnership with Office of Economic Development and International Trade and the Office of Information Technology. Grant awards have been made for regional planning efforts.

- Statewide Alternative Fuels – partnership with the Colorado Energy Office, Colorado Department of Transportation, and the Regional Air Quality Council. Based upon program funding parameters, grant awards will be made to local governments which are purchasing alternative fuel vehicles and installing alternative fueling stations.

- Emergency Flood Assistance – partnership with Colorado Recovery Office and the Colorado Department of Public Safety. In state disaster declared areas, focus is on time sensitive funding needs such as planning, design, engineering and capacity building. These funds are the last resort if funding is not immediately available through other sources (e.g. Community Development Block Grants-Disaster Recovery, Federal Emergency Management Agency (FEMA), etc.).

19. Provide an update on the fund balance in the Local Government Permanent Fund. How big a balance should be retained in that Fund? Should it remain as a rainy day fund or be swept to the General Fund?

DOLA Response:
As of the beginning of FY 2014-15, the balance of the Local Government Permanent Fund was $523,044. In April of 2014, S.B. 14-106 was passed by the General Assembly and signed by the Governor. As a result, and in line with the intent of Section 34-63-102, C.R.S., nearly all of the Funds' balance was distributed ($4,304,072) to counties and municipalities to partially "back-fill" a decrease of nearly 29% in the FML Direct Distribution from the prior year. Periodic lease auctions by the US Bureau of Land Management may result in FML "Bonus" funds being deposited in the Local Government Permanent Fund at an average of $2.5 million per year. Existing statute only allows for the General Assembly to appropriate Permanent Fund dollars to "backfill" declines of 10% or greater in the FML distribution

which would have a direct impact on local governments. The Department believes this is an important "rainy day" fund to continue.

Conservation Trust Fund

20. Do statutes specify how Conservation Trust Fund moneys are distributed among local government (consistent with Constitutional requirements)? Some cities overlap special districts with park districts. Is DOLA still disbursing by grant to these cities even though they don't manage parks? Do we have any latitude to tweak that by statute, so that lottery proceeds do not go to a city that falls 100 percent into a special district for parks?

DOLA Response:
20a) Do statutes specify how Conservation Trust Fund moneys are distributed among local government (consistent with Constitutional requirements)?

Yes, statute specifies how the Conservation Trust Fund moneys are distributed among local governments. Section 29-21-101(2)(a)(II), C.R.S. states:

(II) Each county share shall be apportioned according to that percentage which the population of each county is to the total population of all counties, and, within each county, each municipality's share shall be apportioned according to the percentage which the population within each municipality is to the total population of the county in which such municipality is located. Each special district's share shall be determined as follows:

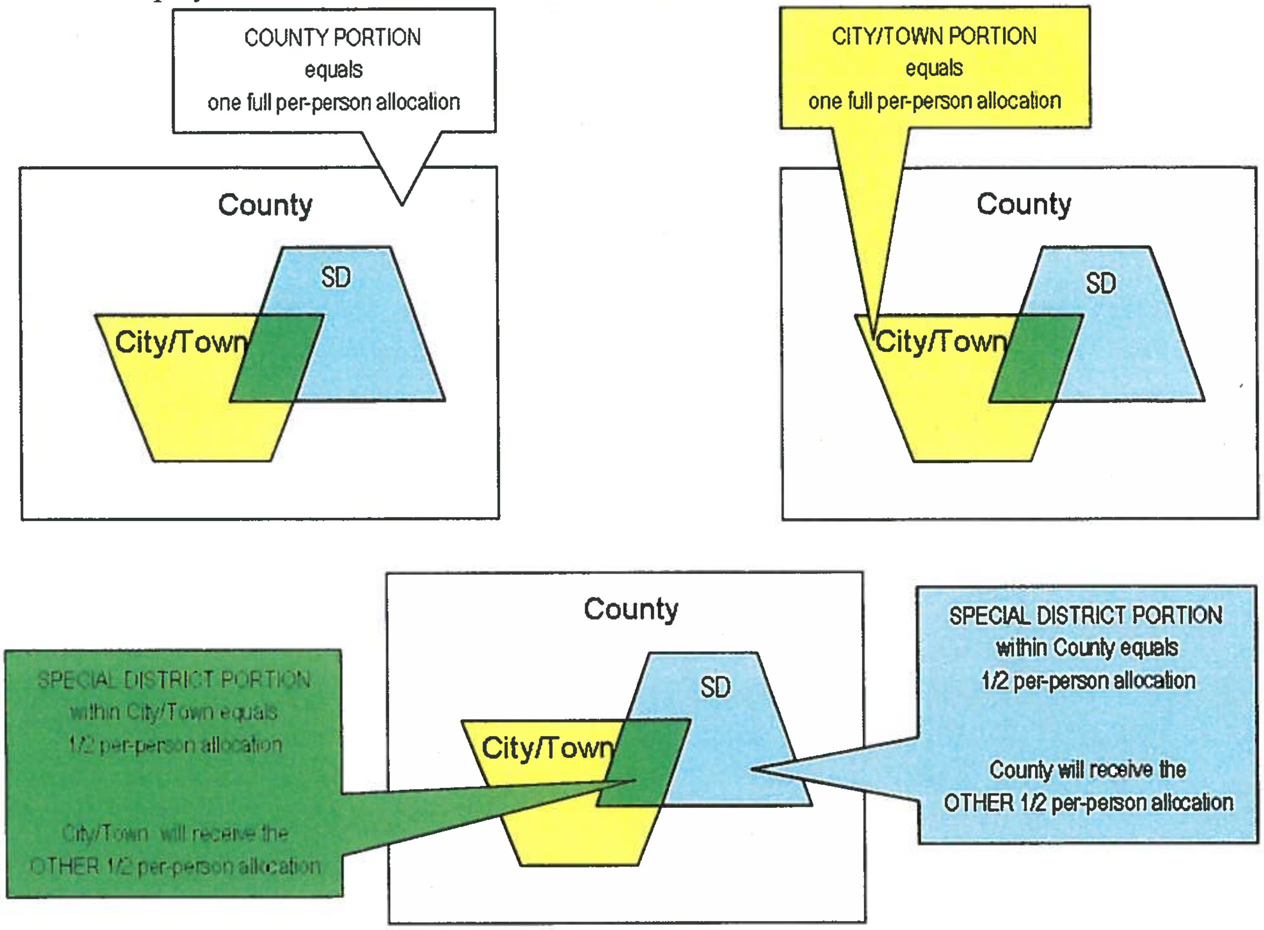
(A) The special district's share relating to the unincorporated area of the county in which all or part of such special district is located shall be apportioned according to one-half of the percentage which the population of the special district's unincorporated area is to the total population of the unincorporated area of the county.

(B) The special district's share relating to the incorporated area of the county in which all or part of such special district is located shall be one-half of the percentage which the population of the special district's incorporated area is to the total population of the municipality in which the special district's incorporated area is located. The population of any area which is located within a municipality or a city and county and has been excluded from a special district shall not be counted as part of the special district's population, even if the excluded area remains within the district for the purpose of paying outstanding debt.

The Constitution does not specify how funds will be distributed. Article XXVII, Section 3 (1)(b)(I) states:

Forty percent to the Conservation Trust Fund for distribution to municipalities and counties and other eligible entities for parks, recreation and open space purposes.

A visual display of the distribution formula is as follows:



DOLA Response:

20b) Some cities overlap special districts with park districts. Is DOLA still disbursing by grant to these cities even though they don't manage parks?

Conservation Trust Funds (CTF) are not distributed on a grant basis, but on a formula basis to all eligible entities. In accordance with Section 29-21-101(1)(b), C.R.S.:

"Eligible entity" means a county, municipality, or special district which has created a conservation trust fund pursuant to this section and which has certified to the department of local affairs that it has created such fund.

DOLA does not track which municipalities do or do not manage parks, however the statute mandates the purpose of the funds and DOLA does track all expenditures to ensure proper use of funds. Examples of eligible expenditures include:

Parks and Open Space	Shooting ranges
Athletic Fields and courts	Museums
Community and Recreation Centers	Fairgrounds and Campgrounds
Swimming Pools	Golf Courses
Libraries	Zoos
Skate Parks and Skating rinks	Conservation Easements

Overlapping CTF entities may both be providing recreation services that are allowable expenses for the CTF program.

DOLA Response:

20c) Do we have any latitude to tweak that by statute, so that lottery proceeds do not go to a city that falls 100 percent into a special district for parks?

Any modification to the formula requires a statutory change. A modification to the formula would change the geography used for the formula to distribute funds, but that doesn't mean municipalities don't have qualifying "non-park" managing expenses (museums, pools, open space, etc.) that would be eligible for the CTF program.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED

1. Provide a list of any legislation that the Department has: (a) not implemented or (b) partially implemented. Explain why the Department has not implement or has partially implemented the legislation on this list.

   DOLA Response:
   The Department has implemented legislation as required.

2. What is the turnover rate for staff in the department? Please provide a breakdown by office and/or division, and program.

   DOLA Response:
   For FY 2013-14, the Department of Local Affairs experienced a staff turnover rate of 7.5 percent with 12 people leaving their positions during the year. The turnover rates include only employees who left state government (not transfers to another state agency). The Statewide average turnover rate for the same period was 10.4 percent. The DOLA turnover rates by Division were:

DOLA Division	FY 2013-14 Turnover Rate
Executive Director's Office	4.8%
Division of Property Taxation	2.8%
Board of Assessment Appeals	0.0%
Division of Housing	10.2%
Division of Local Government	5.8%
Overall DOLA Staff Turnover Rate	7.5%

The Department of Personnel will also be providing a statewide report in response to this question during the Department of Personnel's hearing with the Joint Budget Committee.

3. Please identify the following:
   a. The department's most effective program;
   b. The department's least effective program (in the context of management and budget);
   c. Please provide recommendations on what will make this program (2.b.) more effective based on the department's performance measures.

DOLA Response:
DOLA's most effective program is provided by the Division of Local Government's (DLG) eight member Field Services team. The Technical Assistance program provided to over 3,000 units of Local Government annually most effectively and efficiently supports any and all local government projects, programs and problem solving needs. Regular customer surveys indicate DLG's customers consistently highly value this program. Customer feedback reports indicate the technical assistance program exceeds expectations over 97% of the time and 82% of customers have also indicated that technical assistance positively made a difference in their communities.

Local Governments across the State claim this program to be the most valuable to them because of the level of expertise of the eight field managers who are all former city and county managers and because these field managers are also embedded into the local communities to ensure a rapid and the right response. The technical assistance offered and employee expertise given also improves the funding matched to project funding phases. Overall, the Regional Managers, from project idea to project completion, support local governments in maximizing the leverage of public funds and in the timely delivery of dollars.

This program is also a victim of its own success. The better we provide services, help develop key community development projects and provide funding, we see an increasing demand for our professional technical services throughout the state.

The least effective program in the Department is the Moffat Tunnel program. The Department recommends that the program be transferred to the Department of Transportation. The Department of Transportation has the expertise and familiarity with rights of way. The Moffat Tunnel is the only public right-of-way managed by the Department and is not similar to any other program managed by the Department.

The Moffat Tunnel Improvement District was formed by state statute in 1922 to finance the construction of a railroad tunnel under the Continental Divide. To remove an unnecessary layer of government, the legislature passed S.B. 96-233, which set in motion an effort to sell the assets of the District, dissolve the elected commission which had managed the District since 1922, and, if any District assets could not be sold by 1998, transfer control of the District to the Department of Local Affairs. In the event, not all District assets were sold and control of the District was transferred to the Department of Local Affairs in February 1998. The District remains as a separate legal special district entity under C.R.S. 32-8-101, and has two occupancy leases: one with the Union Pacific Railroad, and another with Qwest telecommunications.

The Department has no FTE appropriated for District administration. Under existing leases the railroad is responsible for operation, maintenance and repair of the tunnel. However, poorly documented permits, old leases, poor geology, old facilities, the importance of this infrastructure choke-point to the state and corporate economics, and the overlapping interests in the district rights-of-way mean that the tunnel may occasionally need property law legal attention, and poses the possibility of a number of large cost risk events to the state.

4. How much capital outlay was expended using either operating funds or capital funds in FY 2013-14? Please break it down between the amount expended from operating and the amount expended from capital.

DOLA Response:
The Department expended $129,073 in capital outlay from its FY 2013-14 operating budget as follows:

FY 2013-14 DOLA Total Capital Outlay Expenses		
Object: 3116, 3128, 3140, 3143, 3216, 6211, 6212, 6213, 6214, 6411, 6412		
		FY 2014
Object	**Object Name**	**Amount**
3116	NONCAP IT - PURCHASED PC SW	$ 7,766
3128	NONCAPITALIZED EQUIPMENT-Non IT	$ 51,087
3140	NONCAPITALIZED IT - PC'S	$ 56,392
3143	NONCAPITALIZED IT - OTHER	$ 13,828
TOTAL		**$ 129,073**

5. Does Department have any outstanding high priority recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office on June 30, 2014? What is the department doing to resolve the outstanding high priority recommendations?
http://www.leg.state.co.us/OSA/coauditor1.nsf/All/1FE335CE3162803F87257D7E00550568/$FILE/1422S%20-%20ANNUAL%20REPORT%20OF%20AUDIT%20RECOMMENDATIONS%20NOT%20FULLY%20IMPLEMENTED%20AS%20OF%20JUNE%2030,%202014.pdf

DOLA Response:
The Department does not have any outstanding high priority recommendations.

Fort Lyon

6. Does the Department fully support Fort Lyon Supportive Residential Community? Does the current turnover reflect program success? At current funding and population levels the Department is expending approximately $58,000 per resident. Is this amount appropriate to spend per resident?

   DOLA Response:
   The Department fully supports the Fort Lyon Supportive residential Community. As of September 2014 the turnover rate is 22%. This rate is lower than the expectations, which were 30%. During the first year of operation 248 people came to Fort Lyon for housing, 193 currently reside, 69 voluntarily left, but 14 returned to Fort Lyon for housing and treatment. Twelve individuals successfully returned to their communities.

   The total annual expenses for Fort Lyon from September 2013 to 2014 from state funds and the National Mortgage Settlement funds are $5,503,779. During this time frame 248 individuals were served and the total cost per person this past year is $22,193. This rate is half the cost of a homeless person living in a shelter. As Fort Lyon increases its population we anticipate this cost per person to decline. To compare these cost on an "apples to apples" basis with the permanent supportive housing properties in Question 3 the actual cost of food, and transportation would be eliminated from the per person cost. After accounting for food, transportation, and one-time building improvement costs that are not included in other permanent supportive housing, the per person cost is $19,985.

7. What are the costs specific to transporting residents to and from their home communities? Please provide a detailed explanation of transportation costs.

   DOLA Response:
   The transportation expenses for Fort Lyon residents this past year (July 1, 2013 to June 30, 2014) totaled was $48,874. The budget for transportation was $48,331. This cost includes fuel and vehicle maintenance for the 15 passenger van used to transport clients to and from their home communities, a van driver, automobile insurance, and the van purchase price. The purchase price is annualized using a 36 month lease.

8. Please provide an "apples to apples" comparison of the Fort Lyon Supportive Residential Community with other homeless programs in the Denver Metro Area.

DOLA Response:
The "apples to apples" comparison shows housing programs that provide permanent supportive housing for homeless individuals with substance abuse and/or mental illness diagnoses. As requested this survey was conducted during December 2013. Given increases in rents and supportive services these costs per person would be higher if conducted again. The costs vary due to the number of people served by a program, the degree of illness of residents, and the type of housing offered.

Organization	**Name of property**	**Number of Persons Housed**	**Cost per Person Housing & Services**
Boulder Housing Partners	Permanent Housing Drive Inn Theater	10	$15,152
Volunteers of America	Irving Street Residence	57	$14,228
St Francis Center	Cornerstone	60	$18,443
St Francis Center	Anchor	13	$27,896
St Francis Center	Senior	20	$23,354
Colorado Coalition for the Homeless	Metro Denver Homeless Collaborative	37	$30,813
Colorado Coalition for the Homeless	Off Broadway Lofts	22	$10,610
Colorado Coalition for the Homeless	West End Flats	36	$15,377
Mental Health of Denver	Lowry Apartments	48	$18,517
Arapahoe House	Homeless Vets	4	$18,054
Empowerment	Women Reentry	17	$19,026

9. Why is the Department running an economic development program for Bent County? Is administration of the program at Fort Lyon interfering with the assistance the Department provides for other communities or other homeless populations in Colorado?

DOLA Response:
The Department is not operating an economic development program for Bent County, but the repurposing of Fort Lyon provides economic benefit to Bent County. One of the principle statutory mandates of the Department of Local Affairs is community and economic development, especially for rural communities. Repurposing Fort Lyon is a classic example of utilizing an existing facility, a trained labor force, and creating skilled and semi-skilled jobs at a livable wage.

10. During the passage of S.B. 13-210, proponents of S.B. 13-210 asserted that this Fort Lyon program would be serving homeless who couldn't qualify for other homeless programs in the State of Colorado or who had been kicked out of other homeless programs. Please provide proof these are the individuals being served.

DOLA Response:
There were no assertions that the homeless served by Fort Lyon were people who couldn't qualify for other homeless programs or who were kicked out of other homeless programs. But, many of the Fort Lyon residents have failed to maintain housing, jobs, training, therapies and relationships, due to continuing mental health disorders, substance abuse, and medical conditions. It is promising to note that the turnover rate is 22%. Many residents have said that their time at Fort Lyon is the first that they have been able to maintain their housing and succeed in their treatment programs.

Attachment 1: Description of Factory-built Industry and the Housing Technology and Standards Section, DOH

Housing Technology and Standards Section

The Housing Technology and Standards (HTS) Section (also referred to as CODES) within the Division of Housing (DOH) licenses, regulates, and is a technical resource for the residential and non-residential factory-built industry that provides products for use in Colorado. This includes the registration and certification of manufacturers, dealers, and installation professionals statewide in Colorado.

- Colorado Manufactured Housing Installation Program (MHIP)

  The Colorado Division of Housing Manufactured Housing Installation Program (MHIP) is a certification program designed to ensure the high quality installation of mobile homes (pre-1976 construction), HUD manufactured homes, and factory-built or modular homes across Colorado. Firms and individuals involved in the installation of both new and used manufactured housing are registered with the Colorado Division of Housing. Through the MHIP, DOH accepts and works to resolve consumer concerns regarding the installation of their home.

- Colorado Manufactured Housing Dealer Registration Program

  The Colorado Division of Housing, Housing Standards and Technology (HTS) Section Manufactured Housing Dealer Registration Program provides consumer protection against unethical or unlawful manufactured housing sales practices to households purchasing all types of manufactured housing.

- Factory-built Structures

  Factory-built (modular) homes constructed for use in the state must meet State of Colorado life, health, and safety standards. In order to ensure the health and safety of Colorado residents who purchase or live in these homes, DOH administers and enforces the construction standards adopted by the Colorado State Housing Board, currently the 2012 IRC, IMC, IPC, IECC and 2014 NEC. These responsibilities include assisting consumers with resolving factory-built structure issues.

In addition, the HTS Section administers the state's manufactured housing consumer complaint process and provides support for the adoption of the 2012 International Energy Conservation Code (IECC).

The following are the seven functions of the Section and examples of their application.

1) **Factory-built or Modular Residential Construction**

An example of this function: The HTS section provides plan approval and on-site inspection services for a 37 unit multi-family affordable housing project manufactured by Wardcraft Homes, Colorado for final site installation in Aspen, Colorado. This affordable housing project used a modular product thereby reducing overall construction costs, on-site construction time, and specific site conditions that made traditional site-built construction difficult.

2) **Factory-built Non-Residential (Commercial) Construction**

An example of this function: The HTS section provided plan review and on-site inspection of modular bathrooms for the Saint Joseph hospital expansion (444 bathrooms) and the Broadmoor hotel renovation (175 bathrooms.) A current non-residential project being assisted by the Section is a temporary broadcasting facility being installed for the 2015 Alpine World Championships in Vail, Colorado. Britco Building Innovations in Waco, Texas was certified by Section staff allowing Britco to ship factory-built structures to Colorado to be used in oil and gas extraction. This front-end plant certification reduces plan reviews and inspection cost by staff.

3) **Manufactured Housing Installation Program (MHIP)**

An example of this function: The section trained local building department staff in Weld County and Pike Peak Regional Building Departments on the installation of manufactured housing units.

4) **Manufactured Housing Dealer Registration Program**

An example of this function: The dealer registration program responds to consumer and industry concerns regarding non-registered manufactured housing retailers in the state on a regular basis. In the last calendar year, several non-registered retailers have been contacted and assisted with registration by Section staff and have been brought into program compliance.

5) **Manufactured Housing Consumer Complaints**

An example of this function: The Section received a written consumer complaint in March 2013 in regards to their concerns surrounding ceiling drywall failures in a new HUD manufactured home located outside of Woodland Park, Colorado. Section staff responded by completing on-site inspections and directing correction notices to the home installer and the New Mexico based factory. The home installer and factory responded in a timely manner to the correction notices by completing the required repairs that included the installation of new roof trusses and the repair of the interior ceiling to the satisfaction of the consumer and DOH staff.

6) **Hotel, Motel and Multifamily Code Adoption and Enforcement**

An example of this function: The Ballyneal Golf Club Lodge located in Yuma County is being built in a county without building codes. When completed, this is factory-built project will provide a two-story, 5,800 square foot bed and breakfast for this private golf course.

7) **2013 Flood Response**

An Example of this function: In response to the September 2013 Flood the staff:

- Distributed technical information regarding flood damaged manufactured housing to all industry partners;
- Completed on-site home inspections to determine flood damage severity (particularly in Milliken);
- Provided local government assistance in the identification, tracking, and on-site inspection of flood destroyed homes;
- Conducted specific on-site home inspections for individual consumers; and
- Provided guidance to local communities on the development of replacement manufactured home communities.

Factory-built Industry Overview

There are currently two Colorado-based registered factory-built manufacturers located in Palmer Lake and Walsenburg. Section staff is engaged in providing technical assistance and on-site factory inspections for these manufacturers. In addition, there are 21 out-of-state registered factory-built manufacturers located in 12 states across the country that request and receive Building Regulation Fund services. Plan reviews (blue prints) are sent from in-state and out of state factories to two staff engineers in Denver for review and approval.

The staff of the Housing Technology and Standards Section has extensive in-field and in-factory design and construction experience to assist the consumer and the industry through technical assistance and inspection services. Staff is available to answer a wide range of inquiries concerning the installation, sale, and construction of factory-built structures. The HTS Section has staff located in Denver and Grand Junction and provides services on a statewide basis.

The Building Regulation Fund supports several sectors of the manufactured building industry that provide products and services to both residential and commercial customers through the following:

1. **Factory-built or Modular Residential Construction**

   Factory-built (modular) homes constructed in this state must meet state of Colorado life, health, and safety standards. In order to ensure the health and safety of Colorado residents who purchase or live in these homes, the Colorado Division of Housing, Housing Technology and Standards (HTS) Section administers and enforces the construction standards adopted by the Colorado State Housing Board, currently the 2012 IRC, IMC, IPC, IECC and 2014 NEC. The Factory-Built (Modular) Program is administered under Colorado State Housing Board Resolution 34.

   The Colorado Division of Housing, Housing Technology and Standards (HTS) Section is responsible for the following activities concerning factory-built (modular) homes:

   - Review and approval of manufacturer Quality Assurance (QA) programs,
   - Review and approval of manufacturer engineering manuals,
   - Review and approval of in-plant quality assurance inspection agencies,
   - Review and approval of design and construction documents,
   - Issue/affix home inspection approval insignia(s),
   - Review and approve construction modifications prior to or during installation,
   - Provide in-plant inspections of all Colorado factory-built (modular) home manufacturing facilities,
   - Provide conflict resolution as requested by the consumer, the local jurisdiction, installer, and or manufacturer.

In FY 2013-14 Section staff assisted the factory-built residential industry with over 300 plan reviews and over 130 on-site and/or factory inspections.

2. Factory-built Non-Residential (Commercial) Construction

Factory-built, non-residential structures constructed in this state must meet state of Colorado life, health, and safety standards. The health and safety codes and construction standards administered by the Colorado Division of Housing, Housing Technology and Standards (HTS) Section and adopted by the Colorado State Housing Board, currently the 2012 IBC, IMC, IPC, IECC and 2014/NEC. The factory-built, non-residential (commercial) structure program is administered under Colorado State Housing Board Resolution 35.

Types of buildings produced by the factory-built, non-residential (commercial) industry include: highly-specialized telecommunication, aviation, and oil and gas buildings, as well as, building components such as bathrooms. In FY 2013-14, Section staff was involved in the plan review and on-site inspection of modular bathrooms for the Saint Joseph hospital expansion and the Broadmoor hotel renovation. A current non-residential project being assisted by the Section is a temporary broadcasting facility being installed for the 2015 Alpine World Championships in Vail, Colorado.

The Colorado Division of Housing, Housing Technology and Standards (HTS) Section is responsible for the following activities concerning factory-built, non-residential (commercial) structures:

- Review and approval of manufacturer Quality Assurance (QA) programs,
- Review and approval of manufacturer engineering manuals,
- Review and approval of in-plant quality assurance inspection agencies,
- Review and approval of design and construction documents,
- Issue/affix home inspection approval insignia(s),
- Review and approve construction modifications prior to or during installation,
- Provide in-plant inspections of all Colorado factory-built, non-residential (commercial) structure manufacturing facilities.

There are currently 19 Colorado-based registered non-residential, factory-built manufacturers located in eight counties in the state. Section staff is engaged in providing technical assistance and on-site factory inspections for these manufacturers in a timely manner. In addition, there are over 90 out-of-state registered non-residential, factory-built manufacturers located in 27 states across the country that request and receive Building Regulation Fund services. In addition, there are currently Canadian and Turkey based manufacturers registered with the State.

In FY 2013-14 Section staff assisted the factory-built residential industry with over 250 plan reviews and over 250 on-site and/or factory inspections.

3. Manufactured Housing Installation Program (MHIP)

The installation of residential manufactured buildings, including HUD Code Standard homes and modular housing is regulated by the Colorado Division of Housing. There are currently 43 registered installers, 16 certified installers and over 30 MHIP inspectors that are regulated by the Section in order to provide all Colorado consumers with professional installation of their used or new home. In addition, there are 21 local building jurisdictions that are actively involved in the MHIP.

In FY 2013-14, the Colorado Division of Housing issued over 1,000 installation building permits across Colorado with Section staff providing on-site installation inspection services in 43 counties during FY 2013-14. In addition to the completion of over 300 site visit inspections annually across the state, Section staff also provides ongoing training and technical assistance to further improve program results, including the training of local jurisdiction code officials. Since the implementation of this program in 2001, the number and severity of consumer complaints related to the installation of their home has been greatly reduced (from over 300 complaints per year to under 10 complaints per year.)

4. Manufactured Housing Dealer Registration Program

The Colorado Division of Housing, Housing Standards and Technology (HTS) Section Manufactured Housing Dealer Registration Program provides consumer protection against unethical or unlawful manufactured housing sales practices to households purchasing all types of manufactured housing. Manufactured home retailers are required to register with the HTS Section and post a $50,000 surety bond or letter of credit. The Manufactured Housing Dealer Registration is designed to protect consumers through protection of their down payment.

The Section maintains a list of registered dealers in the State that is available to the public through their website. Currently, there are 223 manufactured housing dealers (retailers) registered with the State. This includes 15 dealers located outside the State of Colorado that provide products in Colorado.

5. Manufactured Housing Consumer Complaints

The Section receives and assists with the resolution of approximately ten consumer complaints regarding manufactured housing annually with an average resolution time of 45 days from the time of the receipt of the complaint. All complaints are processed in the order they are received. Consumer complaint resolution includes site visit inspections and communication and negotiation with the manufacturer, installer, dealer, and/or any subcontractor. Consumer complaints have dramatically decreased over the last ten years with the standards for unit installation required by the Manufactured Housing Installation Programs

The staff respond to consumer complaints with the installation, dealer registration, and factory built modular structures.

The Colorado Division of Housing (DOH), Housing Technology and Standards Section (HTS), provides consumer complaint assistance for U.S. Department of Housing and Urban Development (HUD) Manufactured Homes.

The Colorado Division of Housing (DOH) is the U.S. Housing and Urban Development (HUD) State Administrative Agency (SAA) for Colorado. In this capacity, DOH receives and administers consumer inquiries concerning manufactured housing (built to HUD Standard 3280.) These include inquiries that are directly linked to potential health and safety hazards from the factory construction of the manufactured home. Division of Housing staff works with the consumer and industry to resolve consumer complaints in a timely and effective manner.

6. Hotel, Motel and Multifamily Code Adoption and Enforcement

There are currently 15 counties in Colorado that do not have building departments and do not provide local inspection for building code compliance. In these areas of Colorado, hotels, motels, and multi-family homes construction projects are required to be inspected by the Colorado Division of Housing, Housing Technology and Standards (HTS) Section to ensure that currently adopted building codes are enforced. (Note: multifamily is defined as three or more dwelling units in a structure.)

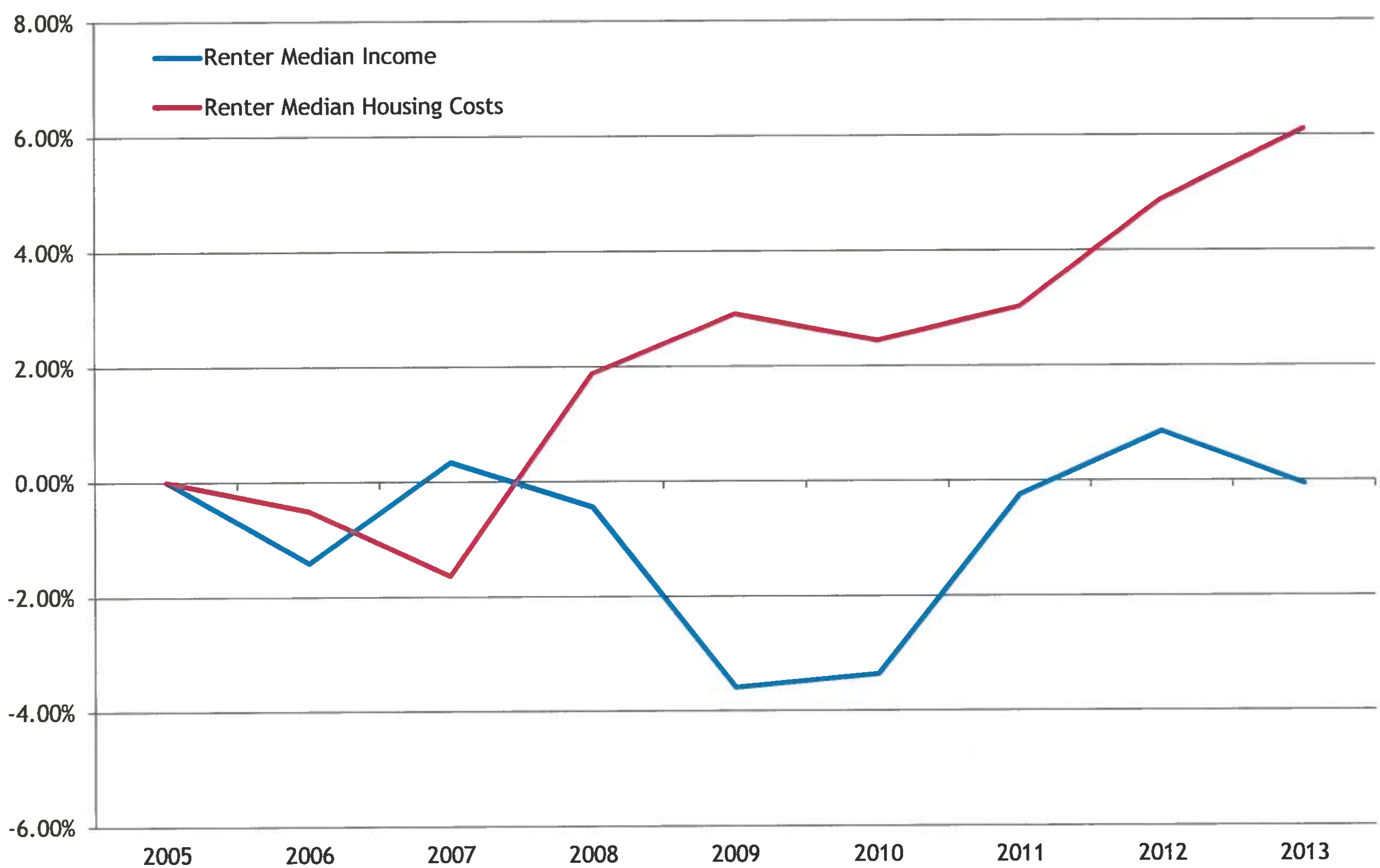
A current Colorado project located in an area of the State with no building codes is the Ballyneal Golf Club Lodge located in Yuma County. When completed, this is factory-built project will provide a two-story, 5,800 square foot bed and breakfast for this private golf course. This code enforcement is essential to the life, health and safety of those individuals residing in these buildings.

Attachment A - CODES Section Fee Chart

Major Fee Collection Categories											
Fee Type	**Current Fee Amount**	**# Annually**	**FY 09/10**	**FY 10/11**	**FY 11/12**	**FY 12/13**	**FY 13/14**	FY 14/15 - Proposed Increase per fee	FY14/15 Total Annual $ Increase	FY 15/16 - Proposed Increase per fee	FY15/16 Total Annual $ Increase
Residential Plant Registration	$500	47	$500	$500	$500	$500	$500	$0	$0	$100	$4,725
Residential Plan Review	.25/square foot	208.25	.25/sq ft	.25/sq ft	.25/sq ft	.25/sq ft	.25/sq ft	$0	$0	$0	$0
Residential Plant Oversight Inspections	$230	178.5	$230	$230	$230	$230	$230	$20	$3,570	$20	$3,570
Residential Certification Insignias	$100	975	$100	$100	$100	$100	$100	$0	$0	$25	$24,375
Commercial Plant Registration	$500	88	$500	$500	$500	$500	$500	$0	$0	$100	$8,775
Commercial Plan Review	.25/square foot	387	.25/sq ft	.25/sq ft	.25/sq ft	.25/sq ft	.25/sq ft	$0	$0	$0	$0
Commercial Plant Oversight Inspections	$230	332	$230	$230	$230	$230	$230	$20	$6,630	$0	$0
Commercial Certification	$100	525	$100	$100	$100	$100	$100	$25	$13,125	$0	$0
MHIP Installer Registrations (***Statute Max is $250***)	$100	72	$100	$100	$100	$100	$100	$50	$3,600	$0	$0
MHIP Insignias Issued	$40	1,100	$40	$40	$40	$40	$40	$20	$22,000	$0	$0
MHIP Inspections	$175	300	$175	$175	$175	$175	$175	$25	$7,500	$0	$0
Dealer Registrations (***Statute Max is $200)***	***$200***	185	***$200***	***$200***	***$200***	***$200***	***$200***	$0	$0	$0	$0
Inspection Agency Registrations	$250	25	$250	$250	$250	$250	$250	$0	$0	$0	$0
Non Compliance/Prohibited Sale/Red Tags	$250	12	$250	$250	$250	$250	$250	$0	$0	$0	$0
Total Fee Revenue			**$685,880**	**$636,874**	**$605,411**	**$718,251**	**$652,565**	-	**$708,990**	-	**$750,435**
Annual Net Fee Revenue								-	**$56,425**	-	**$41,445**

* Average number of transactions annually based on analysis of FY10-12 only.

Percent Change in Real Median Value Since 2005 - Attachment 2A



Source: State Demography Office Calculations of U.S. Census Bureau, Ammerican Community Survey Data

Attachment 2B

Colorado Renters with Low Incomes Paying Unaffordable Housing Cost, 2012

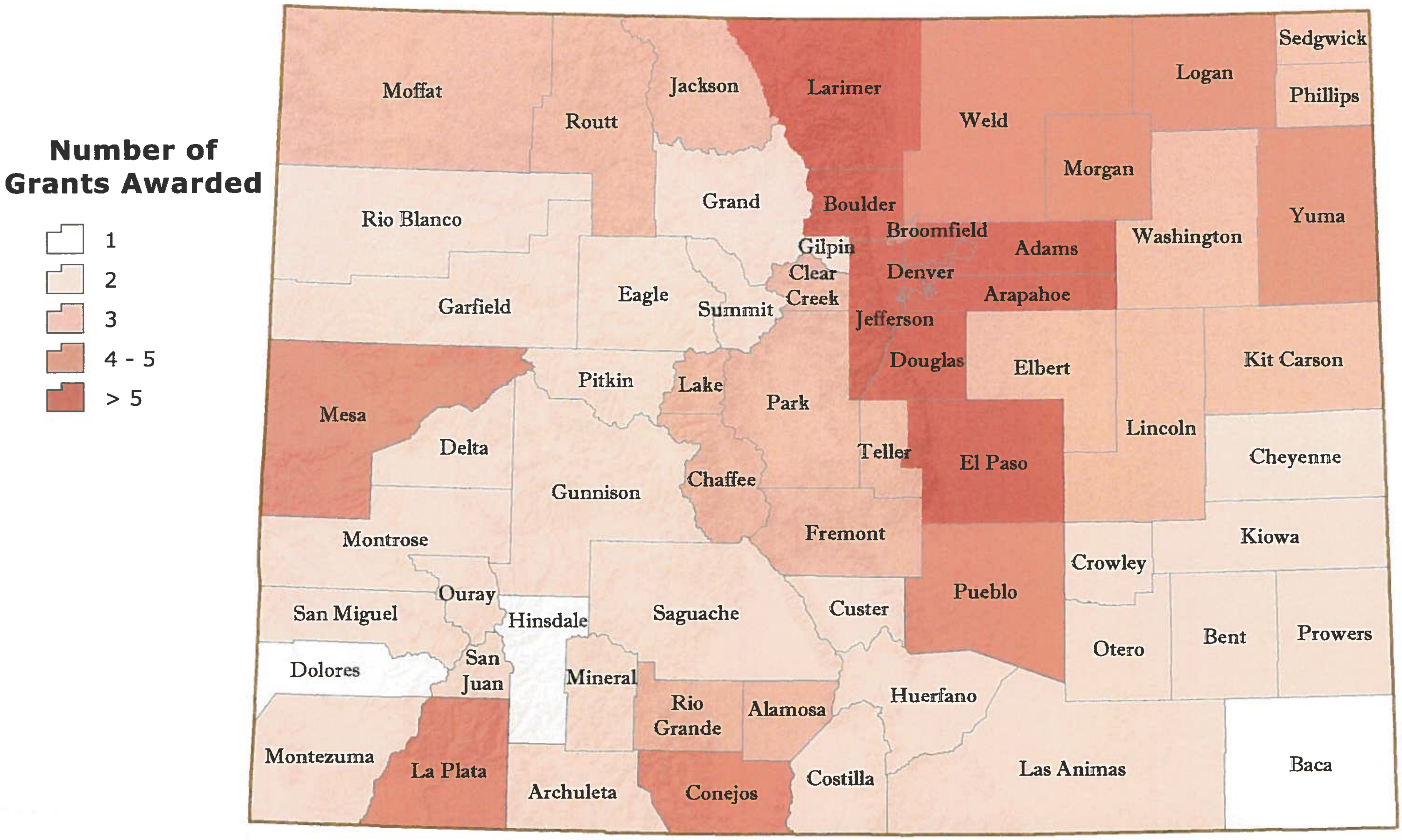
	Total Number of Households	% earning <$18,400/yr	% elderly >62 yrs	% disabled	% Families w/ Children
Households paying >30% of Income	311,886	152,824	43,664	49,902	93,566
Households paying >50% of Income	161,658	122,860	24,249	29,098	45,264

Source: Center on Budget and Policy Priorities, Colorado Fact Sheet

ATTACHMENT 3

Colorado Division of Housing Grant Awards by County

January 2014 to November 2014



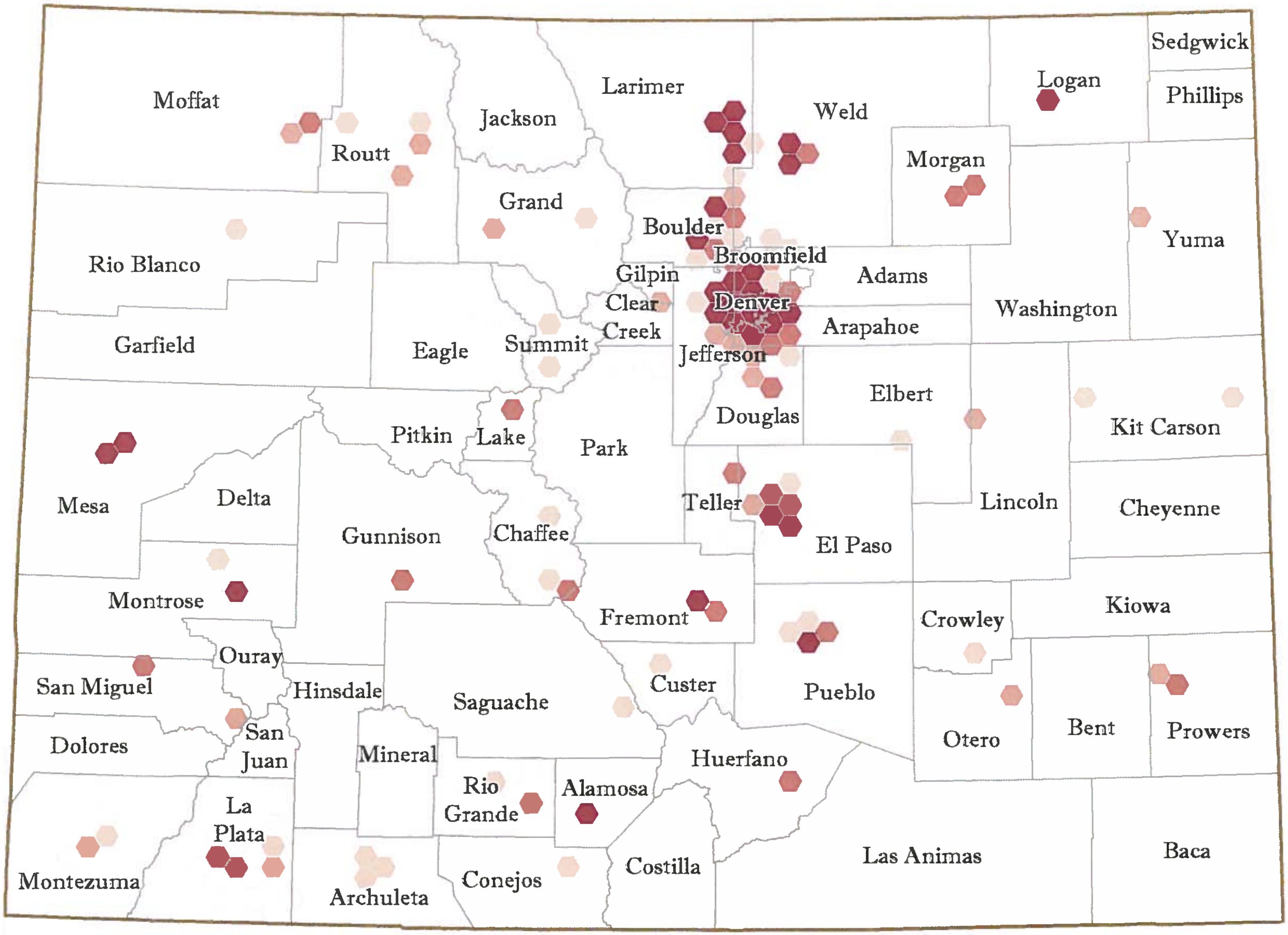
DOLA, Division of Housing, 11/19/2014

Sources: Esri, USGS, NOAA

ATTACHMENT 4

Section 8 Households

2014



Section 8 Households

- 5 or Less
- 6 - 10
- 11 - 20
- 21 - 50
- > 50

83% of voucher holders are persons with disabilities.

* Each Hexagon represents approximately 36 square miles.

DOLA, Division of Housing, 11/19/2014

Colorado Housing Development Grant Awards FY 2012 to FY 2015 (to date) Attachment 5

FY 11/12	Beginning Balance:	$2,000,000	
Project #	**County and Name**	**Amount**	**Total Project Cost**
11-007	**Arapahoe and Douglas Counties** - Arapahoe/Douglas Mental Health – Colorado	$50,000	$325,000
11-027	**Denver County** - Mental Health Center of Denver – Colorado Second Chance Housing and Prisoner	$50,000	$325,000
11-046	**Denver County** - Karis Community – Karis Community Renovation	$300,000	$1,887,065
12-006	**Logan County** - Centennial Mental Health – Fourth Street Renovation/Respite Facility	$359,100	$700,087
11-045	**Boulder County** - Thistle Communities – Valmont Square rehabilitation	$83,333	$3,393,650
12-026	**Jefferson County** - Jefferson Center for Mental Health – Jefferson Towers	$128,188	$777,413
12-027	**Grand County** - Housing Authority of Grand County – Silver Spruce Senior Apartments	$150,000	$1,527,000
13-003	**Mesa County** – Grand Junction Housing Authority - Village Park Apartments	$93,141	$14,467,158
12-032	**Larimer County** - Loveland Berthoud Interfaith Hospitality Network Angel House	$38,000	$146,951
12-058	**Denver County** – Marycrest Assisted Living - Legacy Senior Services	$540,000	$8,050,653
12-031	**Boulder County** - Inn Between – Coffman Court	$208,238	$1,000,000
	Total	$2,000,000	$32,599,977

16 :1

FY 13/14	Beginning Balance:	$4,200,000	
Project #	**County and Name**	**Amount**	**Total Project Cost**
13-056	**Larimer County** – Loveland Greenhouses	$600,000	$14,063,488
13-058	**Adams County** – Almost Home – Emergency Shelter Expansion *	$25,425	$381,798
13-082	**La Plata County** – Southwest Transitions	$200,000	$937,845
13-084	**Weld County** – Chinook Wind Apartments	$685,000	$11,078,729
14-003	**Denver County** – William Tell Apartments	$422,572	$7,800,261
14-005	**Mesa County** – Little Bookcliff Renovation	$200,000	$1,605,263
14-011	**Larimer County** – Redtail Ponds – Permanent Supportive Housing	$800,000	$11,669,733
14-015	**Delta County** – Hope House Transformational	$25,895	$89,398
14-019	**Boulder County** – Thistle English Village Renovation	$316,400	$2,592,362
14-020	**Mesa County** – Grand Valley Catholic Outreach – St Martin II	$480,000	$2,662,000
14-028	**Mesa County** – Homeward Bound – HBGV Phase I Rehab	$225,410	$1,085,994
14-032	**Denver County** - Mile High Council – Miracle on Logan Street	$159,474	$1,104,734
14-038	**Denver County** – MHCD Humboldt Apartments **	$59,824	$2,727,400
	Total	$4,200,000	$57,799,005

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Energy Impact Awards

2013 & 2014