STATE OF COLORADO

CONSOLIDATED PLAN

Department of Local Affairs
1313 Sherman Street, Room 518
Denver, CO 80203

Bob Brooks, Executive Director

For the Period of April 1, 2000 through March 30, 2005

Chapter 1 EXECUTIVE SUMMARY

Community Profile

Colorado, located in the Rocky Mountain West, is a state with many faces. While best known for its ski and outdoor sport industry, Colorado is home to many small farming and ranching communities, large urban areas and small towns that have a history rooted in mining. Colorado - or "colored red" in Spanish - has a landscape of Midwest plains, snow capped mountain peaks, and desert mesas. Encompassing 104,247 square miles, Colorado is the eighth largest state in the country. It is also the highest of the 50 states, with an average altitude of 6,800 feet. While our geographic area is large, Colorado is still ranked 23rd in the nation for total population. The total estimated population for Colorado in 2000 is 4,217,046.

Denver is the largest city in Colorado with an estimated population of 527,498 in 2000. The entire metro Denver area has a population of 2,046,803. The city is home to a booming high tech industry, three major colleges and universities, four major league sports teams and a thriving downtown area. Other major cities in Colorado include Boulder, Fort Collins, Greeley, Colorado Springs, and Pueblo.

Colorado is booming. Since suffering through a recession in the late 1980's and early 1990's, Colorado has shown a strong economic resilience that is the result of a diversification of industry and high growth in population from other states. The front range of Colorado has become known as a Mecca for high tech firms, especially in the telecommunications and computer industries. The western slope of Colorado and mountain communities have had a large influx of new residents from states such as California and Texas. Many of these new residents are self-employed or retired. Colorado's population has grown an average of 2.2% from 1995 to 2000, and is expected to grow at an average rate of 1.8% from 2000 to 2005. The slight slowdown in growth is expected to occur because the cost of living in Colorado continues to rise above that of other areas of the country.

As Colorado's population grows, so do the number of households in the state. In October 1999, the Colorado Division of Housing (DOH) commissioned a new study of incomes to provide a clearer picture of what Colorado households earn. This report, *Incomes for Colorado and its Regions*, by the Center for Business and Economic Forecasting, gives us the number of Colorado households by income range for a number of household types. The study estimates that the number of Colorado households is 1,638,807 in 2000.

Colorado's median income has been rising over the past five years, and should continue to do so. According to the *Estimates of Households by Income for Colorado and its Planning Regions* report, "estimated median income grew 4.4% annually between 1990 and 1996. It accelerated to a growth rate of 6.8% per year in 1997 and 1998. This can be explained by a strong economy and the effect of a very tight labor market on wages. Income growth is estimated to slow somewhat in 1999 and 2000 as both state and national economies are expected to slow".

While Colorado's economy has demonstrated strong growth, housing market appreciation exceeds wage increases. Colorado communities are often ranked near the top for growth in prices and real estate activity. Prices statewide continue to grow at an average rate of 8.5% per year for rentals and 8.7% per year for sale units. Across Colorado, towns are seeing an increase in real estate activity and prices are rising.

Housing and Community Development Needs

Housing Needs

In 1998 and 1999, the Division of Housing prepared the *Housing Needs Impact Report* for the Colorado legislature. This report outlines the need for more rental units for households earning between 0 - 60% of Colorado's median renter income. The median renter income in Colorado was used to examine renter households. A renter household in Colorado at 60% renter median income (RMI) earns $16,774.

The most recent report, prepared in November of 1999, concludes that there is a need for 22,896 new affordable rental units for households earning below 60% of renter median income, or $16,774. This income is slightly higher than 30% of HUD's median income for Colorado in 1999.

There are existing owners who are in danger of losing their homes because of life safety defects. Many older Coloradoans live in homes that are old and in disrepair. While our economy has been growing, most of these households live on fixed incomes, many on Social Security. There are over 100,000 low or moderate-income elderly owners in Colorado. Though the equity in their homes may have increased, many cannot afford to take out a commercial loan to make necessary repairs. As prices increase, other low-income households are purchasing homes that need repairs right away or within the first few years of occupancy. These households, too, can benefit from low interest rehabilitation loans.

In 1999, there were 58,768 renter households in Colorado that earn between 60% and 80% of HUD's statewide median income. These are households DOH and other funders serve through homeownership assistance programs. While interest rates are still low, homeownership can still be out of reach for many Colorado renters. The Division of Housing estimates that there were only 2,980 affordable homes available to households within this income range in October 1999.

There is still not enough deep subsidy rental assistance available to the lowest income renters in Colorado. Over 70,000 renters earning close to HUD's 30% AMI limit or less in Colorado are estimated to be rent burdened. Most of the new units being created throughout the state are not affordable to these households. For the 95,095 renters at 30% or less AMI, a subsidy is often needed to make any unit affordable.

Over the next five years, the Section 8 Rental Contracts on 7,292 units will expire in Colorado. Many of these apartment buildings were originally financed with above market rents that will now be reduced to reflect the current market. These owners will have the option to sell their properties or maintain their ownership and renegotiate annually their rental contract with HUD. The Colorado Division of Housing is working with a number of owners and potential buyers to offer financing that keeps these units affordable.

Special Needs Housing

The Colorado Demographic Section projects that by the year 2020, 14% of Colorado's population will be 65 or older. This means that the number of seniors will almost double from 381,391 in 1997 to 754,167 in 2020. According to the Colorado Department of Local Affairs Demography Section, the expected rate of growth for the 60 plus age group from 2000 to 2020 will be higher than for any other age group. Housing is an important component in serving the range of needs that our seniors have. There are an estimated 57,408 renter households and 65,514 owner households earning between 0 - 50% AMI in Colorado that have a householder age 65 or older. Over 20,000 of these households are renters at 30% or less AMI. The Division of Housing estimates that in 2000, there will be 76,660 elderly persons in Colorado that need assistance with Instrumental Activities of Daily Living (IADL), and 40,700 that need assistance with Activities of Daily Living (ADL). This number will grow as Colorado's population ages. As seniors age, they need special housing programs that provide services and housing units.

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

In Colorado, approximately 5 - 10% of the population, or 200,000 to 400,000 persons over the age of 16 have a severe disability. More than 160,600 persons are estimated to have a severe/chronic mental illness, approximately 120,000 are developmentally disabled, 100,000 are persons with physical disabilities,[1] and over 7,879 persons are living with HIV/AIDS.[2] Many of these individuals have dual or multiple diagnoses.

There are no current studies or counts estimating the number of accessible affordable units needed in Colorado or units that also provide supportive services. According to information gathered by the Colorado Department of Human Services Supportive Housing and Homeless Programs, however, there are an estimated 34,100 persons age 18 - 64 in Colorado receiving SSI and/or SSDI. 17,000 are already housed in affordable housing units. According to this analysis, this leaves 10,276 persons with disabilities who need affordable housing.

The expiration of the rental contracts on Section 8 properties affects persons with disabilities, as these are a large number of the rental units affordable to persons living on fixed incomes. A change in the HUD regulations on many HUD financed buildings that allows the owners to rent only to seniors and not the disabled also has reduced the number of deeply subsidized rental units available for persons with disabilities.

Homeless Needs

Homelessness is a problem in Colorado. While we know that the growth in Colorado's economy has made affording rent harder for many very low and low-income households, it is difficult to accurately count the number of households that are homeless or in danger of being homeless in our

[1] Department of Labor and Employment. U.S. Census Bureau.

[2] 1999 Update - Metro Denver HIV/AIDS Housing Plan

state.

In 1990, census data showed that at least one in six (17%) of the people who are homeless in the U.S. live in rural areas. The Colorado Coalition for the Homeless estimates that 30% of those who are homeless in Colorado reside in rural areas.
The 1999 Continuum of Care process found approximately 2,412 persons who are homeless on any given day in 24 non-metro counties in Colorado.

The most recent point in time count of homeless persons in the metro Denver area was in June, 1998. This count showed that as many as 5,792 persons are homeless in the Denver metro area on any given day.[3]

[3]Homelessness in the Denver Metropolitan Area, A Base Line Point in Time Study, June 1998. Colorado Coordinating Council on the Homeless.

Non-Housing Community Development Needs

Since 1994, the state has compiled a listing of all category A and B water and sewer needs, which indicate a need of $668,097,061 for sewer improvements and $626,198,999 for water improvements.

Of the 600,000 children under 13 years of age in the state, approximately 66% reside in single parent or two-parent working families, and are in need of childcare. An estimated 75,000 children receive illegal care from unlicensed providers due to the significant cost of purchasing childcare.

Other needs identified for Colorado are services for an increasing elderly population, water resources, parks, economic development, solid waste management, and services that address youth and violence.

Strategic Plan

The Division of Housing used the information from the Affordable Housing Needs Impact Report, the needs section of this document, other housing market and special needs population data, consultations with other housing providers and input from our public process to develop five housing strategies. The Colorado Division of Local Government and Field Services and the Governor's Office of Economic Development and International Trade developed the non-housing strategies for community and economic development through cooperation with staff from several other state departments, already completed strategic plans, and public hearing feedback. The following are the nine strategies adopted by the state. Section IV of this document lists the one-year actions proposed to undertake these strategies.

Priority Housing and Community Development Objectives

#1. To increase the capacity of local housing and service providers by furnishing information, education, training, and additional capital sources so that they are better able to meet the housing needs of their communities.

#2. To increase and preserve the supply of affordable, decent, safe and sanitary rental units through new construction and moderate and substantial rehabilitation for very low, low and moderate income households.

#3. To increase and preserve homeownership for low and moderate-income people.

#4. To provide affordable, safe, and sanitary housing opportunities for extremely low, low and moderate-income people needing housing linked with supportive services that may help people maintain or achieve independent living.

#5. To increase and/or expand the availability of emergency shelter facilities, transitional housing opportunities, and prevention programs for homeless persons, victims of domestic violence and formerly homeless persons.

#6. To help Colorado communities identify, prioritize and address their capital improvement needs.

#7. To help create a climate more conducive to job creation in economically depressed areas, especially those suffering from a combination of high unemployment, low population growth, and low per capita income.

#8. To help improve the leadership and governing capacities of Colorado communities by assisting leaders to develop community goals and provide the necessary training and resources to help achieve these goals.

#9. To provide effective, professional assistance to the state's business communities; to make essential information easily accessible to small business owners throughout the state; to promote the development and expansion of minority businesses; to offer state job training, marketing and assistance programs to every region of the state; and to encourage business retention, expansion and relocating resulting in the retention or creation of Colorado jobs.

One Year Action Plan

HOME PROGRAM: The $6,833,000 allocated to the State of Colorado for federal fiscal year 2000 will be distributed through a competitive application process except for existing multi jurisdictional single-family owner occupied rehabilitation programs which will receive funding in accordance with the State Single Family Owner Occupied Rehabilitation Policy. Applications will be reviewed and considered on a continuous basis by the Division of Housing, Department of Local Affairs. The Division may end or defer consideration of housing proposals when funds available have been exhausted or when proposals are incomplete or premature.

The Department of Local Affairs intends to distribute HOME funds by considering both geographic and population needs. Funding decisions will include consideration of prior housing projects funded within the area as well as quantified need level driven by population distribution including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan. Projects that occur in high growth areas are considered to be high priority projects.

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The amount available for CHDOs will be $1,024,950. The CHDO funds will also be distributed through a competitive process on a continuous basis.

EMERGENCY SHELTER GRANT PROGRAM: The goal of the Colorado Emergency Shelter Grants Program is to assist homeless persons by providing, a complete continuum of supportive services at emergency shelters/transitional housing programs and to assist potentially homeless persons by providing expanded prevention programs.

The Colorado Division of Housing will employ four strategies in the 2000 Federal Fiscal Year in its allocation of $945,000 in ESG funds. Priority will be given to projects in non-formula areas that are consistent with the following strategies.

< In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that existing programs have sufficient operating funds.

< The second strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.

< The third strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

< The fourth strategy is to assist programs that show an ability to leverage other funds in the operation of a shelter and/or delivery of related prevention and essential services.

The State will solicit Emergency Shelter Grants proposals from local governments and eligible nonprofit organizations and review them on a competitive basis. The problem of homelessness is a complex one that requires a variety of services and shelter facilities. Program applicants are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. Applicants will be required to prioritize the activities for which they will be requesting funds. Priority will be given to applications from local government and nonprofit organizations located in non-formula ESG areas.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM: It is anticipated the state will be receiving $11,067,000 in FFY2000 CDBG funds. From that amount $321,340 will be allocated for administration, $110,670 for technical assistance and the remaining balance will be divided as follows: $3,544,996 for economic development and 7,089,994 for housing and public facility activities.

Public facilities and community development proposals may be considered by the Department on a continuous basis or during specified application periods in conjunction with funding cycles established for the State Mineral and Energy Impact Assistance program. Application opportunities will be announced to local government associations and to regional organizations providing technical assistance to local governments. Applicants will be expected to prioritize all applications. All applications will be evaluated by Departmental staff on the following three major factors: project impact, public and private commitments, and management capability. The result of the staff review will be forwarded to the Executive Director who may choose to consult with the Impact Advisory Committee, the State Housing Board, or other advisory groups on the proposal. Proposals for the continuation of existing housing rehabilitation/replacement projects will not be reviewed individually by an advisory body, as long as acceptable performance is maintained. The Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

Housing proposals will continue to be received and considered on a continuous basis by the Division of Housing using the same system outlined in the HOME program narrative. The Department may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature. Business development proposals involving the provision of financing for private for-profit and non-profit businesses will be received and considered on a continuous basis by the Governor’s Office of Economic Development and International Trade. Proposals will be evaluated by staff using the same three major factors as noted above for housing, public facilities and community development proposals, and other appropriate considerations. A State Financial Review Committee reviews economic development proposals and makes final funding decisions.

Chapter 2 COMMUNITY PROFILE AND NEEDS

State Description

Colorado, located in the Rocky Mountain West, is a state with many faces. While best known for it's ski and outdoor sport industry, Colorado is home to many small farming and ranching communities, large urban areas and small towns that have a history rooted in mining. Colorado - or "colored red" in Spanish - has a landscape of mid-west plains, snow capped mountain peaks, and desert mesas. Encompassing 104,247 square miles, Colorado is the eighth largest state in the country. It is also the highest of the 50 states, with an average altitude of 6,800 feet. While our geographic area is large, Colorado is still ranked 23rd in the nation for total population. The total estimated population for Colorado in 2000 is 4,217,046.

Denver is the largest city in Colorado with an estimated population of 527,498 in 2000. The entire metro Denver area has a population of 2,046,803. The city is home to a booming high tech industry, three
major colleges and universities, four major league sports teams and a thriving downtown area. Other major cities in Colorado include Boulder, Fort Collins, Greeley, Colorado Springs, and Pueblo.

Colorado's Economy

Colorado is booming. Since suffering through a recession in the late 1980's and early 1990's, Colorado has shown a strong economic resilience that is the result of a diversification of industry and high growth in population from other states. The front range of Colorado has become known as a Mecca for high tech firms especially in the telecommunications and computer industries. The western slope of Colorado and mountain communities have had a large influx of new residents from states such as California and Texas. Many of these new residents are self-employed or retired. Colorado's population has grown an average of 2.2% from 1995 to 2000, and is expected to grow at an average rate of 1.8% from 2000 to 2005. The projected 2005 population is 4,608,441. The slight slowdown in growth is expected to occur because the cost of living in Colorado continues to rise above that of other areas of the country.

Most of the state's economic forecasts call for a slowing of job growth and a slowing of personal income and wage gains. The employment growth rate in Colorado has slowed to 2% as of June 1999 from almost 4% between 1997 and 1998.[4] This slowdown is also happening in the Denver metro area, where job growth went from 3.8% to 2.3% between the summer of 1998 and 1999.[5] While Colorado communities are often ranked near the top for growth in prices and real estate activity, none are listed in the top 25 U.S. Housing Markets index of communities with high job growth.[6]

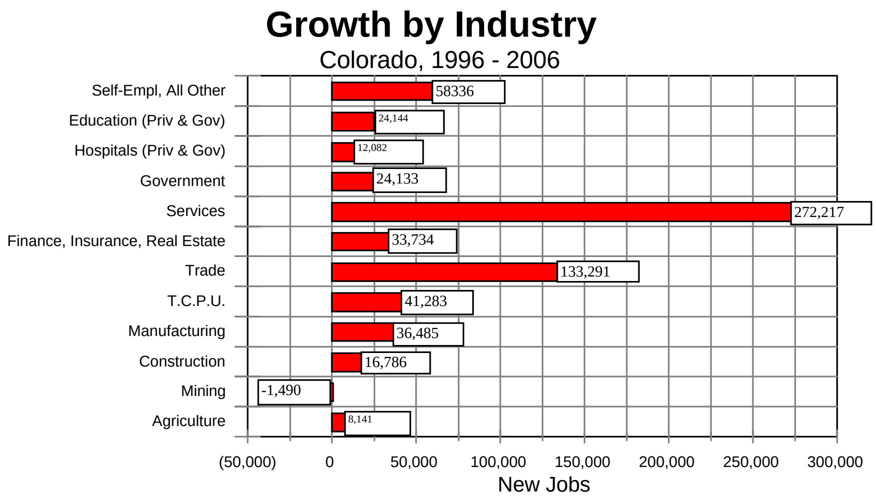
---

[4]U.S. Housing Market Conditions, U.S. Department of Housing and Urban Development, Summer 1999. Colorado Department of Labor and Employment 1998 Labor Market Information.

[5]U.S. Housing Markets. Second Quarter 1999.

[6]Ibid.

While things have slowed slightly, Colorado still has a low unemployment rate. Colorado's 1998

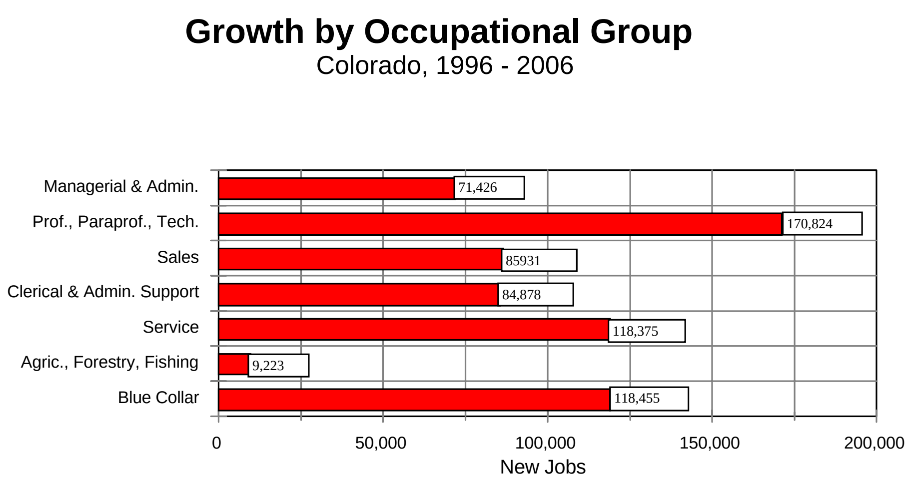


Colorado Department of Labor and Employment, Labor Market Information.

unemployment rate was 3.8% statewide, lower than the national rate that hovered around 4.2%. In 1999, the unemployment rate has dipped even lower, with a rate of 2.8% in September 1999.

Colorado's top industries have changed in the past decade. The service and retail trade industries have grown to become the largest industries in the state. These two industries are projected to grow more than any other between now and 2006. The service industry will grow at a rate of over 50% in this time period, making up 28% of the jobs in Colorado by 2006. Wholesale and Retail Trade will add 13,000 new positions annually, but will not grow as a share of total employment.[7]

Professional, paraprofessional, and technical occupations are projected to add the most jobs to the Colorado economy between 1996 and 2006, an increase of 170,000, or 40%, over this time period. Service occupations will add 118,000 jobs, a growth of 33%, over this same 10-year period. The following graph shows projected growth by occupational group from 1996 - 2006.



Colorado Department of Labor and Employment, Labor Market Information.

[7]Colorado Department of Labor and Employment, Labor Market Information.

Colorado incomes continue to rise in this strong economy. In 1998, Colorado had the ninth highest per capita personal income of all states, and a 6.1% increase over the year before. This rate of growth was the second fastest among all states. Total personal income growth, driven by large increases in the construction, finance, insurance and real estate, transportation and public utilities and service industries, was 8.2% in 1998 - the highest of all states in the U.S.[8]

Colorado's average wage in 1998 was $32,257 - a 7.3% increase over 1997.[9] While industries such as retail trade grew at a fast pace, their wage rates are not as high as some of the smaller employment sectors of the economy - some of which are losing jobs. The average wage in the service sector was $31,483, with some service sector job categories showing annual average wages such as those working in hotels and lodging hovering around $17,000. The average annual wage in the retail sector - which added almost 10,000 jobs in 1998 - grew only 5.1% to $17,191. Almost 400,000 Coloradoans work in the retail trade sector.[10]

Colorado's Housing Market

While Colorado's economy has demonstrated strong growth, housing market appreciation exceeds wage increases. Colorado communities are often ranked near the top for growth in prices and real estate activity. Prices statewide continue to grow at an average rate of 8.5% per year for rentals and 8.7% per year for sale units. Across Colorado, towns are seeing an increase in real estate activity and prices are rising.

Vacancy rates in Colorado have been low for the past seven years. The overall vacancy rate in the metro Denver area in September of 1999 was 3.7%. The Division of Housing surveys vacancy rates twice yearly in 12 smaller markets of the state. The overall rate outside the metro area in September was 3.8%, a rate that has stayed low for all but the highest priced rentals. The vacancy rates in these areas vary, with a few close to an equilibrium rate of 5% and some such as Eagle County staying as low as 1%.

---

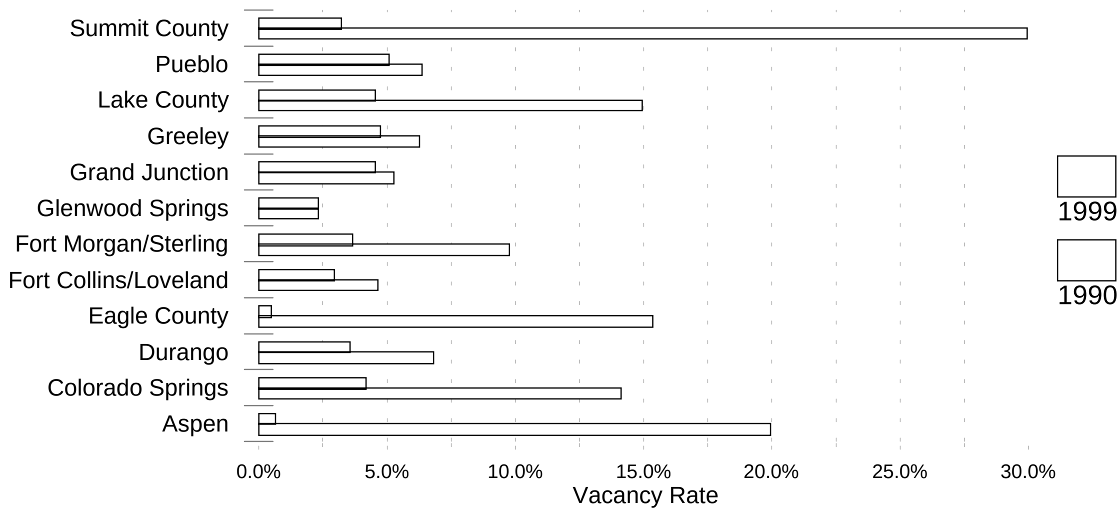
[8]Colorado Department of Labor and Employment, Labor Market Information, Colorado Labor & Industry Focus, 1998.

[9]Colorado Department of Labor, Labor Market Information.

[10]ibid.

Colorado Vacancy Rates

1990 and September 1999



Colorado Division of Housing, Multi-Family Housing Vacancy and Rental Survey, September 1999 and 1990 Census.

The U.S. Census Bureau reports that Colorado's homeowner vacancy rate in 1998 was .07% - much lower than the national rate of 1.7%. This rate reflects the strength of Colorado's housing market and the fact that with low interest rates, an increasing population, and rising incomes, there are more people looking for a unit to purchase in Colorado than units available. Colorado's owner vacancy rate is the lowest in the nation for 1998, a place shared with only Wisconsin and Minnesota. This rate is especially low when considering how many units for owners have been constructed in Colorado since 1990 when Colorado had an owner vacancy rate of 3.3%.

Vacancy Rates

Year	Owner	Renter
1990	3.3%	11.4%
1998	.7%	4.0%

U.S. 1990 Census. Metro Denver and Colorado Division of Housing Multifamily Rental and Vacancy Surveys, Sept 1998, U.S. Census 1998.

Many new housing units have been and are being constructed in Colorado. Especially on Colorado's front range, new single-family subdivisions dot once vacant land. In many of Colorado's rural towns, developers have taken advantage of the low cost of manufactured housing to develop areas with smaller new single-family homes.

The table below shows the number of new building permits issued by year in Colorado and five regions of the state between 1990 and 1996. Between 1990 and 1996, 182,412 new building permits were pulled statewide. As the table illustrates, the number of new permits in Colorado has grown annually since 1990. There was more than three times the number of permits pulled in 1996 than in 1990. The table also shows that Colorado's growth is happening statewide. Between 1993 and 1996, the percent of total permits pulled in the rural areas of Colorado grew significantly. This indicates that construction activity was picking up in rural Colorado during these years.

Building Permits In Colorado by Year and Area of the State

Area	1990	1991	1992	1993	1994	1995	1996
Colorado	**11,388**	**13,450**	**23,024**	**29,393**	**29,791**	**36,748**	**38,618**
Front Range	8,274	10,395	18,368	23,389	23,481	27,831	29,890
Percent of Total	**72.7%**	**77.3%**	**79.8%**	**79.6%**	**78.8%**	**75.7%**	**77.4%**
Western Slope	2,549	2,280	3,425	4,313	4,642	6,418	5,995
Percent of Total	**22.4%**	**20.0%**	**30.1%**	**37.9%**	**40.8%**	**56.4%**	**52.6%**
Eastern Mountains	444	509	843	1,070	1,063	1,501	1,716
Percent of Total	**3.9%**	**4.5%**	**7.4%**	**9.4%**	**9.3%**	**13.2%**	**15.1%**
San Luis Valley	37	60	87	129	120	140	196
Percent of Total	**0.3%**	**0.5%**	**0.8%**	**1.1%**	**1.1%**	**1.2%**	**1.7%**
Eastern Plains	84	206	301	492	485	858	821
Percent of Total	**0.7%**	**1.8%**	**2.6%**	**4.3%**	**4.3%**	**7.5%**	**7.2%**

Colorado Department of Local Affairs Demography Section, Housing Unit Counts and Estimates for Colorado, 1980- 1996.

Between 1995 and 1998, 98,630 new housing units were built in Colorado, bringing the total number of housing units to 1,733,003. The following table shows the total number of units in Colorado by type of building, and the estimated percent that are owner and renter occupied. Because there is such a strong homeownership market in Colorado, many rental units in front range cities have been converted to owner occupied units. It is not possible to know the exact number of apartments and single-family homes that have been lost from the rental inventory. The table below uses an estimate based upon the growth in the homeownership rate in the state.

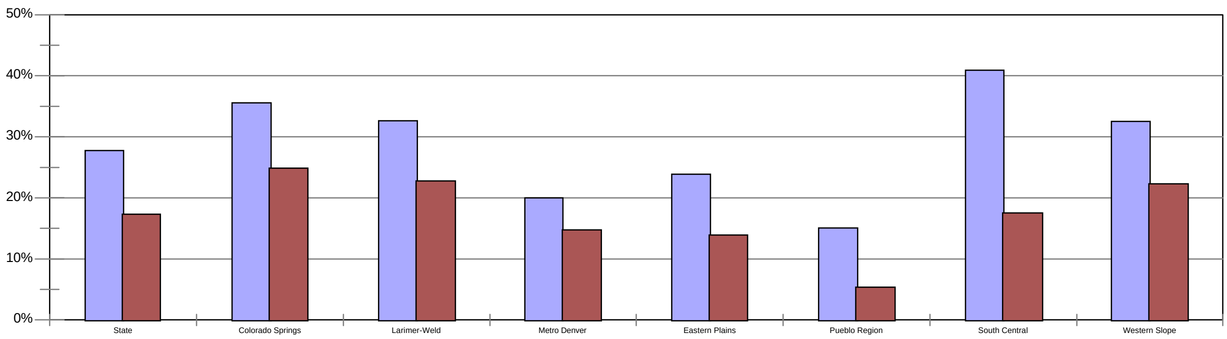
Housing Units in Colorado, 1998

	Number of Units	Rentals		Owners	
	1998	Units	Percent	Units	Percent
Total Residences	1,733,003				
Single Family Detached	1,123,194	118,216	10.5%	1,004,978	89.5%
Apartments/Multifamily	331,211	272,281	82.2%	58,930	17.8%
Single Family Attached	129,820	49,494	38.1%	80,326	61.9%
Mobile Homes	105,434	24,207	14.5%	81,227	85.5%
Ranches	43,344	N/A	N/A	N/A	N/A

Colorado Department of Local Affairs Demography Section, Number of Residences for Colorado, 1998

The demand for housing in Colorado is still strong. Years of high demand and high population growth have kept, and will keep, builders busy into the future. Colorado's low vacancy rates indicate that the market is still absorbing everything being built statewide. U.S. Housing Markets ranks the top 50 "hot" real estate markets in the nation. Colorado still has five areas - Greeley, Fort Collins/Loveland, Grand Junction, Boulder/Longmont and Denver - in the top 25. The picture in rural Colorado is not as clear. Some rural areas of the state - mountain communities and many areas of the western slope - are still seeing a large demand for more housing units. Other areas - such as eastern Colorado - have seen a large increase in the number of units built that likely will decline when units under construction are complete. The chart below shows the percent growth in households in Colorado from 1990 to 1998, and the percent growth in the number of housing units. There are no regions of the state where housing construction has kept up with household formation.

Growth in Households and Housing Units
1990 - 1998



Source: Department of Local Affairs Demography Section

Households Housing Units

The seemingly endless demand for more housing units in the more urban areas is not evident in much of rural Colorado. Communities that have done well in attracting housing to meet the demands of new industry will not likely see large numbers of new housing units in the future unless more major employers relocate to their areas. These are the areas of the state that had a housing market that was in equilibrium during the 1980s and early 1990s. Other rural housing markets, mainly in the mountain communities, still show a need for housing units to meet pent up demand. These areas had existing housing problems that have continued to get worse.

As is to be expected, in a tight housing market like Colorado's, prices have been rising. Rents in Colorado have increased at an estimated annual rate of 8.5% since 1990 and are still increasing. The average statewide rent increased by 4% between September 1998 and September 1999.[11] The average price of a home in Colorado continues to rise. The median price of a home in Colorado took a 7.4% leap in 1999 to an estimated $148,950.[12]

While the average price of a home in Colorado has been on the rise, low interest rates and a rise in incomes have allowed more renters to become owners in Colorado Colorado's homeownership rate has climbed to 65.2% in 1998 from 62.3% in 1990. While Colorado's homeownership rate has been on the rise, the state is at least two points lower than any of its adjacent neighbors. Once Colorado households become owners, delinquencies and foreclosures do not seem to pose much of a problem. The table below presents data on Colorado's delinquency and foreclosure rates in 1998.

11Colorado Division of Housing Multi-Family Housing Vacancy and Rental Survey, September 1998 and February 1999. Denver Metro Apartment and Vacancy Survey, Second and Fourth Quarters 1998.

12Colorado Association of Realtors, 1997 Housing Statistics. HUD OFHEO House Price Indexes Second Quarter 1999.

Colorado Homeowner Strength, Fourth Quarter 1998

	Loans	Percent Past Due	Percent in Foreclosure
US	1,035,668	3.17%	1.11%
Colorado	803,342	2.73%	0.40%

HUD, 1999

There is no new data since the 1990 census on physically inadequate housing units in Colorado. We can only report on the number of housing rehabilitation loans that have been provided through the Division of Housing to low income homeowners in the rural areas of Colorado since 1990, but have no way of tracking the number of other owners that have taken advantage of other low interest loans and rising values to bring their own homes up to code. Many older homes in Colorado that were vacant in 1990 have been purchased and rehabilitated by private individuals and nonprofit organizations, which is evidenced by the state's low homeowner vacancy rate.

Since 1990, the Division of Housing has provided funding to local agencies in the rural areas of the state for the rehabilitation of 1,804 units owned by low or moderate homeowners. This does not include the number of units that were provided rehabilitation loans or grants from entitlement areas of the state.

Colorado's Households

As Colorado's population grows, so do the number of households in the state. In October 1999, the Colorado Division of Housing (DOH) commissioned a new study of incomes to provide a clearer picture of what Colorado households earn. This report, *Incomes for Colorado and its Regions*, by the Center for Business and Economic Forecasting, gives us the number of Colorado households by income range for a number of household types. The report also estimates the number of households by income range for owners and renters. This income data will be used throughout the Consolidated Plan to estimate the number of households that fall within the HUD income ranges and who meet various household characteristics.

The study estimates that the number of Colorado households is 1,638,807 in 2000. The average households size is 2.57. This size has not varied greatly for the past 20 years.

Colorado's population is aging. The table below shows population projections by age group for Colorado over the next five years. While the number of persons in each age range increases over time due to growth in population, the percentages of persons in each range change. The table shows that the number of children ages 0-14 as a percent of total population in Colorado will decrease between now and 2005. Still, an increase in the number of children of 41,462 will have a great affect on school districts and daycare providers. Many of the 1,521 new children five or younger will need space in an already overburdened daycare market. In Denver alone, a new study by the Piton Foundation shows that there is a need for 8,430 childcare slots, while the supply is only 3,111.

The age group with the most dramatic change is those in the 50 - 59 age range - reflecting the aging of the baby boomers. While the elderly as a percent of the total population will not change dramatically, the total number of persons age 70 and older will increase by 31,691 between 2000 and 2005. 19,160 of these persons will be over 80, an age where persons often need to live in an assisted living situation.

Age of Colorado Population

Age	1995		2000		2005	
	Persons	Percent of Total	Persons	Percent of Total	Persons	Percent of Total
0 - 14	843,871	22.4%	901,940	21.6%	943,402	20.8%
15 - 19	269,939	7.2%	312,365	7.5%	337,683	7.4%
20 - 29	532,090	14.1%	592,391	14.2%	659,889	14.5%
30 - 39	677,221	18.0%	633,142	15.2%	610,241	13.4%
40 - 49	599,009	15.9%	700,756	16.8%	732,739	16.1%
50 - 59	344,287	9.1%	469,554	11.2%	603,647	13.3%
60 - 69	247,268	6.6%	272,062	6.5%	330,087	7.3%
70 - 79	173,176	4.6%	193,516	4.6%	206,047	4.5%
80 and older	84,666	2.2%	99,277	2.4%	118,437	2.6%
Total	3,771,527	100.0%	4,175,003	100.0%	4,542,172	100.0%

Colorado Department of Local Affairs, Demographics Section

The following table illustrates that household makeup of Colorado households in 2000.

Colorado Household Composition, 2000

Household Type	Number of Households	Percent of Renters	Percent of Owners
All Households	1,638,817		
More Than One Adult with Children	462,528	23%	32%
More Than One Adult with No Children	662,769	34%	45%
One Adult with Children	81,285	7%	3%
One Adult with No Children	432,225	36%	20%
Householder Age 18 – 24	55,867	7%	1%
Householder Age 25 – 44	697,966	46%	40%
Householder Age 45 – 64	582,534	28%	41%
Householder Age 65 and Over	258,954	14%	17%

Most households in Colorado with children have two adults in the households. Still, almost 11% of households with children have only one adult at home. These households often have the lowest incomes. The majority of households in Colorado -67%- do not have children living in the household. There are 901,940 children age 14 and under in the state, an average of 1.7 children per household with children.

Projections on the ethnic makeup of Colorado's population are available to 2020. The Anglo's share of the state's population is projected to decline from 80.8% in 1990 to 73.5% in 2020. The total minority share is projected to increase from 19.2% in 1990 to 26.5% in 2020. Colorado's Asian population is expected to be the fastest growing ethnic group in terms of annual average percent change from 2000 - 2005. The following table shows the projected ethnic makeup of Colorado's population in 2000 and 2005.

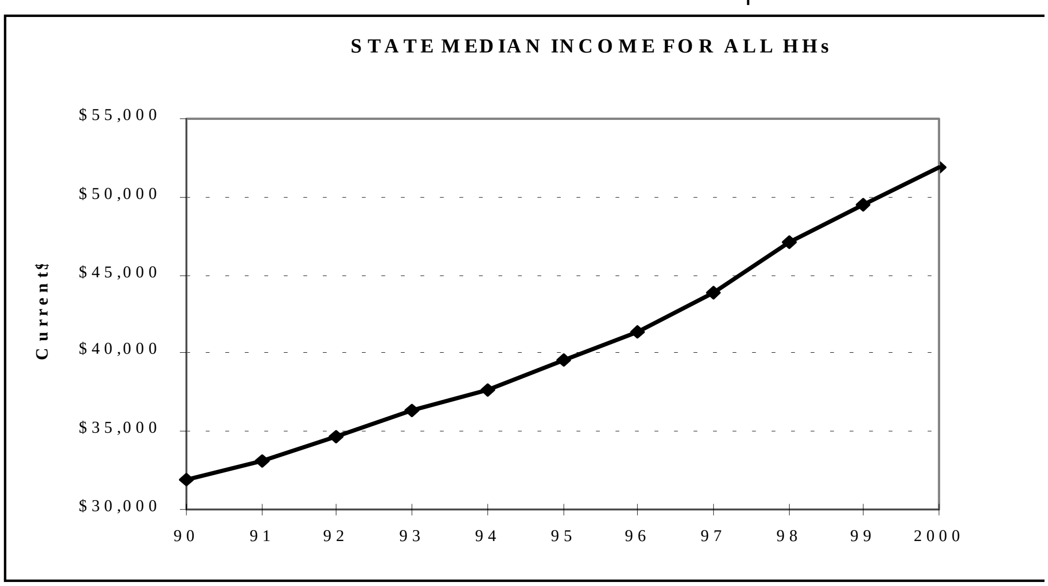
Colorado Ethnic Makeup, 2000 - 2005

Group	Total Population		Share of Total Population		Avg. Annual Growth	Avg. Annual Percent Chg. in Population
	2000	**2005**	**2000**	**2005**	**2000 - 2005**	**2000- 2005**
Anglo	3,275,000	3,506,000	78.4%	77.2%	46,200	1.4%
Wht. Hisp.	582,000	682,000	13.9%	15.0%	20,000	3.2%
Black	178,000	194,000	4.3%	4.3%	3,200	1.7%
Asian	102,000	120,000	2.4%	2.6%	3,600	3.3%
Native Amer	38,000	40,000	0.9%	0.9%	400	1.0%
TOTAL	4,175,000	4,542,000	100.0%	100.0%	73,400	1.7%

Colorado Department of Local Affairs Demography Section, 1999.

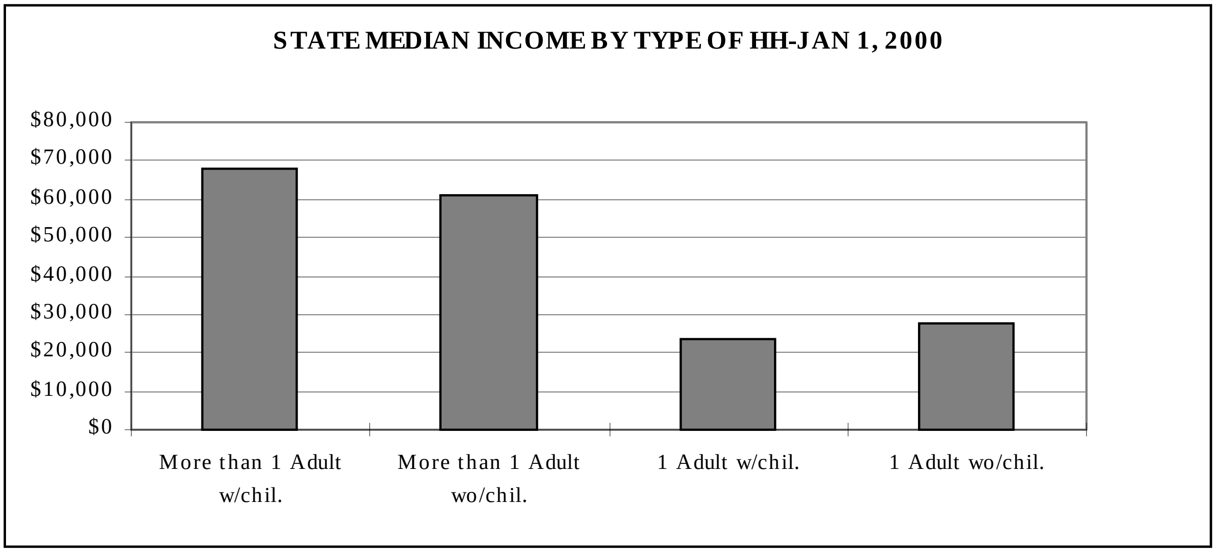
Colorado Incomes

Colorado's median income has been rising over the past five years, and should continue to do so. According to the *Estimates of Households by Income for Colorado and its Planning Regions* report, "estimated median income grew 4.4% annually between 1990 and 1996. It accelerated to a growth rate of 6.8% per year in 1997 and 1998. This can be explained by a strong economy and the effect of a very tight labor market on wages. Income growth is estimated to slow somewhat in 1999 and 2000 as both state and national economies are expected to slow".



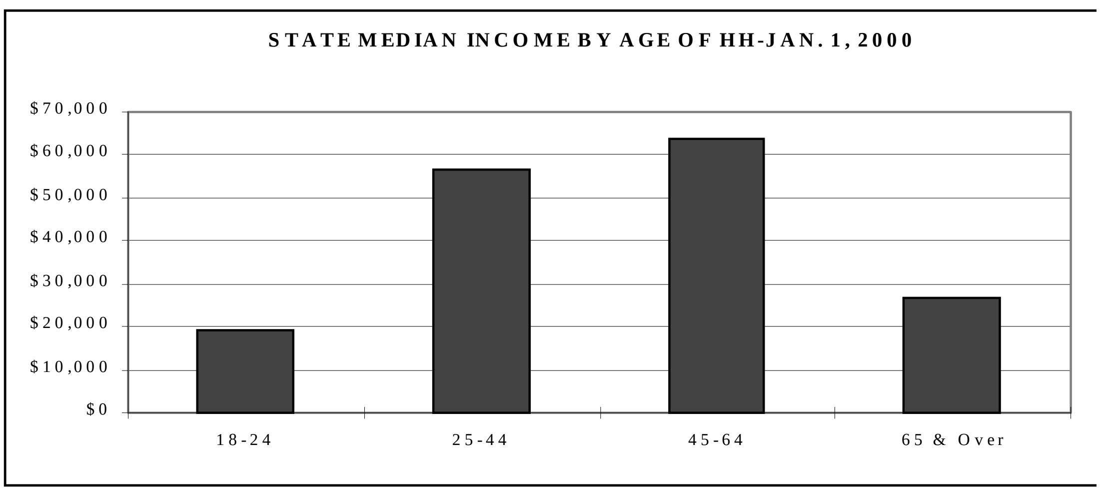
Center for Business and Economic Forecasting, Inc.

Not surprisingly, this report shows that households with more than one adult show much higher incomes than those with only one adult. The households with one adult with children have the lowest median income in 2000, $23,702. The households with one adult without children also have a much lower median income in 2000 - $27,819.



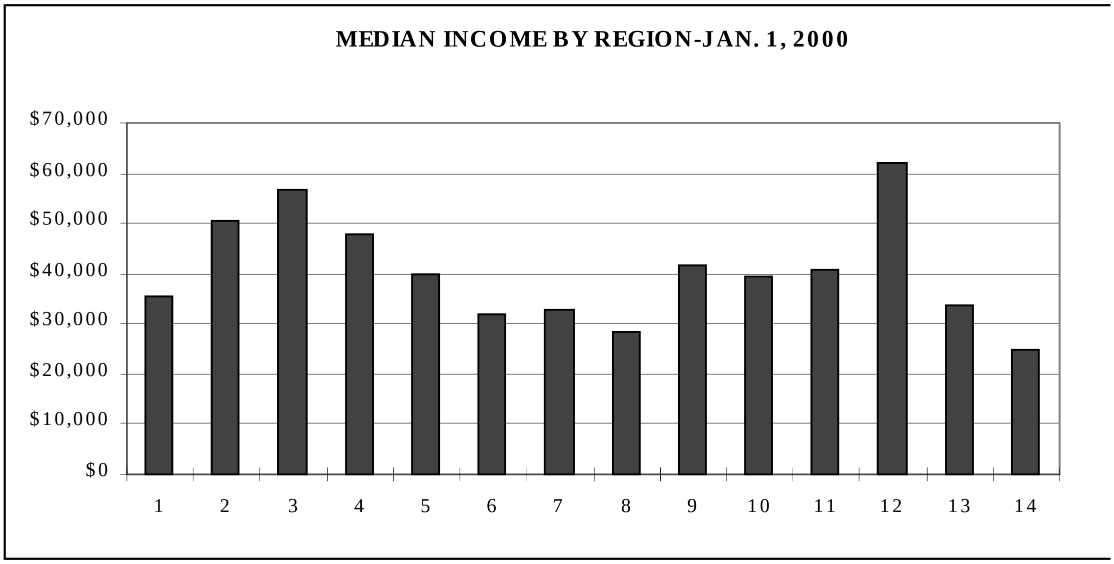
Center for Business and Economic Forecasting, Inc.

According to the income report, households in prime working years (25 - 44) are estimated to have incomes that are much higher than those with persons who are either just entering the workforce (18-24) or have left the workforce (over 65). This is illustrated in the next chart.



Center for Business and Economic Forecasting, Inc

Median incomes vary in Colorado depending upon which region of the state a household resides. The regions along Colorado's front range have a higher median income that those in other parts of the state. The metro area's median income in 2000 is $56,923. The only part of the state that has higher median incomes is region 12, which includes most of the state's largest ski areas. The area with the lowest median income in 2000 is Region 14, which includes Huerfano and Las Animas Counties. Please see appendix C for a map of Colorado's planning regions.



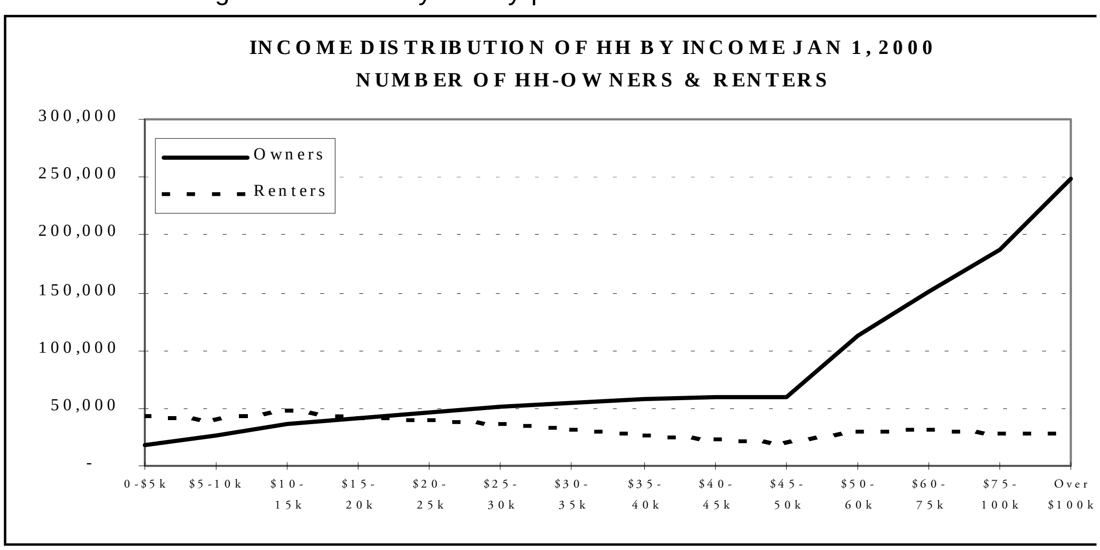
Center for Business and Economic Forecasting, Inc

Not surprisingly, owner households have a higher median income than renters. In 2000, the median owner income in Colorado is $61,170 while the median renter income is $28,431.

Owner and Renter Median Income, January 2000

	Owners	Renters
Median Income	$61,170	$28,431
Number of Households	1,155,202	466,230

As incomes rise, so does the homeownership rate. The following chart illustrates this. At an income level of $50,000 or more, the percent of households that are owners increases dramatically. Households that earn less than $15,000 annually are not likely to be homeowners. Those that own in this income range are most likely elderly persons with no debt on their homes.



Center for Business and Economic Forecasting, Inc

The following table shows the number of Colorado renter and owner households that have incomes within HUD's very-low, low and moderate-income ranges in 2000. This table also illustrates that the highest percent of low and very low-income households are renters. Single adult renters have the highest prevalence of lower incomes among the renters than other household categories. The largest age group of low income renters are aged 25 - 44. For owners, those that are single with no children have the lowest incomes, and those over 65+. This shows that elderly owners are those with the lowest incomes.

Households by Tenure and Household Status – 2000

		Renters	Percent of Renters	Owners	Percent of Owners
All Households	**0 - 30% AMI**	95,095	14%	38,629	4%
	31 - 50% AMI	152,114	22%	103,372	11%
	51 - 80% AMI	125,209	18%	139,914	15%
More than One Adult with Children	**0 - 30% AMI**	8,748	1%	3,758	0%
	31 - 50% AMI	22,969	3%	13,798	1%
	51 - 80% AMI	26,487	4%	31,318	3%
More than One Adult without Children	**0 - 30% AMI**	12,090	2%	8,878	1%
	31 - 50% AMI	36,030	5%	38,847	4%
	51 - 80% AMI	42,892	6%	59,581	6%
One Adult with Children	**0 - 30% AMI**	20,142	3%	3,096	0%
	31 - 50% AMI	14,709	2%	5,266	1%
	51 - 80% AMI	8,163	1%	7,874	1%
One Adult without Children	**0 - 30% AMI**	54,115	8%	22,897	2%
	31 - 50% AMI	78,407	11%	45,461	5%
	51 - 80% AMI	47,667	7%	41,140	4%
Age 18 - 24	**0 - 30% AMI**	14,889	2%	810	0%
	31 - 50% AMI	18,417	3%	1,893	0%
	51 - 80% AMI	3,773	1%	2,724	0%
Age 25 - 44	**0 - 30% AMI**	32,739	5%	6,881	1%
	31 - 50% AMI	55,172	8%	20,636	2%
	51 - 80% AMI	60,714	9%	50,634	5%
Age 45 - 64	**0 - 30% AMI**	22,273	3%	13,228	1%
	31 - 50% AMI	31,314	5%	32,093	3%
	51 - 80% AMI	27,609	4%	47,207	5%
Age 65+	**0 - 30% AMI**	21,156	3%	17,531	2%
	31 - 50% AMI	36,252	5%	47,983	5%
	51 - 80% AMI	17,306	3%	37,746	4%

Homeless Facilities

While Colorado does not have a network of rural homeless providers that cover the entire state, there are numerous agencies in rural Colorado that serve the homeless. In addition, there are 53 programs and safe houses in Colorado that serve victims of domestic violence. The following is a list of shelters, safehouses, and homeless prevention programs funded by the Division of Housing and the area of Colorado that they serve.

State ESG Recipients, Geographic Territory and Activities 1999

ESG Agency	Location	Activity
Adams County Housing Authority	Adams	Homeless prevention
La Puente	Alamosa	Shelter, Homeless Prevention
Comitis	Aurora	Shelter
Gateway Battered Women's Shelter	Aurora	Domestic Violence Shelter
Park County Crisis Center	Bailey	Domestic Violence Shelter
Boulder County Safehouse	Boulder	Domestic Violence Shelter
Boulder Shelter for the Homeless	Boulder	Shelter
Almost Home, Inc.	Brighton	Shelter, Homeless Prevention
Loaves and Fishes	Canon	Shelter
Violence Prevention Institute	Castle Rock	Domestic Violence Shelter
Pikes Peak C.A.A.	Colo. Springs	Homeless Prevention
Access Housing	Commerce City	Shelter
Alternative to Family Violence	Commerce City	Domestic Violence Shelter
Urban Peak	Denver	Shelter
Project Heritage	Denver/Arapahoe	Shelter
VOA-Colorado Branch	Durango	Domestic Violence Shelter
Interfaith Task Force	Englewood	Homeless Prevention
Crossroads Safehouse	Larimer County	Domestic Violence Shelter
New Bridges	Larimer County	Daytime Shelter
Catholic Charities Northern	Larimer County	Shelter
Share, Inc.	Fort Morgan	Domestic Violence Shelter
Summit County Family Resource Center	Frisco	Homeless Prevention
Caring Ministries	Fort Morgan	Shelter, Homeless Prevention
Advocate Safehouse Project	Glenwood Springs	Domestic Violence Shelter

Hilltop Community Resource	Grand Junction	Domestic Violence Shelter, Homeless Prevention
Catholic Charities Northern	Weld County	Homeless Prevention
Greeley Transitional House	Weld County	Shelter
A Women's Place	Weld County	Domestic Violence Shelter
Mountain Family Center	Hot Sulphur Springs	Homeless Prevention
Jefferson Center for Mental Health	Jeff., Clear Creek,Gilpin	Homeless Prevention
Southwest Community Resources	La Plata	Shelter, Homeless Prevention
Arkansas Valley Resource	La Junta	Domestic Violence Shelter
Otero County Housing Authority	La Junta	Homeless Prevention
Jeffco Action Center	Lakewood	Shelter, Homeless Prevention
SE Colorado Homeless Center	Lamar	Shelter, Homeless Prevention
Longmont Coalition for Women in Crisis	Longmont	Domestic Violence Shelter
The Inn Between of Longmont	Longmont	Shelter
Loveland Housing Authority	Loveland	Homeless Prevention
Grand Valley Catholic Outreach	Mesa	Homeless Prevention
Women's Resource Center	Montrose	Domestic Violence Shelter
Montrose County Housing Authority	Olathe	Homeless Prevention
Family Crisis Shelter	Pueblo	Domestic Violence Shelter
Posada	Pueblo	Shelter
Family Counseling Center	Pueblo	Homeless Prevention
Advocates Against Battering & Abuse	Steamboat Springs	Domestic Violence Shelter
Help for Abused Partners	Sterling	Domestic Violence Shelter
Cooperating Ministries	Sterling	Homeless Prevention
Arapahoe	Thornton	Homeless Prevention
Advocates Against Domestic Assault	Trinidad	Domestic Violence Shelter, Homeless Prevention
Family Tree	Wheat Ridge	Domestic Violence Shelter
Rural Communities Resource Center	Yuma County	Domestic Violence Shelter

In Colorado, these and other homeless providers are funded through a variety of sources, including ESG funds administered by the Division of Housing. The City of Denver and City of Colorado Springs also receive ESG funds. FEMA funds are also used for shelter operations throughout Colorado. Colorado has a Homeless Prevention Tax Check Off fund that can be used for homeless prevention activities. This fund provided $234,683 for homeless prevention in 1999.

Since 1996, the Colorado Coalition for the Homeless (CCH) has provided technical assistance to non-metropolitan communities across Colorado to develop regional Continuum of Care systems. There are now 10 rural Continuum of Care regions throughout Colorado that meet on a regular basis. A map of these continuum can be found in Appendix D.

Housing Needs

Renter Housing Needs

In 1998 and 1999, the Division of Housing has prepared the *Housing Needs Impact Report* for the Colorado legislature. This report outlines the need for more rental units for households earning between 0 - 60% of Colorado's median renter income. The median renter income in Colorado was used to get a closer look at renter households. A renter household in Colorado at 60% renter median income (RMI) earns $16,774.

To determine whether Colorado renter households can afford housing in our state and in their own communities, the DOH has created a "mismatch matrix" comparing the number of housing units affordable to households at certain income levels in a community to the number of households that can afford that unit. This matrix displays the discrepancy in affordable units available to each income group. The model assumes each household is occupying (or would occupy) a unit in their affordability range. In reality, some higher income households will occupy units affordable to households in lower income ranges to save on housing costs, while lower income households may be forced to occupy a unit too costly for them.

Colorado Renter Housing Mismatch 1999
Number of Rental Units Per 100 Renter Households

Household Incomes	0 - 30% RMI	31% - 60% RMI	61% - 80% RMI
Colorado	46.4	54.6	117.1

Colorado Division of Housing, 1999

The above analysis demonstrates that few rental units are available that are affordable to households making 30 percent or less of median renter income in Colorado. As incomes rise, not surprisingly, the number of affordable units increases. At 60 percent of median renter income, there are 54.6 rental units per 100 renter households that are affordable to rent in Colorado. There are more units affordable to renters at 60 - 80 percent of median income than there are units. Many of the households that earn 0 - 60 percent of median renter income are most likely living in these units.

In 1998, DOH designed a new way of calculating the number of low-income renter households in need of affordable housing and the number of new affordable units needed annually. Both this analysis and the mismatch matrix are used to identify the greatest housing needs in the state. These methods allow DOH to target specific income ranges when developing housing strategies. The next table illustrates this method for calculating the number of units needed in Colorado by income range.

First, data from the mismatch matrix is used to determine the renter households that are rent burdened. This is accomplished by subtracting the number of rental units affordable to households in that range from the actual number of households in each income range. This number is multiplied by the monthly turnover rate as reported in the *Apartment Association of Metro Denver Apartment Vacancy and Rent Survey*. In September 1999, the Division of Housing began surveying the turnover rates for non-metro areas as well. The turnover rate represents the number of renter households who are moving between rental units in any given month and is an excellent way to determine demand for new units during an interval of time - those likely to move.

Both the Division of Housing *Multi-Family Apartment Vacancy and Rent Survey* and the *Metro Denver Apartment Vacancy and Rent Survey* count the exact number of vacant rental units by rent range at the time of the survey. This allows DOH to calculate a vacancy rate for rents at each of the affordable income ranges, and apply this vacancy rate to the total number of rental units in that range. A vacancy rate for a sampling of subsidized units for very low-income renters was added this year to get a more accurate count of vacant subsidized units serving very low-income households. The difference between the number of low-income households in the market for a rental and the number of vacant units, multiplied by 12 months, is the demand for new affordable units annually in Colorado.

Annual Demand for Affordable Rentals - Households Earning 0 - 30% Median Income		
Rent Burdened Households		35,414
Likely to Move	x .055	1,948
Minus Vacant Affordable Units	-	636
Likely to Remain Rent Burdened	=	1,311
ANNUAL DEMAND	x 12	15,937

Annual Demand for Affordable Rentals - Households Earning 31 - 60% Median Income		
Rent Burdened Households		35,119
Likely to Move	x .055	1,932
Minus Vacant Affordable Units	-	1,352
Likely to Remain Rent Burdened	=	580
ANNUAL DEMAND	x 12	6,959

The most recent report, prepared in November of 1999, concludes that there's a need for 22,896 new affordable rental units in 1999 for households earning below 60% of renter median income, or $16,774. This income is slightly higher than 30% of HUD's median income for Colorado in 1999.

This same data was used to create an analysis for the consolidated plan of renter households paying more than 30% and 50% of their income for housing. The table below shows the results of this analysis. Our data, which uses statewide median incomes and rents from throughout the state, shows that the renter households burdened in Colorado fall below 50% of median income. That is not to say that there are renter households at 60% or above AMI that are rent burdened, as we know is the case in the high cost areas of Colorado. This analysis can merely show that on a statewide level, there are more rental units affordable at the 60 - 80% AMI range than there are renter households in that range.

Number of Cost Burdened Renter Households in 1999

	Number of Households Paying in Excess of 30% of Income	Number of Households Paying in Excess of 50% of Income
0 - 30%	24,400	10,004
31 - 50%	31,193	12,789
51 - 60%	5,499	165

Colorado Division of Housing analysis; *Income Estimates for Colorado and Its Regions, Colorado Division of Housing*, 1999.

There is no new available data on overcrowding since the 1990 census. With Colorado housing prices on the rise since 1990, there is nothing to indicate the percent of households that were overcrowded in 1990 is less than at that time. The housing situation for many low-income households in Colorado has gotten worse. Therefore, these 1990 percentages may be low. The following table uses the 1990 percent overcrowded for two income ranges to estimate the number of overcrowded renter households in Colorado in 2000.

Incidence of Overcrowded Renter Households, 1990 and 2000

	Percent Overcrowded 1990	Number Overcrowded 2000
0 - 50%	7.2%	19,967
51 - 80%	4.6%	5,760

1990 Census HUD Special Tabulation; Colorado Division of Housing, *Incomes Estimates for Colorado and it's Regions*, 1999.

Homeowner Needs

Existing Owners

As was shown in the above text, the foreclosure and delinquency rates in Colorado indicate that overall, Colorado homeowners are staying in their homes once they purchase them. Delinquency rates for downpayment assistance programs funded through the Division of Housing are very low, as are delinquency rates for Rural Development loans and CHFA loans. For the past year, the foreclosure rate on CHFA loans has been low, ranging from .9% in January 1999 to 1.3% in November 1999. Rural Development reports that 13.4% of their direct loan are delinquent, the 7th lowest rate in the nation. Only 4.5% of their guaranteed loans are delinquent. Only 14 RD loans in Colorado were in default at the end of 1999.

Low interest rates have allowed many renters in Colorado to become owners, as evidenced by the rising homeownership rate. While some homeowners will get into financial trouble after purchasing, rising wages and a strong economy have kept our delinquency rates low.

There is no new data on cost burdened homeowners in Colorado since the 1990 census. Many homeowners do cost burden themselves intentionally. Again, however, Colorado's low delinquency rates show that as long as our economy stays strong, most owners are able to keep up with house payments. We can only project how many owner households may be cost burdened by using the percentage of owners cost burdened in 1990 by income range and multiplying these percentages by the number of households in those income ranges in 2000. Most likely these numbers are high, considering the change in Colorado's economy since 1990.

Cost Burdened Owner Households, 2000 Projections

		1990 Percent	2000 Owners
0 - 50%	**Cost Burden > 30%**	62%	58,959
	Cost Burden > 50%	37%	35,185
51 – 80%	**Cost Burden > 30%**	40%	60,846
	Cost Burden > 50%	9%	13,690

There are existing owners who are in danger of losing their homes because of life safety defects. Many older Coloradoans live in homes that are old and in disrepair. While our economy has been growing, most of these households live on fixed incomes, many on Social Security. As was shown in the above table breaking owner households down by income range and age, there over 100,000 low or moderate income elderly owners in Colorado. Though the equity in their homes may have increased, many cannot afford to take out a commercial loan to make necessary repairs. The Division of Housing funds 15 owner occupied rehabilitation programs statewide which serve these households and other low-income owners. Demand for these programs has not decreased since 1990. As prices increase, other low-income households are purchasing homes that need repairs right away or within the first few years of occupancy. These households, too, can benefit from low interest rehabilitation loans.

There is no new data on the number of owners living in substandard units in Colorado. However, anecdotal information would indicate that these numbers have decreased since 1990. In 1990, there were less than 25,000 households who identified that their homes lacked kitchen facilities or complete plumbing in the state.

As is the case with renters, there is also no new data to indicate how many owner households are living in overcrowded situations. We can only project the number in 2000 using 1990 percentages, as was done for the renters. The following table shows these projections.

Incidence of Overcrowded Owner Households, 2000 Projections

	Percentage in 1990	Number in 2000
0 - 50% AMI	2.8%	6,922
51 – 80% AMI	2.8%	3,506

1990 Census, Division of Housing analysis

New Homeowners

There are 58,768 renter households in Colorado that earn between 60% and 80% of HUD's statewide median income. These are households DOH and other funders serve through homeownership assistance programs. The analysis below looks at renter incomes in this range, and the price that they can afford. The affordable price is then compared to what DOH is calling the "benchmark modest house," the median home price for the area, and the number of units available in Colorado that are affordable to these households now.

Last year, DOH contracted with Thomas Pickett & Company, Inc. to determine the cost of the benchmark house. This was done by using 1996 tax assessor values and sales prices for homes sold in 1995 and 1996. These values and prices were projected out to January 1998, and a benchmark house cost was established for each county in Colorado. DOH updated these numbers to 1999 values by using information from the Colorado Department of Local Affairs Demographics

Section on assessed valuations. DOH has targeted a 1,300 square foot home as the typical modest home affordable to households at 60% to 80% of HUD's median income.

The median home price is calculated by local boards of Realtors and compiled by the Colorado Association of Realtors. This number includes all sales in the market area; therefore, it is higher than the cost of the benchmark home. The number of affordable homes available was compiled from local real estate Multi-List Service data for October 1999.

Homeownership Opportunities

	HUD Income Limits	30% of Income	Affordable Price	Benchmark Modest House	Median Home Price	Affordable Homes Available
Colorado						
60% of Median	$31,080	$777	$111,187	$130,555	$148,950	2,980
80% of Median	$41,440	$1,036	$148,249	$130,555	$148,950	2,980

Sources: Housing Cost Estimates by County, Colorado Division of Housing, Colorado Assoc. of Realtors

While interest rates are still low, homeownership can still be out of reach for many Colorado renters. The table above shows that while a household earning 80% of median income can afford the benchmark and median priced home, they may have trouble finding one. The Division of Housing estimates that there were only 2,980 affordable homes available in October 1999. The household earning 60% of HUD's median income will have a harder time trying to become homeowners. Both the benchmark and median price are above what they can afford without a significant downpayment.

As the above table illustrates, as incomes drop, it becomes harder for renters to afford the benchmark unit without a great deal of subsidy. In some areas of the state, renters can choose to purchase smaller units, or purchase in those neighborhoods with lower property values. As a policy option, it becomes increasingly hard to assist very low income households to become homeowners. Home prices soar out of reach, and often these households have credit history problems which must be solved before obtaining a loan. If rental units are freed up by households moving to homeownership, however, opportunities may increase for lower income renters to find an affordable home.

Section 8 and Public Housing Authority Tenant Needs

In the past the term "preservation" was linked to renovating historic buildings. Today, the term "preservation" implies actions taken to keep apartment buildings with expiring Section 8 Rental Contracts in the affordable housing inventory. Over the next five years, the Section 8 Rental Contracts on 7,292 units will expire in Colorado. Many of these apartment buildings were originally financed with above market rents that will now be reduced to reflect the current market. These owners will have the option to sell their properties or maintain their ownership and renegotiate annually their rental contract with HUD.

Depending on the disposition of these properties, rents will either be adjusted to market rate or owners will have to seek public financing to offer affordable rents. Hopefully, these owners will opt to restructure their existing debt and rental contracts under several options offered by HUD, such as Mark-To- Market. However, many of these owners may sell their properties to for profit and non-profit developers given the uncertainty of annual HUD Section 8 renewals. A strong Colorado economy and rental market increases an owners options to profit from the sale or to increase rents to market rates.

The Colorado Division of Housing is working with a number of owners and potential buyers to offer financing that keeps these units affordable. Using property information compiled by HUD and the National Housing Trust division staff has identified properties that have expiring Section 8 contracts. DOH staff is working with existing property owners, local housing organizations, and other interested parties to offer financing options to keep the units affordable. Our financial assistance has included rehabilitation loans, subordinated loans, grants, and tax- exempt bond financing.

A similar effort is underway with the Department of Agriculture's Rural Development Office. The USDA Rural Development Section 515 properties face the threat of owners opting out of their rental agreements through prepayment of their loans. Approximately, 2,550 apartment units are currently financed under the Section 515 program that could allow prepayment of their mortgage. Current property owners seeking to prepay their mortgage have filed a class action suit against the USDA to exercise this option. For properties financed before 1989, USDA is opposing the owners' right to exercise their prepayment options. DOH is employing a similar strategy with these properties as the properties with expiring Section 8 contracts.

For Section 8 and RD Section 515 properties in strong markets, it will be difficult to compete with private for profit developers because there are few incentives under the current Mark-to-Market program to sell to non-profit developers or other local housing organizations. DOH sees several opportunities to work with these existing owners using HOME, CDBG, state funds to provide incentives to refinance or to sell to local or regional non profit developers. The options are limited by the other demands for these funds, but the Division of Housing has made the preservation of these units a priority for the coming year.

There is still not enough deep subsidy rental assistance available to the lowest income renters in Colorado. As shown in the rental needs section, over 70,000 renters earning close to HUD's 30% AMI limit or less in Colorado are estimated to be rent burdened. Most of the new units being created throughout the state are not affordable to these households. For the 95,095 renters at 30% or less AMI, a subsidy is often needed to make any unit affordable. A recent survey conducted by the Division of Housing of all housing authorities participating in the DOH Section 8 program shows that in Colorado, there are long waiting lists for deep subsidy units. The following tables show the results of this survey. It should be noted that the total number of households on waiting lists is not an accurate measure of need. Many lists are or have been closed or capped.

Public Housing Waiting List Survey Results, 1999

	Colorado
Total Waiting List	26,196
0 – 30% AMI	16,806
31 – 50% AMI	3,759
51 – 80% AMI	677
Families with Children	16,428
Elderly Families	2,986
Families with Disabilities	6,225
Hispanic	6,976
Non-Hispanic	13,120
Black	3,298
Native American	555
Asian Pacific	352
Other (White)	6,691

As this table illustrates, the majority of households that are on Colorado public housing authority waiting lists have incomes at 30% or below AMI for the state. Most are families with children, and many have a family member who is disabled. For those housing authorities that track it, there are an average of 29 phone calls per week for housing assistance

There is no one racial group that dominates waiting lists. However, this table is the only data available to the Division of Housing that may show any disproportionate need among some racial groups than others. When compared to the percent of persons in Colorado in each ethnic group, this data does show that all ethnic minorities in Colorado excluding Asians have a higher proportion of housing need that whites. The following table summarizes these findings.

Disproportionate Housing Needs by Ethnic Group, 2000

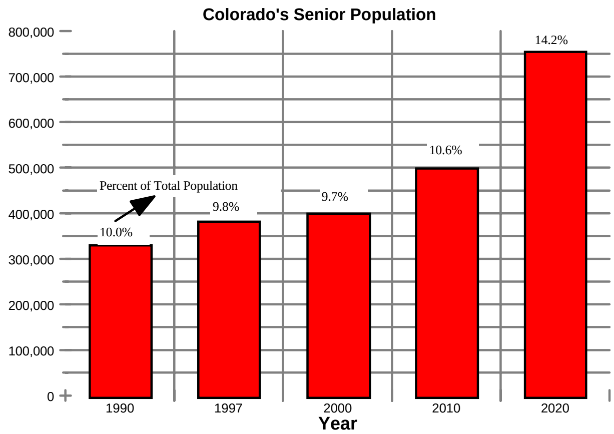
	Percent of Population	Percent of Waiting Lists
Hispanic	13.9%	39.0%
Black	4.3%	18.5%
Native American	.9%	3.1%
Asian Pacific	2.4%	2.0%
White	78.4%	37.4%
Total	100.0%	100.0%

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

Elderly Housing Needs

Colorado's senior population is growing, especially in our rural areas. In 1990, over 25% of the population in 31 of Colorado's 48 rural counties were elderly.

Since 1990, it is projected that Colorado's senior population has grown 2% per year. In 1997, almost 10% of the population, or 381,391 persons, were 65 or over. The Colorado Demographic Section projects that by the year 2020, 14% of Colorado's population will be 65 or older. This means that the number of seniors will almost double from 381,391 in 1997 to 754,167 in 2020.



Housing is an important component in serving the range of needs that our seniors have. The Colorado Four Year State Plan on Aging lists affordable housing as one of the ways to support "independent living, self-sufficiency, safety and dignity" for older adults.13

There are four common types of housing for seniors, each providing an increasing level of services as residents becomes less healthy and more frail. **Independent Living** gives seniors who are functionally and socially independent apartment-type housing with limited services such as security, partially accessible units, transportation, housekeeping, and social activities. **Congregate Care** housing provides frail, chronically ill or socially isolated seniors with the same services as independent living, with the addition of meals and occasional housekeeping.

Assisted Living provides housing and services to seniors that require 24-hour supervision. These units are small, fully accessible, and most often lack cooking facilities. In addition to the general services provided to those in independent and congregate living, residents are provided assistance with daily living from trained aides. Staff monitors tenant medications but does not administer them. **Nursing Homes** provide 24-hour a day services to seniors that are unable to take care of themselves. Residents are provided with all of the above services, with the addition of the administration of medication administered by staff. Nursing homes have a more hospital- like setting, with full medical services.

Independent Housing Needs- Independent Elderly

As stated earlier in this report, there are an estimated 57,408 renter households and 65,514 owner households earning between 0 - 50% AMI in Colorado that have a householder age 65 or older. Over 20,000 of these households are renters at 30% or less AMI. According to the Colorado Department of Local Affairs Demography Section, the expected rate of growth for the 60+ age group from 2000 to 2020 will be higher than for any other age group. Many of these households live on fixed incomes.

The Colorado Division of Aging and Adult Services is responsible for developing a comprehensive system of services for older adults. These services include the Nutrition Services Program for the Elderly, the Transportation Services Program for the Elderly, the In-Home Services Program for the Frail Elderly, the Disease Prevention and Health Promotion Services Program, the Long Term Care Ombudsman Program and the Legal Assistance Developer Program for seniors. Many of these programs, which are operated by local agencies, allow seniors to reside at home for as long as

---

13Colorado Four Year State Plan on Aging, October 1, 1999 - September 30, 2002. August, 1999. Colorado Department of Human Services.

possible. Many seniors are reluctant to leave their home to move to a service enriched housing project. Services such as the in-home services have proved to be effective in keeping seniors in their homes for longer and are an important component of any plan to serve the housing needs of Colorado seniors. An August 1999 report by the Colorado Commission on Aging states that finding solutions to allow more seniors to live at home is an important strategy for solving the senior housing problem.

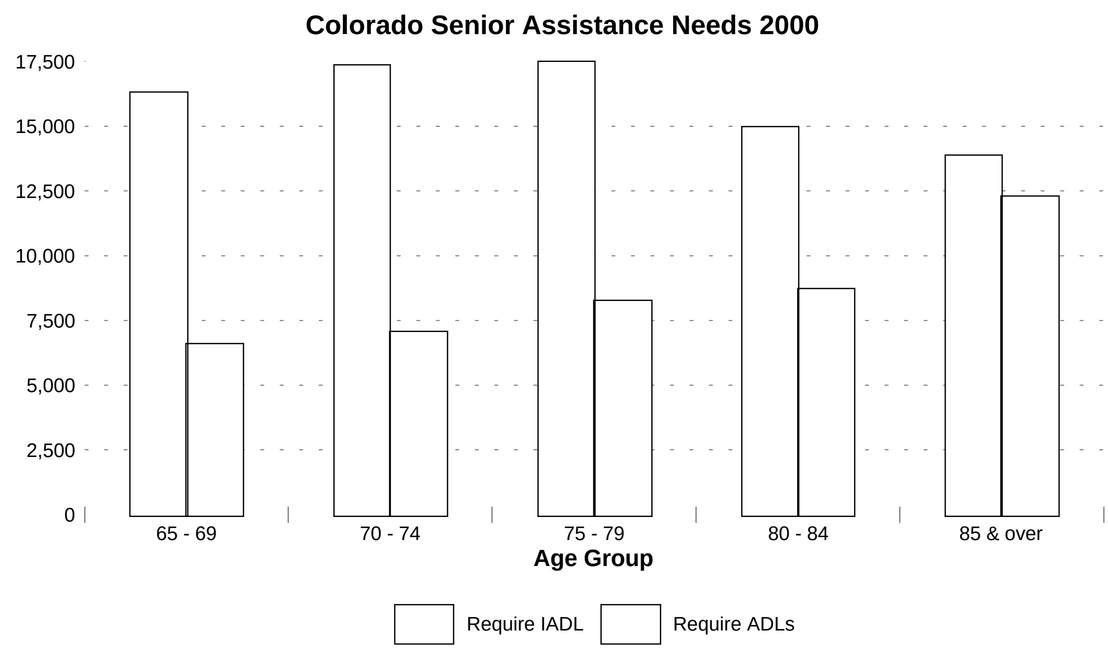
Although Colorado seniors may be able to stay at home by using outside services, rising housing prices and property values make it tough for many of seniors to afford their rent or property taxes. Colorado does have a property tax/rent/heat relief program for low-income seniors. This rebate, with a maximum amount of $500, is available to seniors age 65+ with incomes of $7,500 for an individual and $11,200 for a married couple. Seniors may also defer paying property taxes by allowing the state to place liens on their property for the taxes due. Even with a $500 rebate per year, those seniors renting in the private market may find themselves priced out in their communities. Even in some of the small rural areas of Colorado, there are needs for more independent senior housing.

Another concern is for elderly persons at 0 - 50% AMI that are currently living in HUD financed rental properties. In Colorado, 72 properties with rents at 110% of FMR and lower are at risk of being lost to the affordable housing inventory, according to a new listing by the National Housing Trust. Seniors have been the most vocal protestors of the loss of Section 8 financed properties in the state. Eight percent of all tenants in subsidized housing in Colorado are seniors age 62+. Sixty percent of the residents of all Section 8 New Construction and Mod Rehab buildings in Colorado are seniors. Seniors who have lived in the same subsidized project for 20 years now face the uncertainty of losing their unit if an owner chooses to sell or take a project to market rate rents. The high rents through much of the state make it tough for these seniors to find another home. The Division of Housing and other Colorado agencies are working to ensure that as many of these projects are retained in the affordable housing pool as possible.

Need for Housing with Services - Frail Elderly

Many seniors lose their independence as they age. Using estimates from the American Journal of Public Health, the Division of Housing has estimated how many seniors will need assistance with Instrumental Activities of Daily Living (IADL), or Activities of Daily Living (ADL). IADL's include housework, meal preparation, money management, and shopping. ADL's include bathing, dressing, or eating. Often, seniors requiring these types of assistance are not able to continue living independently in their own homes. They may require one of many special housing options for seniors.

The Division of Housing estimates that in 2000, there will be 76,660 elderly persons in Colorado that need assistance with IADLs and 40,700 that need assistance with ADLs. This number will grow as Colorado's population ages.



Colorado Department of Local Affairs, Demographics Section

The Colorado Division of Housing finances independent, congregate and assisted living developments around the state. Funds are not available for nursing homes where staff is required to administer drugs. In the past ten years, the Division of Housing has provided funding to 29 independent, congregate, and assisted living projects in both rural and urban areas of the state. These projects together provide 874 units of affordable housing to seniors who desire to stay in their communities while accessing safe, decent, affordable housing options.

In the past five years many new small affordable assisted living facilities have been constructed in rural Colorado. Many areas have seen these facilities meet the needs of their senior population. However, there are still areas of the state that have no service enriched housing for seniors. As these towns develop service enriched housing options for their seniors, it is important to ensure that there are units made available that are affordable to low and moderate income seniors.

Persons with Special Needs

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

The number of new households in Colorado is expected to number 30,438 between 1999 and 2000 - or 76,700 new people.[14] This has helped fuel an average 8.5% per year increase in rental prices and a 8.7% per year increase in sales price for units for sale. The overall vacancy rate of apartments in Colorado is 4% (a five percent vacancy is considered equilibrium). Many Colorado households, particularly special needs populations, are losing ground because wages in many of the largest sectors of the economy are not keeping pace.[15]

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

This increase in demand and change in philosophy in housing needs for persons with disabilities comes at a time when federally subsidized units are being lost to the market. Changes in federal housing policies are also reducing the supply of affordable housing to persons with disabilities by removing the requirement that owners of federally subsidized housing make units available on an equal basis to both elderly households and people with disabilities under the age of 62. Landlords are now allowed to have "seniors only" buildings, thereby removing another source of affordable housing for non-elderly disabled people.[16]

---

14 Colorado Department of Local Affairs Demographic Section. Preliminary Population Projections for Colorado Regional Statistical Areas, 1990-2000. July 1998.

15 Colorado Division of Housing, Multi-Family Housing Vacancy and Rental Survey historic data, Denver Metro Apartment Vacancy and Rent Survey historic data. HUD OFHEO Housing Price Indexes Second Quarter 1999.

16 Priced Out in 1998: The Housing Crisis for People with Disabilities, March 1999.

In Colorado, approximately 5 - 10% of the population, or 200,000 to 400,000 persons over the age of 16 have a severe disability. More than 160,600 persons are estimated to have a severe/chronic mental illness, approximately 120,000 are developmentally disabled, 100,000 are persons with physical disabilities,[17] and over 7,879 persons are living with HIV/AIDS.[18] Many of these individuals have dual or multiple diagnosis.

For the majority of these individuals, Supplemental Security Income benefits (SSI) provides the bulk of their income. Colorado's monthly SSI benefit is approximately $500. According to the 1999 report *Priced Out in 1998: The Housing Crisis for People with Disabilities,* in 1998, there were no counties or metropolitan areas in the United States where persons receiving SSI benefits could afford to pay only 30% of their monthly income for rent. Instead, as a national average, a person with a disability must spend 69% of his or her SSI monthly income to rent a modest one-bedroom apartment priced at the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent.[19]

Colorado is no exception. It would take 82% of a person's SSI income to rent the average efficiency apartment in Colorado and 89% of their income to rent a one-bedroom apartment. SSI income equates to 20% of the state's HUD median income for one person, or only $3.09 per hour. Minimum wage, on the other hand, is $5.25 per hour.[20] From this information it is easy to see that persons with disabilities living on SSI are at a terrific disadvantage in not only finding affordable housing but being able to hold on to the housing they have in the face of ever-rising rental rates.

Most persons with special needs choose to live in units where they can remain independent. If services are needed, the prefer to access them in a site close to, but not attached to, their home. This allows greater freedom and the ability to come and go in a non-stigmatized environment. New deep subsidy rental units are needed to expand the available inventory of housing units that are both accessible and affordable to persons living on SSI.

Housing Expenses on SSI -1999

	SSI Monthly Payment	SSI as Percent of AMI	Percent of SSI Needed to Rent an Efficiency Unit	Percent of SSI Needed to Rent a One Bedroom Unit
Boulder-Longmont	$494	13.9%	101.0%	121.1%
Colorado Springs	$494	18.7%	88.1%	94.5%
Denver	$494	15.4%	84.6%	101.0%
Fort Collins-Loveland	$494	16.8%	87.0%	107.5%
Grand Junction	$494	21.9%	80.2%	83.2%
Greeley	$494	20.5%	84.6%	93.5%
Non-Metro Areas	$494	20.4%	81.7%	88.6%
Pueblo	$494	21.9%	84.4%	87.5%

---

17 Department of Labor and Employment. U.S. Census Bureau.

18 1999 Update - Metro Denver HIV/AIDS Housing Plan

19 Priced Out in 1998; The Housing Crisis for People with Disabilities, March 1999

20 Priced Out in 1998; The Housing Crisis for People with Disabilities, March 1999

Statewide Average	$494	20.1%	82.3%	89.7%

Priced Out in 1998, The Housing Crisis for People with Disabilities, March 1999.

Statistics from the Colorado Department of Human Services Supportive Housing and Homeless Programs on their Section 8 tenants, who are all disabled, show that 64% have incomes below 30% AMI, 83% with incomes below $10,000/year. Eighty-eight percent have only one person in the household. Most receive SSI/SSDI or some other pension as income.

According to the Colorado Department of Human Services, one problem with expanding this inventory is the fact that persons with disabilities receive a disproportionate share of the HUD funds used to finance new deep subsidy rental units. In FY 2000, HUD will provide $660 million for senior housing programs and $201 for housing for persons with disabilities. It has also become more difficult to construct units through the 811 program with only the 811 financing. Almost all of the 811 projects constructed in Colorado in the past three years have required additional funding from the Colorado Division of Housing and entitlement areas to meet the cost of construction.

As with seniors, the disabled population will be greatly impacted by the loss of Section 8 expiring projects. The Colorado Department of Human Services Supportive Housing and Homeless Programs Office estimates that there are 17,007 persons living in subsidized housing in Colorado that have disabilities. The HUD Multifamily Tenant Characteristics System Resident Characteristics Report shows that 18% of all Section 8 New Construction and Substantial Rehab units are occupied by persons with disabilities. Like seniors in these properties, it will be difficult for disabled residents of these properties to find other affordable housing options if owners choose to opt out of the program.

There are no current studies or counts estimating the number of affordable units needed for persons with disabilities in Colorado. According to information gathered by the Colorado Department of Human

Services Supportive Housing and Homeless Programs, however, there are an estimated 34,100 persons age 18 - 64 in Colorado receiving SSI and/or SSDI. 17,000 are already housed in affordable housing units. According to this analysis, there are still 10,276 persons with disabilities who need affordable housing.

Housing Needs of Persons with Disabilities

	Persons Receiving SSI/SSDI	Disabled Persons in Subsidized Housing	Persons not Housed in Subsidized Units
Colorado	29,846	17,000	10,276

Colorado Department of Human Services, HUD Multifamily Tenant Characteristics System

Persons with Severe and Persistent Mental Illness

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

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

Due to the nature of their illness, persons with chronic mental illness may occasionally require hospitalization to re-evaluate their medical needs. While new drugs are allowing more and more individuals freedom and the chance for an independent life, medications may need to be adjusted on a periodic basis. It is crucial to this population that if they are able, persons with severe and persistent mental illness be able to return to their housing units after hospital stays. To ensure this, clients must have a rental subsidy stream that will continue in the event that they are hospitalized. Many programs such as Shelter + Care provide for this event, but many programs require that the recipient reside in their housing unit during the month that the subsidy is provided or the subsidy may be terminated. The ability to keep their housing is not only important from the housing perspective but from a therapeutic perspective. Programs that recognize the specific needs of the population are essential to prevent homelessness in this population.

According to the Colorado Department of Human Services Mental Health Services , even when persons with severe and persistent mental illness receive a Section 8 voucher in the metro Denver area, it is almost impossible for them to find a landlord willing to rent a unit to them. Colorado's housing market is tight enough that landlords can choose not to rent to Section 8 voucher holders, especially those that have disabilities. This problem means that more permanent housing units targeted specifically to these persons are needed.

An informal survey of local mental health center waiting lists for housing by the Colorado Department of Human Services Mental Health Services shows a number of 86 persons on the waiting list statewide for housing. The Colorado Coalition for the Homeless estimates that of the caseload in the Stout Street Clinic in Denver, there are 1,300 individuals who have mental illness. These people are homeless and are not currently in the mental health system. These numbers do not take into account the housing needs of persons with severe and persistent mental illness that are not clients of a mental health agency, are served by a hospital or local clinic. Staff from Mental Health Services thought that a number that was double the waiting list would be a more accurate picture of need.

Persons with Physical Disabilities

Persons with physical disabilities face not only the problem of finding affordable housing but also finding housing that meets their physical needs. While building codes now require that new construction of housing, especially multi-family housing, provide units that are accessible, many of the older buildings found throughout Colorado provide inappropriate housing. Non-accessible housing not only make it difficult for the person to function within their own home, it may be an unsafe environment in the event of an emergency.

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

A program has been developed in Colorado to provide grant funds to tenants to retrofit their homes. This program can help residents for the long term. Persons with physical disabilities tend to stay longer in their accessible rental unit simply because the home meets their needs and there are few other alternatives. Additionally, handicap accessibility modifications at the time of rehabilitation of existing units, especially in projects funded with DOH or other federal funding, are adding to the inventory of available and appropriate rental housing for this population. All new buildings constructed with DOH funds have at least 5% of the units constructed to meet accessibility standards.

Persons with Developmental Disabilities

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

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

Many persons with developmental disabilities currently live with their parents and have never lived elsewhere. However, aging parents are often not able to continue caring for a developmentally disabled child, and these individuals must move into alternate housing. This adds demand for supportive housing that is already in short supply.

An informal survey of the waiting lists at local Developmental Disability providers was conducted to determine an estimate of the need for more housing options for the developmentally disabled population. Providers state a need for 315 more Section 8 vouchers and 6 new group homes throughout the state.

Persons with Alcohol/Drug Addiction

Persons with alcohol and/or drug addiction face a different housing challenge. While in treatment, their housing is often provided. But when treatment is completed, these persons must find their own affordable housing. Many of these individuals have been homeless and have no home to return to after completing treatment. According to statistics gathered in 1999, at least 40% of homeless individuals have alcohol problems and an additional 15-20% have problems with drugs. Alcohol- and drug-free residential settings are an essential step in the effective treatment of persons with alcohol and/or drug dependence. These programs need to be able to assist their clients in locating and securing appropriate housing once they are released from the treatment programs. In essence, housing becomes a critical component in the continued sobriety of these individuals.

Persons with HIV/AIDS

According to the Colorado Department of Public Health and Environment HIV/STD Surveillance Program, there have been 6,406 total AIDS cases reported in Colorado since 1982.[21] Of these, 3,902 were in Denver alone. Since 1996, the percent of persons diagnosed with AIDS who are still living has increased dramatically. There are now an estimated 2,521 persons living with AIDS in Colorado. The number of reported cases of HIV/AIDS increased 66% in the Denver EMSA between March, 1995 and June, 1999.[22] Most AIDS cases have been reported in areas covered by the Denver HOPWA program. Although there are persons with HIV/AIDS in the rural areas of Colorado, the numbers are not great.

---

21 HIV and AIDS in Colorado. Monitoring the Epidemic (through December 31, 1998). Colorado Department of Public Health and Environment, HIV/STD Surveillance Program.

22 Ibid

Incidences of AIDS/HIV Cases in Colorado by Geographic Area, 1998

Area	AIDS Cases	HIV Cases	Deaths
Adams County	315	192	208
Arapahoe County	464	353	277
Boulder County	226	195	128
Denver County	3,902	3,455	2,585
El Paso County	407	390	264
Jefferson County	411	253	248
Larimer County	97	66	61
Pueblo County	91	78	58
Balance of State	492	404	276

Colorado HIV/STD Surveillance Program, HIV and AIDS in Colorado, 12/31/1998

Housing for persons with HIV/AIDS is more than simply a shelter issue - it can become a health issue. Housing is a prerequisite to many basic services frequently needed by person with AIDS/HIV. Appropriate housing allows the individuals the stability necessary to conform to the often strict drug regimes that treatment of their illness requires. "Inadequate housing can make it extremely difficult to get appropriate health care, maintain recovery from drug or alcohol dependency, or access to substance abuse treatment or other services. A stable living arrangement has been shown to be critical to an individual's success with the new Highly Active Anti-Retro viral Therapy (HAART), commonly known as 'combination therapy' or 'the cocktail'."[23] These new drug therapies are allowing more individuals to live independently longer.

As persons with HIV/AIDS live longer, demand increases for living situations that are responsive and supportive through the entire course of a person's illness. Stable housing provides an essential base for services considered crucial to optimal health and well-being. Stable housing also provides a social forum for people that are feeling isolated by their disease. As individuals secure a safe, comfortable residence, their emotional status often stabilizes. Housing appears to have an immediate impact on psycho-social and physical health and must be considered an important element in the full spectrum of care for persons with HIV/AIDS.

The housing and supportive service needs of persons with HIV/AIDS are defined by the episodic nature of the HIV disease. People with HIV/AIDS experience a series of infections or other conditions that may be more or less incapacitating. These severe illnesses, however, are usually short term; individuals often return to their previous physical state before the infection occurred. As a result, persons with HIV disease experience continual fluctuations in their housing and service needs. For instance, a person might be able to live independently most of the time, but need 24-hour nursing care for one to two weeks when a serious illness occurs. This is why there is still a need for assisted living and hospice housing. These facilities are in short supply.

23 1999 Update - Metro Denver HIV/AIDS Housing Plan

Individuals' needs also change over the full course of the illness. They are more independent during the initial stages, less independent as they approach the latter stages of their illness. Housing providers must be prepared to provide a spectrum of support services. Frequent changes in housing may exacerbate the illness or a person's condition, as well as place an additional financial burden on an individual already struggling with medical expenses. Continuity in housing is the ideal situation for persons with HIV/AIDS.

The City and County of Denver's Community Development Agency is the only recipient of Housing Opportunities for Persons with AIDS (HOPWA) from the United States Department of Housing and Urban Development (HUD) in Colorado. The only other state in HUD Region 8 to receive HOPWA funding is Utah. As a result of this, many individuals with HIV/AIDS move to Denver to receive the benefits of housing and supportive service that these funds provide.

The Metro Denver HIV/AIDS Housing plan has developed a way of estimating the number of housing units needed for low income persons living with AIDS in the metro Denver area. This analysis shows that in the Denver area, there is a need for between 228 and 1,139 housing units needed for persons with AIDS. If tenant based rental assistance is included, this number decreases. If we use this same methodology, we can determine the number for the balance of the state outside the entitlement areas.

Estimated Housing Need for Persons Living with AIDS in Rural Colorado, 1999

	Current Data	Projected Need
Number of PLWAs - rural	216	
Percent of PLWA below poverty level[24]	76%	
Estimated Low Income PLWA	164	
If 10% need housing assistance		16
If 20% need housing assistance		32
If 50% need housing assistance		82

Persons with Multiple Diagnosis

Undoubtedly, one of the most difficult populations to respond to is the persons with multiple diagnosis. These individuals experience two or more of the disabilities outlined in this report. Not only is treatment of these individuals very specialized, they must also have appropriate, specialized housing such as group homes. These facilities are without a doubt the most difficult to site in residential communities.

Supportive Housing Development

In Colorado, more service providers are either becoming housing developers or partnering with experienced non-profit housing developers to provide supportive housing options. This segment of the population is least likely to be serviced by for-profit developers because of the need for the specialized supportive services and their low incomes. Nonprofit service and housing providers have the sensitivity to the disabled population's needs.

In Colorado, both the Division of Housing and Department of Human Services must work to increase

[24] Metro Denver HIV/AIDS Housing Plan

the number of deeply subsidized units constructed or acquired to serve these needs. This should include creating partnerships between nonprofit housing providers and nonprofit service providers, finding new funding solutions for deeply subsidized housing units, and ensuring that there is the technical assistance available for nonprofit agencies to gain access to all available 811/202 funding targeted to our state, as well as using other funding for affordable housing development for those with disabilities.

Consolidated Plan TABLE 1B NON-HOMELESS SPECIAL NEEDS POPULATIONS		U.S. Department of Housing and Urban Development Office of Community Planning and Development Consolidated Plan
Name of Jurisdiction: **COLORADO - Statewide**	Data Source: (Specify) Multiple Current Data as of: (date) 2000	Five Year Period: (enter fiscal yrs.) 2000-2005

1.	Elderly with incomes equal to or less than 51% HAMFI	15,271 (statewide)
2.	Frail elderly	1,527 (statewide)
3.	Severe Mental Illness (includes 1,300 homeless persons with mental illness/year)	1,470 (statewide)
4.	Developmentally Disabled	315 (statewide)
5.	Physically Disabled	8,411 (statewide)
6.	Persons with Alcohol/Other Drug Addiction	N/A
7.	Persons with AIDS and Related Diseases (outside metro areas)	80 - 410 (rural)
8.	Other (Specify):	0

All estimates include needs in entitlement communities.

HUD 40090-A (1/93)

DATA SOURCES:

Elderly and Frail Elderly: Elderly estimate is calculated by taking the percent of elderly renter households that are at 50% or below median income and applying this percentage to the number of rental units needed from the Colorado Division of Housing Needs Impact Report, 1999. The frail elderly is calculated by applying the percent of seniors reporting problems with activities of daily living (10%) to the number of low income elderly persons needing housing.

Severe Mental Illness and Developmentally Disabled: Survey of waiting lists of state Mental Health Centers for rental assistance. This number was doubled to account for those served by agencies other than the Mental Health Centers. Homeless number is from the Colorado Coalition for the Homeless Stout Street Clinic for Denver. The DD number comes from an informal survey of those agencies serving the developmentally disabled. This is the estimated number of new Section 8 rental vouchers needed. This number does not include the need for 6 new group homes.

Physically Disabled: This number is the 10,276 estimates from the Department of Human Services Supportive Housing and Homeless Persons minus those with CMI, DD and AIDS.

Persons with Alcohol/Other Drug Addiction: No information available at this time.

Persons with AIDS and Related Diseases: See text of plan for chart. This number is for the rural areas of the state.

Homeless Needs

A homeless person is anyone who lacks a fixed, regular and adequate residence, or has a primary residence at a shelter, an institution that provides temporary residence, or in a place not designed or suitable for human beings.

Homelessness is a problem in Colorado. While we know that the growth in Colorado's economy has made affording rent harder for many very low and low income households, it is difficult to accurately count the number of households that are homeless or in danger of being homeless in our state. Certainly, the estimated 70,533 very low income renter households identified in the renter needs section as lacking an affordable rental unit are in danger of becoming homeless. In 1999, 9% of Colorado households lived in poverty[25]. While many of these households reside in the larger entitlement areas of the state, many call rural Colorado home. In this section, we will examine the needs of the homeless throughout Colorado, and focus on the specific needs of those in rural Colorado - the geographic areas covered by this plan.

There has not been a thorough count of the homeless in Colorado since the 1980s. The most recent point in time count of homeless persons in the metro Denver area was in June, 1998. This count showed that as many as 5,792 persons are homeless in the Denver metro area on any given day.[26] The metro Denver areas needs more shelter beds for single women and families, according to the Colorado Coalition for the Homeless. There is also a need for more subsidized permanent housing for persons with special needs - those with mental health and substance abuse problems. Denver has lost many SRO units and there is a need to save those that still serve these populations and to create more.
In 1990, census data showed that at least one in six (17%) of the people who are homeless in the U.S. live in rural areas. The Colorado Coalition for the Homeless estimates that 30% of those who are homeless in Colorado reside in rural areas. The 1999 Continuum of Care process found approximately 2,412 persons who are homeless on any given day in 24 non-metro counties in Colorado.

Causes of Rural Homelessness

Providers report low wages, a lack of affordable housing, lack of access to services for substance abuse and/or mental health issues, and domestic violence as major causes of rural homelessness.[27] Poverty is the fundamental cause of homelessness. According to the center on Budget and Policy Priorities, inequality in income has been increasing in Colorado for nearly two decades.[28] Their 1997 report on income trends in Colorado divides all families with children into five income categories. This analysis showed that by the mid-1990's, the richest 20% of families with children had average incomes over 9 times as large as the poorest 20% of families. These same richest 20% had average incomes almost 3 times as large as the middle 20% of families.

Between the 1970s and 1997, the gap between the top fifth of families and the bottom fifth of families grew by 31%. In recent years, between the mid-1980 and mid-1990s, this gap has begun to decrease. Colorado's boom economy has positively affected the incomes of poor Colorado

[25] U.S. Census Bureau, March 1999 and 1998.

[26] Homelessness in the Denver Metropolitan Area, A Base Line Point in Time Study, June 1998. Colorado Coordinating Council on the Homeless.

[27] Colorado Coalition for the Homeless, Homelessness in Colorado, February 1999.

[28] Pulling Apart: A State-by-State Analysis of Income Trends, Colorado. Center on Budget and Policy Priorities, December 1997.

families. However, there is still disparity in the amount of change that each income group has seen.

The National Coalition for the Homeless published information about rural homelessness in March, 1999. According to the NCH, studies have shown that people in rural areas are more likely to be white, female, married, currently working, homeless for the first time and homeless for shorter periods of time than those in urban areas. Other studies have shown that families, single mothers, and children make up the largest group of people who are homeless in rural areas. Rural areas also have instances of homeless Native Americans and migrant workers. Causes are more likely to be from a high rate of domestic violence and less to do with alcohol or substance abuse.[29]

Studies of rural homelessness have also found that rural homelessness is most pronounced in rural regions that are "primarily agricultural" regions whose economies are based on declining extractive industries such as mining, timber, or fishing and regions experiencing economic growth."[30] Housing quality also factors into rural homelessness. Nationally, poor households have a higher instance of living in inadequate housing than in urban areas. Homelessness can often be caused by families having to relocate from housing with health or safety problems. When these families attempt to relocate, the cost is often prohibitive.

Colorado Rural Homeless Network

Since 1996, the Colorado Coalition for the Homeless (CCH) has provided technical assistance to non-metropolitan communities across Colorado to develop regional Continuum of Care systems. There are now 10 rural Continuum of Care regions throughout Colorado that meet on a regular basis. Through these local community planning efforts, CCH has established need estimates for emergency shelter, transitional housing, permanent supportive housing, and various supportive services. A map of these continuum can be found in Appendix D.

Rural Homeless Needs

Through these Continuums, CCH has determined statewide trends in the needs of the homeless. They are summarized below:

1. **A need for additional homeless prevention funding.** All ten of the rural Continuum of Care regions cite a need for homeless prevention services that is greater than the community resources available to meet those needs.

2. **Some communities have no shelter facility or program for homeless people**. Five of the ten Continuum of Care regions indicate that there is a lack of shelter facilities in their communities.

3. **The demand for transitional housing in some communities goes beyond available resources.** Eight of the ten Continuum of Care regions indicate that the lack of or shortage of transitional housing is problematic for their communities. Many families served in rural shelters have only 30 days of shelter and no next housing step. There is also a need for transitional units for persons with CMI and other disabilities.

4. **Some communities have much more extensive housing and service programs for families than individuals.** Four of the ten Continuum of Care regions express concern that housing and service programs are available for families, but not individuals in the community.

5. **Communities feel that there is a need to develop greater community awareness of homelessness.** Three of the ten statewide Continuum of Care regions note that the public

[29] National Coalition for the Homeless. NCH Fact Sheet #13, Rural Homelessness. March, 1999.

[30] Ibid.

often does not understand the issues of rural homelessness.

The following table is a composite of the eleven Continuum of Care Gaps Analysis for Colorado. These tables were prepared by the 12 Continuum of Care groups individually, based upon their waiting lists and knowledge of their client's needs. This information is limited because not all areas of the state are covered by a continuum of care, therefore the needs of all counties are not reflected in these estimates. We have consolidated these numbers into one table. Because of this, we are unable to complete the Relative Priority section. These continuum show that the need for transitional housing is a higher priority in many communities than the need for shelter space. The needs of families are also prioritized higher than those of individuals in many areas and the needs of victims of domestic violence are consistently prioritized.

Colorado Continuum of Care: Gaps Analysis, 1999

		Estimated Need	Current Inventory	Unmet Need/Gap	Relative Priority
Individuals					
	Emergency Shelter	1715	1199	516	
	Transitional Housing	1493	463	1019	
	Permanent Supportive Housing	1429	708	721	
	Total	4637	2370	2256	
	Job Training	2216	602	1614	
	Case Management	3035	1278	1757	
	Substance Abuse Treatment	1465	347	1019	
	Mental Health Care	1496	485	1010	
	Housing Placement	2712	1143	1562	
	Life Skills Training	**2685**	**1175**	**1510**	
	Other-Transportation	**1997**	**595**	**1302**	
	Domestic Violence	**251**	**40**	**211**	
	HIV/AIDS	**254**	**45**	**209**	
	Veteran Services	**830**	**90**	**740**	
	Comp. Intake & Assess.	**1257**	**200**	**1057**	
	Respite Care	**50**	**10**	**40**	
	Other - Migrant Housing	**335**	**100**	**235**	
	Other - Legal	**254**	**45**	**209**	
	Other -Educ./Outreach Education/ROutreach	**1257**	**Education**	**1217**	
	Chronic Substance Abuse	**1329**	**261**	**1078**	
	Seriously Mentally Ill	**1177**	**450**	**727**	
	Dually-Diagnosed	**535**	**20**	**515**	
	Veterans	**993**	**57**	**936**	
	Persons with HIV/AIDS	**323**	**49**	**246**	
	Victims of Domestic Violence	**712**	**191**	**521**	
	Youth	**577**	**180**	**397**	

	Other-Migrants	**87**	**26**	**66**	

Persons in Families with Children

	Emergency Shelter	1685	1052	633	
	Transitional Housing	3467	2153	1314	
	Permanent Supportive	1610	46	1041	
	Total	6762	3251	2988	
	Job Training	2468	1069	1399	
	Case Management	4196	2354	2042	
	Child Care	2994	731	2222	
	Substance Abuse	1623	282	1386	
	Mental Health Care	1567	429	1138	
	Housing Placement	3719	2152	1566	
	Life Skills Training	4116	2256	1859	
	Other - Educ./Outreach	100	24	76	
	Domestic Violence	1540	242	1298	
	HIV/AIDS	248	0	248	
	Veteran Services	246	0	246	
	Comp. Intake & Asset.	2456	450	2015	
	Other – Legal	192	20	172	
	Other-Transportation	2702	642	2070	
	Other - Migrant Housing	210	0	210	
	Chronic Substance	1139	178	961	
	Seriously Mentally Ill	3790	189	601	
	Dually-Diagnosed	278	23	255	
	Veterans	455	38	416	
	HIV/AIDS	70	4	66	
	Domestic Violence	2916	736	2190	
	Other – Physically Dis.	30	15	15	
	Other - Teen Parents	145	25	120	
	Other-Migrants	228	13	215	

Community Development Needs

State-wide Water & Sewer

The State of Colorado, Division of Local Government, in its October 28, 1999 publications, Colorado's Sewer Needs List and Colorado's Water Needs List, has identified the following providers of the water and sewer services that are experiencing an "immediate need" (Category A) or a "long-term/emerging need" (Category B) as they relate to current or potential systems problems. A provider may be an organization that operates or manages the services system, e.g.; county, city, town, special district, and unincorporated communities, whose corporate status may be public, nonprofit, or unincorporated.

Region 1, comprised of Logan, Morgan, Sedgwick, Washington, and Yuma counties and all water and sewer providers within, has 6 providers listed on the Sewer List in the "A" category totaling $3m of funding need and 5 providers in the "B" category totaling $3.6m in funding need. From the Water List, there are 2 providers listed in the "A" category totaling $2.3m in funding need and 7 providers in the "B" category totaling $57.2m in funding need.

Region 2, comprised of Larimer and Weld counties and all water and sewer providers within, has 3 providers listed on the Sewer List in the "A" category totaling $4.1m of funding need and 17 providers in the "B" category totaling $15m in funding need. From the Water List, there are 7 providers listed in the "A" category totaling $9.2m in funding need and 21 providers in the "B" category totaling $116.4m in funding need.

Region 3, comprised of Adams, Arapahoe, Boulder, Clear Creek, City & County of Denver, Douglas, Gilpin, and Jefferson counties and all water and sewer providers within, has 9 providers listed on the Sewer List in the "A" category totaling $270m of funding need and 27 providers in the "B" category totaling $121.7m in funding need. From the Water List, there are 13 providers listed in the "A" category totaling $55.2m in funding need and 33 providers in the "B" category totaling $117m in funding need.

Region 4, comprised of El Paso, Park, and Teller counties and all water and sewer providers within, has 3 providers listed on the Sewer List in the "A" category totaling $9.2m of funding need and 6 providers in the "B" category totaling $20.8m in funding need. From the Water List, there are 2 providers listed in the "A" category totaling $.25m in funding need and 6 providers in the "B" category totaling $20.8m in funding need.

Region 5, comprised of Cheyenne, Elbert, Kit Carson, and Lincoln counties and all water and sewer providers within, has 4 providers listed on the Sewer List in the "A" category totaling $2.1m of funding need and 5 providers in the "B" category totaling $1m in funding need. From the Water List, there are 3 providers listed in the "A" category totaling $3.3m in funding need and 4 providers in the "B" category totaling $3.8m in funding need.

Region 6, comprised of Baca, Bent, Crowley, Kiowa, Otero, and Prowers counties and all water and sewer providers within, has 4 providers listed on the Sewer List in the "A" category totaling $3.1m of funding need and 7 providers in the "B" category totaling $6.5m in funding need. From the Water List, there are 6 providers listed in the "A" category totaling $8.6m in funding need and 12 providers in the "B" category totaling $13.7 in funding need.

Region 7, comprised of Pueblo County and all water and sewer providers within, has 2 providers listed on the Sewer List in the "A" category totaling $3.4m of funding need and 2 providers in the "B" category totaling $3.2m in funding need. From the Water List, there are 4 providers listed in the "A" category totaling $1m in funding need and 4 providers in the "B" category totaling $40.6m in funding need.

Region 8, comprised of Alamosa, Conejos, Costilla, Mineral, Rio Grande, and Saguache counties and all water and sewer providers within, has 6 providers listed on the Sewer List in the "A" category totaling $2.8m of funding need and 6 providers in the "B" category totaling $4m in funding need. From the Water List, there are 7 providers listed in the "A" category totaling $3.4m in funding need and 12 providers in the "B" category totaling $6.6m in funding need.

Region 9, comprised of Archuleta, La Plata, Montezuma, and San Juan counties and all water and sewer providers within, has 8 providers listed on the Sewer List in the "A" category totaling $23m of funding need and 9 providers in the "B" category totaling $6.1m in funding need. From the Water List, there are 7 providers listed in the "A" category totaling $3.4m in funding need and 12 providers in the "B" category totaling $27.3m in funding need.

Region 10, comprised of Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel counties and all water and sewer providers within, has 3 providers listed on the Sewer List in the "A" category totaling $1.7m of funding need and 8 providers in the "B" category totaling $7m in funding need. From the Water List, there are 3 providers listed in the "A" category totaling $.7m in funding need and 9 providers in the "B" category totaling $12.9m in funding need.

Region 11, comprised of Garfield, Mesa, Moffat, and Rio Blanco counties and all water and sewer providers within, has 2 providers listed on the Sewer List in the "A" category totaling $3.6m of funding need and 11 providers in the "B" category totaling $12.9m in funding need. From the Water List, there are 3 providers listed in the "A" category totaling $36.9m in funding need and 9 providers in the "B" category totaling $15.1m in funding need.

Region 12, comprised of Eagle, Grand, Jackson, Pitkin, Routt, and Summit counties and all water and sewer providers within, has 6 providers listed on the Sewer List in the "A" category totaling $31.6m of funding need and 17 providers in the "B" category totaling $70.5m in funding need. From the Water List, there are 4 providers listed in the "A" category totaling $4.3m in funding need and 22 providers in the "B" category totaling $42.5m in funding need.

Region 13, comprised of Chaffee, Custer, Fremont, and Lake counties and all water and sewer providers within, has 4 providers listed on the Sewer List in the "A" category totaling $16.8m of funding need and 12 providers in the "B" category totaling $11.7m in funding need. From the Water List, there are 9 providers listed in the "A" category totaling $7.3m in funding need and 3 providers in the "B" category totaling $1.3m in funding need.

Region 14, comprised of Huerfano and Las Animas counties and all water and sewer providers within, has 3 providers listed on the Sewer List in the "A" category totaling $8m of funding need and 4 providers in the "B" category totaling $1.3m in funding need. From the Water List, there are 3 providers listed in the "A" category totaling $.8m in funding need and 7 providers in the "B" category totaling $16.6m in funding need.

In total, the state funding needs for sewer total $672.6m and for water $619.8.

Description Of Factors and Trends Affecting Municipalities

Based on the 13th Annual Report by the Colorado Municipal League (CML), dated 1999, municipal officials throughout Colorado consider coping with growth to be a major problem. Of the 177 municipalities responding to the survey conducted by CML (out of a total possible 269), 78% cited street improvement needs as a major fiscal problem; followed by growth (73%); affordable housing (71%); rising health insurance costs (68%); workers' compensation costs (58%); tax limitations (58%); and spending limits (51%).

From the 1999 CML Survey, a brief discussion is offered for the following areas borrowing heavily from the survey.

Street Improvement Needs

Unfunded street maintenance and improvement needs took the lead as the major problem. Municipal officials, faced with increasing costs to provide services as the state's population continues to grow, are particularly concerned about funding for local transportation needs. From 1990 to 1996, the number of Colorado municipal residents increased by 13.8%, but the number of vehicles registered within municipalities increased by 19.2%.

Increased Growth

The Demography Section of the Colorado Department of Local Affairs recently released new population projections for the state. What is distinct about the forecast is that the state is expected to continue to grow above the national average for the next twenty years. The Western Slope and Eastern Mountains are expected to be the fastest growing parts of the state because of the continued development of the tourism industry and, in particular, the construction and activity of second homes. Growth will be fueled in this part of the state by retirees. Resident retirees will also play a significant role in the growth of all areas of the Front Range and other parts of the state.

Affordable Housing

Municipal officials also recognize lack of affordable housing as a challenging consequence of growth. In every major area in Colorado, the housing market is booming. Statewide apartment vacancies remain at dangerously low levels that may soon force employers to find their workers housing. In many communities the cost of housing is becoming a source of community-wide concern and housing costs are increasing faster than income.

Increased Insurance Costs

This year 68% of respondents reported rising employee health insurance costs as a major fiscal problem, a significant increase over the 60% in 1998. Employee health insurance cost is a major concern because more than half of the typical municipal budget is for personnel-related costs. However, for some smaller municipalities, these rising costs are "not applicable," because they cannot afford to provide health insurance benefits for their employees anyway.

Tax Limits

Among major problems municipalities report in complying with tax limitations under the TABOR Amendment are increased election and bond expenses, increased legal and accounting costs, increased tendency toward litigation and liability claims and loss of flexibility to address local problems and economic conditions with local solutions. Many municipalities have had to reduce mill levies or refund prior year "excess" revenues to avoid collecting revenue over the TABOR limit.

General Fund Revenues

In 1999, total general fund revenue growth over 1998 is projected to be an average of 2.4% among the 164 municipalities providing this information for 1997, 1998 and 1999. For 41.2% of responding cities and towns, general fund revenues for 1999 are projected to be less than in 1998. For some, general fund revenues have decreased for several years. For example, 20.9% of responding cities and towns project less general fund revenue than two years ago. However, most municipal officials are conservative in their forecast for general fund revenue increases.

Property Tax Revenues

Municipal property tax revenues were budgeted to increase 2.1% in 1999. Property tax revenues increased 7.9% in 1998. For the first time in recent years, in 1997 the change in actual value of nonresidential property was nearly equal to the change in the actual value of residential property. In Colorado, property is reassessed every two years. Property will be reassessed in 1999, for the 2000 budget year, based on estimated values as of June 30, 1998. In alternate years, property assessed values are adjusted for new construction and other factors.

At issue for the future is the “Gallagher Amendment” and the effects of TABOR. This will be a problem for local governments as property tax re-assessments take place in year 2000. For those entities that are experiencing prosperous times, the effect will be a reduction in the property tax rates so excess revenue is not generated. For those government entities not experiencing prosperous times and have property tax rates which will have to be reduced, the government entity will loose property tax revenue because it is prohibited by TABOR from increasing the property tax rates so that it can generate a revenue amount equal to what it received in 1999 without a vote of the local citizens.

Sales Tax Revenues

Among reporting municipalities, sales and use tax revenues were estimated to increase by 9.7% in 1998, slowing to a budgeted 2.9% increase in 1999. However, most municipal officials are conservative in their forecast for sales tax revenue increases. Colorado’s economy remains healthy and the outlook is favorable. The growth rate in total retail trade sales from calendar year 1997 to 1998 is forecast to be 6.8%, and 5.9% increase in 1999. The retail sales figure is the single common indicator of economic health used for assessing the spending habits of Colorado consumers and businesses. Another indicator of economic health, average per capita income, is up by 17% in the four years since 1993. In 1996, Colorado per capita income exceeded U.S. income by 5.3%, up from only 3.6% in 1993.

In addition to state and local sales taxes levied on lodging, 29 municipalities levy a separate lodgers’ tax in lieu of, or in addition to, the municipal sales tax. Also, 23 counties levy a separate lodgers’ tax. As of March 1999, 20 cities and towns and seven counties have earmarked sales and use tax revenues and other revenue sources for open space and land conservation programs.

Adopting the 1999 Budget

Several municipal officials said they are planning a municipal election during 1999 to ask permission from voters to spend revenue above the TABOR limitations. Some are seeking authority to use revenue for a specific purpose and others are requesting authority to issue bonds or spend a possible state grant. Many municipalities reported they had raised fees and charges, most were water and wastewater rates, trash collection fees and recreation charges. Others increased planning and development fees, license fees and golf course green fees. User charges and fees, not including utility rates and charges, have increased as a percentage of municipal general revenue since 1990.

A number of municipalities mentioned enhanced services planned for 1999, many as a result of population growth and increased building activity. A few are reducing or postponing new services and others have postponed planned capital improvement projects due to adverse economic conditions. Seventy-six municipalities report they have increased the size of the municipal work force for 1999, up from only 59 who did so last year. Most of these were to provide services for larger populations or due to increased building activity. Only a few municipalities reported they had reduced the number of employees or imposed a wage freeze.

Even when cities’ and towns’ economic and fiscal conditions improve, many have decided to continue increasing the level of unrestricted ending balances as a high fiscal priority. Rating agencies give high marks to municipal government bond issuers that demonstrate good fiscal management by, in part, maintaining healthy ending balances. But municipal officials also build ending balances as cushions for the future, especially those that rely on sales taxes for a major portion of revenues, since this is often a volatile income source, varying with local economic conditions.

Chapter 3 RESOURCES

Federal Housing Programs

PROGRAM TITLE:	***Community Services Block Grant (CSBG)***
ADMINISTRATION AGENCY:	Colorado Department of Local Affairs Community Partnership Office
DESCRIPTION:	This program is designed to provide a range of services and activities having a measurable and potentially major impact on the causes of poverty in the community or those areas of the community where poverty is a particularly acute problem.
ELIGIBLE ACTIVITIES and NATIONAL OBJECTIVES:	Eligible activities must meet the federal program objectives, the most pertinent are: 1) to secure and retain meaningful employment; 2) to maintain an adequate education; 3) to make better use of available income; 4) to obtain and maintain adequate housing and a suitable living environment; 5) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including health services, nutritious food, housing, and employment related assistance; 6) to remove obstacles and solve problems which block the achievement of self-sufficiency; and 7) to achieve greater participation in the affairs of the community.
DISTRIBUTION:	Funds are distributed through a formula allocation to all counties.

PROGRAM TITLE:	***Emergency Shelter Grants (ESG)***
ADMINISTRATION AGENCY:	Colorado Division of Housing
DESCRIPTION:	This program provides grants on a formula basis to states and local governments for renovation, major rehabilitation, conversion of buildings for use as emergency shelters for homeless persons, or to make structural changes to make a facility accessible to the physically disabled. Funds also can be used for certain operating costs, essential services, and homeless prevention activities, including financial assistance to families who have received eviction notices or notices of termination of utility service. States can distribute ESG assistance directly to private nonprofit organizations, if local governments certify their approval of the project. Homeless day shelters and drop-in centers are also eligible for funding.
APPLICATION PROCESS SPECIAL REQUIREMENTS:	Funds will be obligated through a competitive application process annually. Applications will be reviewed for extent and urgency of identified homeless needs, project impact on identified need, management capacity, and demonstrated local area support and coordination of supportive services. The state will give priority to applications from non-formula allocation areas.

The first $100,000 of a state grant does not have to be matched. Beyond the first $100,000, federal funds must be matched on a dollar-for-dollar basis. The match may include any donated material or building, leases, staff salaries, or volunteer services. The state or locality can use up to 60 percent of its ESG grant for both essential services and prevention. Essential services include such activities as job skills training, health care, substance abuse treatment, and education. Prevention activities include short-term rent subsidies, utility payments, security deposits, landlord/tenant mediation, and mortgage payments to prevent foreclosures.

When a grantee receives funds for only shelter operations and essential services, the building must be used as a shelter as long as federal assistance is received. The shelter site can be changed only if the assistance is for operating funds or essential services and the new site would continue to serve essentially the same population. If funds are used for rehabilitation, other than major rehabilitation or conversion, the building must be used as a shelter for at least three years. If the funds are used for major rehabilitation or conversion, the building must be used as a shelter for a minimum of ten years.

PROGRAM TITLE: ***FNMA: Fannie Mae Community Lending Program***

ADMINISTRATION AGENCY: Federal National Mortgage Association (FNMA-Fannie Mae)

DESCRIPTION: Fannie Mae Community Lending products are flexible and designed to expand the availability of low downpayment mortgages and address problems with qualifying incomes. The American Communities fund is a community development venture capital fund dedicated to making equity investments for affordable housing in neighborhoods that lack adequate access to traditional equity capital. The Housing Impact Fund is a three year loan program that funds housing developments for underserved populations and are outside the corporation's standard project profile.

PROGRAM TITLE: ***FNMA: Fannie Mae House Colorado Plan***

ADMINISTRATION AGENCY: Federal National Mortgage Association (FNMA-Fannie Mae)

DESCRIPTION: A $15 million, five year investment in Colorado housing projects through: Rural and Resort Housing Plans, Community Revitalization, Multifamily Financing, Employer Assisted Housing Partnerships, Mortgage Revenue Bond Partnerships, Native American Lending, Outreach to the African American and Hispanic Communities, Improved Homebuyer Education, and nonprofit support.

PROGRAM TITLE: ***Federal Historic Investment Tax Credits***

ADMINISTRATION AGENCY: Colorado State Historical Society

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: Owners of buildings on the National Register are entitled to take 20% investment tax credit on their federal income tax for certified rehabilitation expenses of residential and commercial income-producing property. Tax credit can be on both the hard and soft costs of rehabilitation either on a two-year rehabilitation plan or a 5-year phased plan. The tax credit is received in the year the project is put into service. In order to raise capital for the project, the tax credits may be sold to Limited Partner investors who would receive a share of project gains, losses and proceeds upon resale of the property.

PROGRAM TITLE: ***Federal Home Loan Bank Board Affordable Housing Program***

ADMINISTRATION AGENCY: Federal Home Loan Bank

DESCRIPTION: This program is available through member institutions, mostly savings and loans, to encourage their participation in affordable housing lending programs.

ELIGIBLE ACTIVITIES and OTHER INFORMATION: Funds may be used to finance the purchase, construction or rehabilitation of rental and single family housing in which at least 20% of the units will be occupied and affordable for very low-income households for term of loan. Priority is given for utilization of existing HUD/RTC or other government-owned properties and involvement of nonprofit organizations and/or housing authorities or other government entities.

PROGRAM TITLE: ***Rehabilitation Home Mortgage Insurance 203(K)***

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION: A mortgage insurance program for long-term fixed or adjustable rate mortgages to finance both the acquisition and the rehabilitation of one to four-family residences (not condominiums or cooperatives. Interest rates, based on the market rate, are negotiable between borrower and lenders. Mortgages are amortized over 30 years.

PROGRAM TITLE: ***Section 221(d)(4)***

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION: A mortgage insurance program for new construction and rehabilitation of projects for moderate income families with a minimum of five-units. HUD-FHA insures mortgages made by HUD-FHA approved private lenders to private, profit-motivated corporations, trust, partnerships or individuals. Financing can be either market-rate or tax-exempt. Loans cannot exceed forty years and the interest rate is negotiated between the lender and borrower. The maximum insurable replacement cost of new construction or cost of rehabilitation.

PROGRAM TITLE: ***Section 221(d)(3)***

ADMINISTRATION AGENCY: FHA/U.S. Department of Housing and Urban Development

DESCRIPTION: A mortgage insurance program for new construction and rehabilitation of projects for low- and moderate income families with a minimum of five units. It is primarily for use by nonprofit borrowers. Otherwise it is the same program as the Section 221(d)(4), except that the maximum insurable mortgage is 90%-100% of estimated replacement cost of new construction or rehabilitation.

PROGRAM TITLE: ***Home Ownership Loans Program (502)***

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides loans in rural areas to finance home and building sites. Loans may also be used to improve, repair or rehabilitate rural homes and related facilities, and provide adequate water and waste disposal. Rural areas are defined as open country, places with population under 10,000 and, under certain conditions, town and cities with population between 10,000 and 20,000. Loan terms up to 33 years (38 years for those with incomes below 60% of area median) and 30 years for manufactured housing units.

PROGRAM TITLE: ***Rural Housing Preservation Grants (533)***

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program enables sponsoring organizations to assist very low- and low-income homeowners to repair or rehabilitate their dwellings. The grants are competitive and made available in areas where there is a concentration of need. HPG funds are combined with other programs or funds, and used as a loan, grant or subsidy for recipient households, based on a plan contained in the sponsor organization's application.

PROGRAM TITLE: ***Rural Housing Site Loans (523 and 524)***

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program makes loans to nonprofit and public agencies to purchase and develop building sites, and to construct streets and utilities. 523 loans are for self-help housing sites, 524 loans are for low- and moderate-income families. 524 sites may also be sold to public and nonprofit organizations using federal, state or local programs to house low- and moderate-income families. All loans are repayable in two years.

PROGRAM TITLE: ***Rural Rental and Cooperative Housing Loans (515)***

ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program provides direct loans to finance rental or cooperatively owned housing designed for very low-, low- and moderate income families, elderly, and handicapped. Funds may be used to construct new housing or to purchase and rehabilitate existing structures for rental purposes. Congregate housing for the elderly, handicapped, and group homes for developmentally disabled are authorized. Funds may also be used to purchase or improve land.

PROGRAM TITLE: ***Rural Rental Assistance Payments (521)***
ADMINISTRATION AGENCY: USDA/Rural Development

DESCRIPTION: This program enables low-income families or individuals to reside in FmHA rural rental, cooperative or farm labor housing without paying over 30% of their income for rent. FmHA pays the difference between the tenant's contribution and the monthly rental rate, including utilities and services. Rental contracts between FmHA and the owner are for five years and are renewable. Ninety-five percent of those assisted must have very low income. In existing projects seventy-five percent must be very low income.

PROGRAM TITLE:	***Self-Help Technical Assistance Grants (523)***
ADMINISTRATION AGENCY:	USDA/Rural Development
DESCRIPTION:	This program provides administrative funding to organizations sponsoring self-help housing development. Under self-help, a group of families jointly contribute labor to build their own homes, which are financed under Section 502. Applicants must show that their organization has the ability to supervise a project or that they will receive assistance from a group having this ability. Contracts are normally for two years.
PROGRAM TITLE:	***Very Low Income Housing Repair Loans and Grants (504)***
ADMINISTRATION AGENCY:	USDA/Rural Development
DESCRIPTION:	This program provides loans up to $20,000 and grants up to $7,500 which can be combined for a total of $27,500 to very low-income homeowners for repairs, improvements to modernize their dwelling or removal of health and/or safety hazards. Homeowners must have incomes below 50% of area median and be unable to obtain an affordable loan elsewhere. Dwelling must need the safety hazard repairs. Grants to homeowners 62 or older maybe used only for repair of safety and health hazards.
PROGRAM TITLE:	***Farm Labor Housing Loans and Grants (514/516)***
ADMINISTRATION AGENCY:	USDA/Rural Development
DESCRIPTION:	This program provides loans/grants to build, buy, improve or repair housing for farm laborers, including persons whose income is earned in agriculture. Funds can be used to purchase or lease a site; to construct housing; to pay fees; to purchase durable household furnishing; and to pay for construction loan interest. Eligible for these loans/grants are farmers, farm associations, family farm corporations, Indian tribes, nonprofit, public agencies and associations of farm workers. Loan terms are 33 years at 1% interest. Grant terms are up to 90% of development cost. The remaining 10% is usually a Section 514 loan.
PROGRAM TITLE:	***HOME Investment Partnership Program***
ADMINISTRATION AGENCY:	Colorado Division of Housing
ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS:	Acquisition, Rehabilitation, New Construction, Tenant Based Rental Assistance (All activities require a 25% non-federal match.)
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Ninety percent of funds invested in tenant based rental assistance and rental units must benefit families with incomes 60% or below area median income. One hundred percent of funds invested in homebuyer programs must benefit families whose incomes are equal to or less than 80% of area median income. Funds are obligated through a competitive application process on a continuing basis with applications reviewed monthly by the State Housing Board. There is a fifteen percent (15%) set-aside for Community Development Housing Organization activities which include activities that are eligible generally under the HOME Program -- acquisition, construction and rehabilitation where the CHDO is the owner, developer or sponsor -- as well as project specific technical assistance, site control loans, and project-specific seed money loans.

PROGRAM TITLE:	***"Small Cities" Community Development Block Grant***
ADMINISTRATION AGENCY:	Colorado Department of Local Affairs. Housing set-aside administered by the Division of Housing.
ELIGIBLE ACTIVITIES:	Acquisition, Rehabilitation, New Construction Public Services and Facilities, Administration Costs
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Funds will be obligated through a competitive application process on a continuing basis with review of applications monthly by the State Housing Board. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low-income persons.
PROGRAM TITLE:	***Energy Saving Partnership Program (E$P)***
ADMINISTRATION AGENCY:	Governor's Office of Energy Conservation
ELIGIBLE ACTIVITIES:	E$P combines Federal and utility funds for Low Income weatherization. The program serves households whose income is at or below 150% of federally defined poverty level. Services include combustion safety testing, furnace efficiency adjustments, air leakage testing and reduction, insulating attic, walls, underfloor/perimeter, and energy consumption education
APPLICATION PROCESS and SPECIAL REQUIREMENTS:	Weatherization Services are provided on a statewide basis through eight public and private nonprofit agencies. Funds are allocated yearly based upon poverty population and climate data for each service area.
PROGRAM TITLE:	***Supportive Housing Program***
ADMINISTRATION AGENCY:	Office of Special Needs Assistance Programs, U.S. Department of Housing and Urban Development
ELIGIBLE APPLICANTS:	States, local governments, other governmental entities, Native American Tribes, private nonprofit organizations, and community mental health associations that are public nonprofit organizations are eligible to compete for grant funds through a national selection process.
DESCRIPTION:	The program is designed to promote the development of supportive housing and services, including innovative approaches to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible.
ELIGIBLE ACTIVITIES	Funds may be used for the acquisition, rehabilitation, new construction, leasing, and operating costs of structures for use as supportive housing or services; costs of supportive services in supportive housing; or the cost of supportive services provided to homeless persons who do not reside in supportive housing.
PROGRAM TITLE:	***Section 8 Certificates and Vouchers***
ADMINISTRATION AGENCY:	Colorado Division of Housing

DESCRIPTION: The program provides tenant-based subsidies for rents paid by low and very low I income households. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

ELIGIBLE ACTIVITIES: Funds may be used for tenant-based rental assistance.

PROGRAM TITLE: ***Section 8 Certificates and Vouchers***

ADMINISTRATION AGENCY: Colorado Supportive Housing and Homeless Programs

DESCRIPTION: The program provides tenant-based subsidies for rents paid by low and very low income households specifically with disabilities. Tenant payments are based upon income and the Section 8 rental subsidy, paid either directly to unit owners or through public housing authorities, cover the difference between that amount and the market rent for the unit.

ELIGIBLE ACTIVITIES: Funds may be used for tenant-based rental assistance.

PROGRAM TITLE: ***Section 8 Moderate Rehabilitation Assistance for Single Room Occupancy (SRO) Dwellings***

ADMINISTRATION AGENCY: Office of Community Planning and Development
U.S. Department of Housing and Urban Development

DESCRIPTION: The SRO program provides funding for HUD's Section 8 Moderate Rehabilitation Assistance Program to be used to rehabilitate SRO units for occupancy by homeless persons. SRO assistance also can be used to rehabilitate efficiency units that contain kitchen or bathroom facilities if the project owner agrees to pay the additional costs of rehabilitation and operation of the units.

PROGRAM TITLE: ***Shelter Plus Care Programs - Rental Assistance/Section 8 (SRO) Rehabilitation and Section 202 Rental Assistance***

ADMINISTRATION AGENCY: Office of Community Planning and Development
U.S. Department of Housing and Urban Development

ELIGIBLE APPLICANTS: States, units of general local government, PHAs, and Indian tribes may apply for assistance under any or all of the four components.

DESCRIPTION: This program is designed to link federally provided rental assistance with locally supplied supportive services for hard-to-serve homeless persons with disabilities and their families. Rental assistance is provided through four components: 1) Tenant-Based Rental Assistance (TBRA); 2) Sponsor-Based Rental Assistance (SRA); 3) Project-Based Rental Assistance (PRA); and, 4) an extension of the Moderate Rehabilitation for Single-Room Occupancy (SRO) for Homeless Individuals Program.

PROGRAM TITLE: ***Housing Opportunities for Persons with AIDS (HOPWA)***

ADMINISTRATION AGENCY: Office of Community Planning
US Department of Housing and Urban Development

DESCRIPTION

This program provides States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes two types of grants for a range of housing assistance and supportive services for low income persons with AIDS or related diseases and their families.

PROGRAM TITLE: ***Supportive Housing for Persons with Disabilities (Section 811)***

DESCRIPTION and ELIGIBLE ACTIVITIES:

This program will fund capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income persons with disabilities for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and 30% of the resident's adjusted income. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

ADMINISTRATION AGENCY: Field or Regional Office. U.S. Department of Housing Urban Development

PROGRAM TITLE: ***Supportive Housing for Elderly Persons (Section 202)***

DESCRIPTION and ELIGIBLE ACTIVITIES:

This program will fund capital advances bearing no interest based on development cost limits published periodically in the Federal Register. Repayment of the advance is not required as long as the housing remains available for occupancy by very low-income elderly persons 62 years of age or older for at least 40 years. The program will also fund project rental assistance to cover the difference between the HUD-approved operating cost per unit and the amount the resident pays. Development methods that are eligible are new construction, rehabilitation, acquisition for group homes and acquisition from the Resolution Trust Corporation for group home and independent living facilities.

ADMINISTRATION AGENCY: U.S. Department of Housing Urban Development

PROGRAM TITLE: ***Low Income Housing Tax Credits (LIHTC)***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION:

This program allows individuals and corporations that invest in qualifying low income housing projects to receive federal tax credits that directly reduce their tax liabilities for ten years assuming that the project continues to comply with program regulations. Proceeds from these investments are used to construct the low-income housing project.

APPLICATION PROCESS SPECIAL REQUIREMENTS:

Applications for tax credit reservations are accepted once a year; applicants must compete on criteria established in the Colorado Housing and Finance Authority's Qualified Allocation Plan. Preference is given to projects providing housing to the lowest income households for the longest period of time.

PROGRAM TITLE: ***Taxable Loan Program***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: Construction and permanent financing for new construction or substantial rehabilitation projects that also are assisted with Low Income Housing Tax Credits. The borrower's general partner may be either a nonprofit or for profit entity.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Each month, after staff underwriting, proposed loans are taken to the Colorado Housing and Financing Authority Board for approval.

State Housing Programs

PROGRAM TITLE: ***Colorado Historic Preservation Income Tax Credits***

ADMINISTRATION AGENCY: Colorado State Historical Society

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: The owners of buildings which are over 50 years old and historically designated are entitled to take tax credits of 20% of the rehabilitation costs up to a maximum of $50,000. The credit directly reduces the income taxes owed to the state and can be carried forward five years. The tax credit is first received the year the project is put into service. These tax credits can also be sold to limited partner investors in order to raise capital for the rehabilitation project.

PROGRAM TITLE: ***Colorado Division of Housing Grant Program (DOH Grants)***

ADMINISTRATION AGENCY: Colorado Division of Housing

ELIGIBLE ACTIVITIES: Acquisition, Rehabilitation, New Construction

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. $1 per $1 match is required.

Applications will be reviewed for management capacity, project impact on need, project feasibility, and benefit to very low and low income persons. Fifty-five percent of these funds will be targeted to households earning 30% or less of AMI.

PROGRAM TITLE: ***Colorado Division of Housing Home Investment Partnership Program***

ADMINISTRATION AGENCY: Colorado Division of Housing

DESCRIPTION: This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low- and moderate-income persons.

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: The maximum income of occupants can be no more than 100% of the location's area median income. Loans can be made for land or property acquisition, development fees, or new construction or rehabilitation. Interest rates range from 1% to prime rate plus 2. There must be a guaranteed "take-out" in place.

APPLICATION PROCESS AND SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

PROGRAM TITLE: ***Colorado Division of Housing/Fannie Mae Construction Lending Program***

ADMINISTRATION AGENCY: Colorado Division of Housing

DESCRIPTION: This program provides short-term, one to seven year, secured loans to assist housing authorities, public entities and private nonprofit with the development of housing for low- and moderate income persons. Fannie Mae purchases participation in DOH construction loans for the development of affordable housing.

ELIGIBLE ACTIVITIES and MATCH REQUIREMENTS: The maximum income of occupants can be no more than 100% of the location's area median income. Loans can be made for land or property acquisition, development fees, or new construction or rehabilitation. Interest rates There must be a guaranteed "take-out" in place. Below market interest rates are set by Fannie Mae. No fees are charged for the Fannie Mae portion of the loans.

APPLICATION PROCESS AND SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process on a continuous basis with applications reviewed monthly by the State Housing Board. The loan must be fully collateralized.

PROGRAM TITLE: ***Mortgage Revenue Bond Program***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES Acquisition, Acquisition/Rehabilitation

DESCRIPTION: Mortgage Revenue Bonds are issued throughout the year by the Colorado Housing and Finance Authority. The proceeds are used to purchase below market rate first mortgage loans from participating lenders. The home buyers must be first time buyers, unless the home is purchased in federally designated targeted areas. Program eligibility requirements include income limits and purchase price limits.

PROGRAM TITLE: ***Mortgage Credit Certificate Program***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

ELIGIBLE ACTIVITIES: Acquisition, Acquisition/Rehabilitation

DESCRIPTION: A Mortgage Credit Certificate allows a low or moderate income homebuyer to take a federal income tax credit for a percentage of the mortgage interest paid during the year. The certificates are committed to home buyers on a first come, first served reservation system. The home buyers must be first time buyers unless the home is purchased in federally designated targeted areas. Program eligibility requirements include income limits and purchase price limits.

PROGRAM TITLE: ***Down Payment Assistance Program***

ADMINISTRATION AGENCY: Colorado Housing and Finance Agency

ELIGIBLE ACTIVITIES: Acquisition, Acquisition/Rehabilitation

DESCRIPTION: These funds are used to fund minimum downpayment and closing costs for home buyers who utilize mortgage revenue bond financing to fund minimum downpayment and closing costs. The funds are committed to home buyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements for the mortgage revenue bond program and have a family income not in excess of 80% of state median income.

PROGRAM TITLE: ***Housing Fund***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This program funds construction and interim financing for all types of housing sponsored by nonprofit and public agencies. Activities given priority are acquisition and rehabilitation.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Proposed loans are taken to the Colorado Housing and Financing Authority Board for conditional, then final approval.

PROGRAM TITLE: ***501(c)(3) Bond Program***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This program funds construction and permanent financing for new construction, acquisition and/or rehabilitation of very low, low and moderate income rental housing for family, elderly, and special needs households. Applicants must be 501(c)(3) tax exempt organizations or local public housing authorities. The maximum loan level is 95% of cost or value whichever is less.

APPLICATION PROCESS: Applications are accepted on a continuous basis. Proposed loans are taken to the Colorado Housing and Financing Authority Board for conditional, then permanent approval.

PROGRAM TITLE: ***Housing Opportunity Fund***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority

DESCRIPTION: This fund provides flexible gap-financing for low-income rental housing and home ownership projects. Preference is given to proposals that make housing affordable to people with extremely low incomes.

APPLICATION PROCESS: Applications are accepted on a continuous basis each month. Proposed loans are taken to the Colorado Housing and Financing Authority Board for approval.

PROGRAM TITLE: ***Private Activity Bonds***

ADMINISTRATION AGENCY: Colorado Housing and Finance Authority, Colorado Department of Local Affairs and Local Government Issuers

DESCRIPTION: This program involves using the proceeds of tax-exempt bond issues to fund construction and permanent loans for for-profit entities to construct or acquire/rehabilitate rental housing for low and mixed income households, to provide mortgage credit certificates or mortgage revenue bonds. It is generally required that loans be insured or guaranteed by a third party such as FHA.

APPLICATION PROCESS: Applications are taken by local municipal or county housing or finance offices, by the Colorado Housing and Finance Authority, or the Department of Local Affairs. Before a project may proceed, official action must be taken by the local elected governing body to allocate bond issuing authority for the loan. Actions are taken by the Colorado Housing and Finance Authority Board monthly and by local issuers more frequently. Issuers can also secure bond authority from the Colorado Department of Local Affairs, which accepts applications twice a year.

LOCAL HOUSING PROGRAMS

LOCAL GOVERNMENT PROGRAMS

PROGRAM TITLE: **Boulder Community Housing Assistance Program**

ADMINISTRATION AGENCY: City of Boulder

DESCRIPTION: To provide local affordable housing developers with additional financial resources, Boulder created the CHAP in 1992. The CHAP generates between $900,000 and $1,000,000 a year and is funded through property taxes and the Housing and Development Excise Tax. The property tax is based on a .8 mill levy out of 9.981 mills levied for the city. These taxes are generated from new commercial/industrial and residential development. Residential properties provide the majority of the funding (56 percent) while commercial/industrial properties provide 44 percent. CHAP funds are granted to developers for acquisition, rehabilitation and new construction of affordable housing. Often CHAP funds are used in tandem with the City's HOME or CDBG funds. CHAP funds are targeted to families between 31 and 60 percent AMI.

PROGRAM TITLE: **City of Aspen Affordable Housing/Daycare Fund**

ADMINISTRATION AGENCY: Aspen/Pitkin Housing Office

DESCRIPTION: This fund was established to support development activities including: land acquisition, construction, redevelopment and renovation, operations, and day care. The fund is capitalized by a one percent real estate transfer tax and a.0.45 percent sales tax. In 1998, the real estate transfer tax contributed $4.2 million to the fund. This amount was skewed by the sale of the Ritz-Carlton Hotel during 1998. The sales tax added an additional $1.7 million. All funds are administered by the Aspen/Pitkin Housing Office as part of an intergovernmental agreement between Aspen and Pitkin County.

PROGRAM TITLE: **Longmont Affordable Housing Fund**

ADMINISTRATION AGENCY: City of Longmont

DESCRIPTION: Funded with seed capital from Longmont's 1997 general fund ($75,000) and "in-lieu of" payments ($60,000) from annexations, this fund provides low-cost financing for affordable housing developers. When a developer is requesting an annexation, the city requires 10 percent of the total by housing type and by phase to be made affordable through rents to households at or below 60 percent of AMI or through purchase price to households at or below 80 percent of AMI. All annexations can elect to make a payment "in lieu of" actual development.

The fund is designed as a revolving loan pool. Eligible projects must meet a community need, leverage additional private or public funds, and demonstrate an ability to repay the loan.

PROGRAM TITLE: **Skyline Housing Trust Fund**

ADMINISTRATION AGENCY: City of Denver

DESCRIPTION: Denver's Skyline Housing Trust Fund was originally capitalized from the proceeds of land sales from an urban renewal district in Denver (the 16th Street Mall). Distribution of the fund is limited to eligible CDBG activities. The current focus of the program is to provide funds for homeownership activities. Funding recipients include the Colorado Housing Assistance Corporation (CHAC) for downpayment assistance and closing cost loans to low-income persons.

PROGRAM TITLE: **San Miguel County Deed-Restricted Sales Assessment**

ADMINISTRATION AGENCY: San Miguel County Regional Housing Authority

DESCRIPTION: This program generates funding through a one percent transfer tax on the sale of county, deed-restricted properties. These revenues are deposited with the San Miguel County Regional Housing Authority for the acquisition of deed-restricted properties. The Housing Authority will acquire units in cases where owners of deed-restricted homes cannot find a qualified buyer, or in cases where the unit is in foreclosure.

FOR PROFIT

No funds available in this category

NONPROFIT

No funds available in this category.

Federal Community Development Programs

PROGRAM TITLE: ***"Small Cities" Community Development Block Grant (CDBG)***

ADMINISTRATION AGENCY: Colorado Department of Local Affairs. Public Facilities set-aside administered by the Office of Field Services.

DESCRIPTION: Projects must primarily benefit very low and low income persons or eliminate slum/blight conditions or urgent need.

ELIGIBLE ACTIVITIES: Acquisition, Rehabilitation, Reconstruction, New Construction, Public Services, Administrative Costs

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process with on-going review of applications. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low income persons. Small Cities CDBG applicants are limited to Colorado's non-entitlement municipalities or counties; districts and private systems are eligible subrecipients.

PROGRAM TITLE: ***Rural Economic Community Development (RECD)***

ADMINISTRATION AGENCY: U.S. Department of Agriculture, Rural Development

DESCRIPTION: To develop community facilities for public use in rural areas and towns. Funds may be used to construct, enlarge, or improve community facilities for health care, public safety and public services.

ELIGIBLE ACTIVITIES: Water, Wastewater, & Stormwater Loan & Grant; Solid Waste Management; Distance Learning & Tele-medic Loan & Grant; and Community Facility Programs

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applications received on a continuing basis. Eligible applicants are counties, municipalities, special purpose districts, Indian Tribes and non-profit corporations. For water, wastewater and stormwater projects, applicant population may not be more than 10,000; for other community facilities, applicant population of not more than 20,000; and must be unable to obtain funding from other sources at reasonable rates and terms; have legal authority to borrow and repay loans; and be financially sound and able to manage the facility effectively.

PROGRAM TITLE: ***Water Pollution Control Revolving Fund (WPCRF)***

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: Loans for wastewater and nonpoint source pollution projects.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing application process. Eligible applicants are counties, municipalities or special districts and the applicant must be on the WPCRF's eligibility list. A 201 facility plan or adequate feasible study for small borrowers is required.

PROGRAM TITLE: ***EDA Water and Wastewater Program***

ADMINISTRATION AGENCY: U.S. Economic Development Administration

DESCRIPTION: Provides matching funding for economic development related projects such as public works, public works impact projects, business development assistance, technical assistance, state and local economic development planning and economic adjustment. The funding must be earmarked to economically distressed areas and tied to permanent private sector jobs and investments.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applicant must be located in an EDA eligible area. It is a grant only program with an ongoing application process. The percentage of the project costs reimbursed by EDA depends on the degree of economic distress of the applicant.

PROGRAM TITLE: ***High Poverty Grants***

ADMINISTRATION AGENCY: U.S. Department of Education

DESCRIPTION: Support development and implementation of school to work opportunities. Program is targeted to urban and rural areas of high poverty.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Fifteen to twenty-five awards per year on an annual basis.

PROGRAM TITLE: ***School-to-Work Program***

ADMINISTRATION AGENCY: U.S. Department of Education

DESCRIPTION: Helping cities/communities who already have the school-to-work program to establish a national framework that allows states to create programs connecting high school students who are not college bound with the working world.

APPLICATION PROCESS and **SPECIAL REQUIREMENTS**: Fifteen to twenty-five awards per year on an annual basis.

PROGRAM TITLE: ***The Distance Learning and Medical Link Grant Program***

ADMINISTRATION AGENCY: National Rural Electrification Administration

DESCRIPTION: Funds are provided for the development and application procedures to advance telecommunication technology for rural Americans. Eligible applicants are rural schools, universities, hospitals and/or consortiums which emphasize rural sites.

APPLICATION PROCESS Annual application review.

PROGRAM TITLE: ***Federal Transit Administration - Mass Transit***

ADMINISTRATION AGENCY: Colorado Department of Transportation

DESCRIPTION: Provides grants for research, demonstration projects, studies outlining the management, operations, capital requirements and economic feasibility of transit services; managerial, technical and professional training in the public transportation field; preparation of engineering and architectural surveys and transit facilities; and evaluations of previously funded transit projects.

APPLICATION PROCESS Eligible applicants are counties, cities, and other local governments as well as Indian Tribes and grants are made annually.

State Community Development Programs

PROGRAM TITLE: ___________***Energy and Mineral Impact Assistance Fund (IMPACT)***

ADMINISTRATION AGENCY: The Department of Local Affairs (DOLA)

DESCRIPTION: Provides grants and loans for planning, construction and maintenance of public facilities and the provision of public services.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds will be obligated through a competitive application process with review of applications semi-annually by the State. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, and project impact. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.

PROGRAM TITLE: ***Gaming Impact Assistance Fund (Gaming)***

ADMINISTRATION AGENCY: The Department of Local Affairs (DOLA)

DESCRIPTION: Provides grants to finance planning, construction and maintenance of public facilities and for the provision of public services related to the impact of gaming.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Grants may only be provided to counties which are geographically contiguous to the gaming counties. Funds are obligated through a competitive application process on a yearly basis by the State.

PROGRAM TITLE: ***Colorado Small Water Resources Projects Program***

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: The program provides funding related to water supply, storage, transmission, treatment and distribution.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applicants are received on a continuous basis with a funding request of at least $300,000. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state with a population greater than 1,000 and/or 600 taps. The program provides funding in the form of loans. Raw water storage and diversion projects require Colorado Water Conservation Board review.

PROGRAM TITLE: ____***Drinking Water Revolving Fund***

ADMINISTRATION AGENCY: Colorado Water Resources and Power Development Authority

DESCRIPTION: The program provides funds related to drinking water quality improvement projects. This is a loan only program which provides "direct" loans of up to $500,000 and "leveraged" loans for amounts from $500,000 to $15,000,000. Direct loans carry an interest rate of 4.5% and leveraged loan interest rates are 80% of market rate.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing application process with raw water, storage and diversion projects requiring CWCB review. Eligible applicants are municipalities, counties, special districts and political subdivisions of the state. Loan amount is up to $500,000 maximum.

PROGRAM TITLE: ***Colorado Water Conservation Board Construction Fund***
ADMINISTRATION AGENCY: State Department of Natural Resources, CWCB

DESCRIPTION: Program provides construction loans for raw water projects and studies which may include well fields, metering devices, transmission and storage of raw water.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Eligible applicants are municipalities, counties and special districts of the state. Private applicants must conform to C.R.S. 37-60-121. There is an ongoing application cycle that contains an October deadline for legislative approval. There is no limit on the amount of funds for which an applicant can apply. Interest rates are from zero to 7%, rate which is established by the CWCB Board with repayment terms up to 40 years. Loans to governmental agencies must be reviewed by the Colorado Water Resources and Power Development Authority.

PROGRAM TITLE: ***Domestic Wastewater Treatment Grant Program***

ADMINISTRATION AGENCY: Colorado Department of Public Health and Environment, Water Quality Control Division

APPLICATION PROCESS and SPECIAL REQUIREMENTS Program provides funding up to 80% for small system wastewater projects in the form of grants which must have at least 20% of local or other resources. Eligible applicants are governmental entities under 5,000 population. There is an ongoing application cycle.

PROGRAM TITLE: ***Colorado Drinking Water Grant Program***

ADMINISTRATION AGENCY: Colorado Department of Public Health and Environment, Water Quality Control Division

APPLICATION PROCESS and SPECIAL REQUIREMENTS Program provides funding up to 80% for small system wastewater projects in the form of grants which must have at least 20% of local or other resources. Eligible applicants are governmental entities and non-profit organization under 5,000 population. There is an ongoing application cycle.

PROGRAM TITLE: ***Historical Preservation and Restoration***

ADMINISTRATION AGENCY: Colorado Historical Society

DESCRIPTION: Program grants funds for historic preservation and restoration of sites in imminent danger and threat and general historic preservation and restoration.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Funds for projects in imminent danger may be awarded as the need arises. Other projects are on a competitive grant cycle. By legislation, over 50% of the funds must be granted to public entities such as municipalities, counties and universities with the remainder being available to non-governmental entities and individuals.

PROGRAM TITLE: ***Community Recycling Assistance Program***

ADMINISTRATION AGENCY: Office of Energy Management and Conservation

DESCRIPTION: Program provides funding to assist communities wishing to develop recycling programs. Funds can be used for education; composting; source reduction; and anything else relating to recycling.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual applications with a March deadline. Eligible applicants are local governments.

PROGRAM TITLE: ***Great Outdoors Colorado***

ADMINISTRATION AGENCY: Great Outdoors Colorado

DESCRIPTION: Program provides funding to assist in developing and/or managing open space, parks and environmental education facilities.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Ongoing grant application process with eligible applicants being local governments eligible to receive Conservation Trust Fund dollars.

PROGRAM TITLE: ***Discretionary Aviation Grants Program***

ADMINISTRATION AGENCY: Colorado Aeronautical Board

DESCRIPTION: Grants for maintenance, safety related projects. Also used to provide leverage for Federal grants, underground storage tank removal and pavement maintenance.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with the highest grant being in the range of $50,000. Eligible applicants are public use airports.

PROGRAM TITLE: ***Special Bridge Fund***

ADMINISTRATION AGENCY: Colorado Counties, Inc.

DESCRIPTION: Grants for rehabilitation or replacement of substandard bridges.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with counties being the eligible applicant.

PROGRAM TITLE: ***E911 Emergency Warning System Grant Program***

ADMINISTRATION AGENCY: The Colorado Trust

DESCRIPTION: Interest free loan program to purchase and install E911 (enhanced) emergency telephone systems.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process with eligible applicants being counties. Loans are made with a stipulation that they are paid back within three years, one payment per year.

PROGRAM TITLE: ***Youth Crime Prevention and Intervention Program (CPI)***

ADMINISTRATION AGENCY: Colorado Department of Local Affairs

DESCRIPTION: A grant program designed to financially assist prevention and/or intervention community-based projects that reduce incidents of youth violence in Colorado.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process. Eligible applicants are school districts, municipalities, state agencies and non-profit corporations.

PROGRAM TITLE: ***Emergency Medical Services Account Grant***

ADMINISTRATION AGENCY: Colorado Department of Public Health and Environment

DESCRIPTION: Goal of the program is to establish a coordinated statewide Emergency Medical Services system. Grants are available for emergency vehicles, communications equipment and systems, medical/extrication equipment and training and regional programs to provide technical assistance.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process. Eligible applicants are state agencies, municipalities, hospitals, fire departments, non-profits or any other entity that is an EMS provider within the state.

Federal Economic Development Programs

PROGRAM TITLE: ***"Small Cities" Community Development Block Grant (CDBG)***

ADMINISTRATION AGENCY: Colorado Department of Local Affairs. Economic Development set-aside is administered by the Office of Business Development.

DESCRIPTION: Funding available for proposals involving the provision of finacing for businesses.

ELIGIBLE ACTIVITIES: Financing through local or regional revolving funds for loans to private for-profit or non-profit businesses, including micro-enterprise loans; also provision of infrastructure for specific businesses.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Applications are received and considered on a continuous basis.
The state's non-entitlement counties and municipalities are eligible to apply for funds to provide loans to businesses willing to commit to creating or retaining jobs filled primarily by low to moderate income persons. Applications will be reviewed for management capacity, local cash and non-financial support, project feasibility, project impact on need, and benefit to very low and low income persons.

PROGRAM TITLE: ***Economic Development Projects***

ADMINISTRATION AGENCY: U.S. Economic Development Administration

DESCRIPTION: Provides matching funding for economic development related projects such as public works, public works impact projects, business development assistance, technical assistance, state and local economic development planning and economic adjustment.

APPLICATION PROCESS and Ongoing application process with state agencies, counties,**SPECIAL REQUIREMENTS**: municipalities, local governments and non-profits eligible to apply.

PROGRAM TITLE: ____***Rural Economic Development Loan and Grant Program***

ADMINISTRATION AGENCY: National Rural Electrification Administration

DESCRIPTION: Zero-interest loans to promote rural economic development and job creation projects within communities.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Monthly application process Only REA telephone and electric cooperatives are eligible to apply.

State Economic Development Programs

PROGRAM TITLE: ***Agricultural Processing Feasibility***

ADMINISTRATION AGENCY: Colorado Department of Agriculture

DESCRIPTION: Grants to fund studies on feasibility of processing agricultural products.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual application process. Only local governments are eligible to apply.

Private Economic Development Programs

PROGRAM TITLE: ___________***Rural Economic Vitality Initiative (REVive)***

ADMINISTRATION AGENCY: U.S. West/Community Reinvestment Fund (CRF)

DESCRIPTION: Grants to increase the capacity of micro-capital loan funds in rural communities served by U.S. West.

APPLICATION PROCESS and SPECIAL REQUIREMENTS: Annual awards are available to any non-profit governmental entity within the state who attends U.S. West's Micro Lending Seminar.

Chapter 4 STRATEGIES, PRIORITIES AND ANALYSIS

This section of the Consolidated Plan will describe:

- the strategies the state will use to address affordable housing, community and economic development for the next five years;
- the priority designations of population groups; and,
- the activities and financing programs to be used to address the priorities and strategies.

The Colorado Division of Housing has spent time and effort over the past few years trying to gauge the need for affordable housing throughout Colorado. Because 1990 census data is dated and does not reflect the economic conditions in Colorado today, new research has been conducted.

As stated in the Market Conditions section of the Consolidated Plan, DOH relies on a number of resources and publications to identify the households most in need of affordable housing in Colorado. These sources include our bi-annual Colorado Division of Housing Multi-family Housing Vacancy and Rent Survey, our annual Affordable Housing Needs Impact Report, Incomes for Colorado and its Regions, and the Affordable Housing Regulatory Reform Report. Information from these reports is supplemented by data from the Department of Local Affairs demographics section and other outside sources.

In addition, the Division of Housing has created a Community Housing Assistance Team, or "CHATs" staff that works one on one with agencies and communities throughout Colorado on identifying housing needs, preparing housing plans and strategies, identifying potential housing projects and creating financing packages for new housing units. This team has staff in Denver and in two field offices in Colorado, and maintains a pipeline of potential housing projects throughout the state.

The Division of Housing has held five public hearings throughout the state to gain input on priorities, strategies and actions to best meet the affordable housing needs of Coloradans. These hearings supplement annual hearings held for the past two years with the Colorado State Housing Board to gain input on the housing needs in Colorado. Consultations were held with the Colorado Coalition for the Homeless and the Colorado Department of Human Services Supportive Housing and Homeless Programs office to gather input on homeless and special needs populations. Our Priorities, Strategies, and Actions reflect both information gathered from our own statewide housing research and input from the public.

The staff of the Colorado Division of Local Government and Field Services and the Governor's Office of Economic Development and International Trade developed the Strategies VI- IX for community and economic development through cooperation with several other state department staffs, already completed strategic plans, and public hearings held throughout the state in the past 18-24 months. For further information about the various documents used to develop these strategies please see Appendix D for a complete list of the data sources.

From this information and input the state has adopted the following housing and non-housing strategies, priorities and actions:

Strategy I

FIVE YEAR STRATEGY: TO INCREASE THE CAPACITY OF LOCAL HOUSING AND SERVICE PROVIDERS BY FURNISHING INFORMATION, EDUCATION, TRAINING, AND ADDITIONAL CAPITAL SOURCES SO THAT THEY ARE BETTER ABLE TO MEET THE HOUSING NEEDS OF THEIR COMMUNITIES.

ANALYSIS

Federal, state and local governments cannot build affordable housing by themselves. Rather, their role is to facilitate and fund such development. The role of developer/builder belongs to not-for-profits, housing authorities, and for-profit developers. However, not every community has developers who are both interested and capable of producing affordable housing. Helping to foster that capacity is one of DOH's primary tasks. DOH staff have been aggressive in this activity, especially in the rural, non-entitlement areas of the state.

DOH organizes many workshops throughout the year in various locations around the state. One popular workshop is called "The Developer's Tool Kit." It covers the entire housing development process: site acquisition, market evaluation, the planning and zoning process, and the creation of financial proformas. Other recent workshops include *"Single Family Owner-Occupied Rehabilitation," "Downpayment Assistance Programs," "Reducing Housing Costs Through Regulatory Reform" and "Developing Assisted Living Housing in Small Communities."* All workshops include a challenging curriculum and participants leave with comprehensive written materials for reference. Some of the workshops are taught exclusively by DOH staff, while others are presented by staff together with other experienced technical assistance providers such as the Rural Community Assistance Corporation.

DOH staff also provide intensive, ongoing, one-on-one assistance to community housing developers on many topics. Staff help to evaluate potential sites, identify project funding sources, prepare application packets, create reasonable budgets, understand value engineering and cost-effective construction methods, and devise management policies. Since some projects take in excess of one year to move from concept to funding, Division staff often have a long-term investment in individual communities.

Local capacity to respond to housing opportunities has not always existed. In 1991, there were no Community Housing Development Organizations (CHDOs) in the state of Colorado. Statewide capacity to deal with housing issues was unable to meet the demand. DOH staff have been involved at a grass roots level with many communities to organize non-profits to address local housing needs. In 1999, DOH had certified 42 CHDOs throughout the state. Existing CHDOs also receive support from Division staff, including training for new board and staff members in housing finance, federal regulations, and board responsibilities.

Beyond housing development, housing-related service providers are also important to local communities. DOH staff work with not-for-profit agencies to build shelters and transitional housing for homeless people. DOH also supports the efforts of local housing authorities, who do much more than run public housing projects. They also administer HUD's Section 8 program, which provides rental assistance to very low income families.

Section 8 families participate in Family Self Sufficiency (FSS) programs operated by local housing authorities. This program networks the supportive services within the community to assist the families moving beyond public assistance, including the Section 8 program. DOH assists each agency in developing the HUD required FSS Action Plan which defines the program in each community. In addition to providing on-going administrative fees to administer the Section 8 program, DOH provides funding to pay for service coordinators. DOH manages "escrow accounts" that the FSS family can access for permanent housing or education once they have met their program goals. Division staff provide problem-solving assistance and training to the local agencies and help build the capacity of small agencies to apply directly to HUD for funding. In addition, the DOH Section 8 program assists special populations such as the homeless with drug abuse problems, individuals with AIDS and victims of domestic violence.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Increase housing production capability of local communities by providing on-site and Internet based training, workshops, and publications on the following topics: development process, innovative building technology, use of federal funding programs, property management, identifying opportunities for regulatory reform, and innovative financing mechanisms.

Provide technical assistance to rapidly growing rural communities as they develop comprehensive growth plans. Assistance to include dissemination of local housing market data, analysis of the impact of land use policies on the cost of affordable housing, review of innovative regulations to lessen costs of development.

ACTION 2: Over the next 12 months assist in the development of one Community Housing Development Organization (CHDOs) from within the 5 targeted regions (3,6,11,12,14).

ACTION 3: Identify two areas of the state that have a high demand for affordable housing and have a lack of cooperative housing and supportive services. Provide technical assistance to these agencies and governments to start area wide housing planning efforts by June 30, 2002.

ACTION 4: Provide information and strategies to assist private and public housing developers to successfully navigate the local and federal regulatory environment to complete housing development in a more timely manner. Program specific trainings will also be held on topics such as federal requirements, the application process, housing quality standards and financial tracking. These training will include HOME, CDBG, HDG, PAB, ESG and other programs.

ACTION 5: Increase DOH services to a wider range of customers by providing housing information on Fair Housing, our construction lending partnerships, and other housing topics. This information will be shared in the form of 3 new technical briefs.

ACTION 6: Coordinate efforts with the Governors Office of Smart Growth to educate local governments on ways to use local regulations to facilitate the greater production of affordable housing.

ACTION 7: Provide information on changes in wages and housing costs/supply by annually updating the Colorado Housing Needs Impact report by November 1. Continue to sponsor the Division of Housing Multifamily Vacancy and Rent Survey and disseminate the findings through the news media, the Internet and local briefings.

RESOURCES

The Division of Housing will apply for any technical assistance grant funds available from HUD to expand the technical assistance and training activities available in Colorado. DOH staff provide one on one and other trainings in house, allowing the agency to utilize existing staff without incurring outside cost. Some trainings that involve printed materials or subject experts include a nominal charge to cover costs.

Strategy II

FIVE YEAR STRATEGY: TO INCREASE AND PRESERVE THE SUPPLY OF AFFORDABLE, DECENT, SAFE, AND SANITARY RENTAL UNITS THROUGH NEW CONSTRUCTION AND MODERATE AND SUBSTANTIAL REHABILITATION FOR VERY LOW, LOW, AND MODERATE INCOME HOUSEHOLDS. Priority will be given to projects in counties which have growth rates and/or housing cost increases in excess of the average rate of the state during the 2000 - 2005 period.

PRIORITIES

Priority #1:	**Small Related Renter Households (0 - 30% MFI)**
	Large Related Renter Households (0 - 30% MFI)
	Elderly and All Other Households (0 - 30% MFI)
Priority #2:	**Small Related Renter Households (31 - 50% MFI)**
	Large Related Renter Households (31 - 50% MFI)
	Elderly and All Other Households (31 - 50% MFI)
Priority #3:	**Small Related Renter Households (51 - 80% MFI)**
	Large Related Renter Households (51 - 80% MFI)
	Elderly and All Other Households (51 - 80% MFI)

ANALYSIS

The Affordable Housing Needs Impact Report clearly identifies that the greatest need for new rental units in Colorado is for those with the lowest incomes - at 0 - 30% AMI. The study showed that in 2000, there is a need for 15,937 new units for households at 30% or below median income. While there is still a shortage of affordable rental stock for those above 30% AMI, the level of need decreases. The needs assessment shows a need for 6,959 new units for households earning between 31 and 60% AMI.

The need for affordable, decent, safe, and sanitary rental units was clearly identified as a major housing need from our internet based survey and at our hearings for all population groups in all areas of the state. Preservation of existing affordable units is also important, but new construction is most important in Colorado's growth economy as indicated by the low vacancy rates in some markets.

Affordable and accessible rental units for the disabled is another need. Our analysis in the housing needs section of the plan shows that an estimated 8,411 low income persons with disabilities need an affordable housing unit. Many of these persons do not need a housing unit linked with services. They are included in the above estimate of households at or below 30% AMI, but need units that are accessible as well as affordable.

ONE YEAR GOALS AND ACTIONS

ACTION 1: For renter households with incomes below 60% of AMI, provide loans, grants and Private Activity Bond statewide balance allocations to produce 1,160 units with rents set at 30% of household income.

ACTION 2: Continue a collaborative funding process with local governments, CHFA, Rural Development, and other financing resources to preserve selected expiring Section 8 rental projects by providing an average of $10,000 each for 80 units.

ACTION 3: Assist other funding entities to increase the annual statewide production of affordable rentals to 5,000 of the 22,896 needed.

ACTION 4: For households with incomes below 30% AMI transitioning from welfare to work and for households transitioning from homelessness, partner with local housing providers to create 40 “step up” rental housing units by providing equity for acquisition of older units with rents affordable to these households.

ACTION 5: Rehabilitate and/or newly construct at least 60 rental units which are handicapped accessible and affordable to households at 60% or less of median income.

ACTION 6: Work with existing nonprofit housing development agencies, special needs providers, and other housing agencies to increase the coordination between housing providers and service providers in producing more accessible, affordable units for the disability community by sponsoring one or more workshops on housing development for persons with special needs.

RESOURCES:

Funding for acquisition, substantial and moderate rehabilitation, new construction and related infrastructure needs through the following programs: Division of Housing Grants and RLF, "Small Cities Community Development Block Grant (only in non-entitlement areas), Colorado Housing and Finance Authority Programs, HOME, Federal Low Income Housing Tax Credits, Department of Energy Weatherization Assistance, Low Energy-income Assistance, Energy Impact Assistance Funds, HUD Section 202, HUD Section 811, Federal Home Loan Bank Affordable Housing, USDA/RD Programs, State Historical Grant Funds, State and Federal Historic Tax Credits, other federal, local and private funding sources.

Strategy III

FIVE YEAR STRATEGY: TO INCREASE AND PRESERVE HOMEOWNERSHIP FOR LOW AND MODERATE INCOME PEOPLE. Downpayment and closing cost assistance, interest rate buy downs and infrastructure financing can assist low and moderate-income households become homeowners. Assistance for people in danger of losing their homes due to the cost of maintenance of aging housing stock is also an important strategy for the state.

PRIORITIES AND ANALYSIS

Priority #1: **Homebuyers w/Children (0 - 80% MFI)**
Priority #2: **Homebuyers, All Others (0 - 80% MFI)**
Priority #3: **Existing Owners (0 - 30% MFI)**
Priority #4: **Existing Owners (31 - 80% MFI)**

Priority #1, Priority #2:

ANALYSIS: While low interest rates have allowed many Colorado households become owners, rising prices are still keeping many from making the move from renting to becoming owners. The 1999 Affordable Housing Needs Impact report found that there were 58,768 renter households earning between 60% and 80% AMI. This is the group most likely to become owners. However, there were only 2,980 units that were affordable to this group statewide.

Now is a good time to assist low and moderate-income households become owners. An analysis in the 1999 Affordable Housing Needs Impact Report shows that when comparing income, prices and interest rates in the 1980s and 1998, homeownership is actually more affordable to households at 80% of median income now than in the past.

Households with incomes at less than 60% AMI are unlikely to be able to afford homeownership in Colorado without the help of a self-help program such as Habitat for Humanity. Down payment and closing cost assistance, as well as increasing the stock of affordable units for sale, are needed to increase Colorado's homeownership rate.

Priority #3, Priority #4:
ANALYSIS.

Rising values have helped many low and moderate income Colorado owners afford to improve their property. Low interest rates and rising incomes have also allowed many to borrow the funds necessary to make essential improvements to their homes. However, there are still many Colorado households, such as seniors or the disabled living on fixed incomes, who cannot afford the payments on a conventional home improvement loan. These households rely on loans through DOH funded Owner Occupied Rehabilitation programs to keep their homes safe and sanitary, and to allow newly disabled and elderly persons to remain in their homes by providing retrofitting for accessibility.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Create 350 new home ownership opportunities for households earning under 80% AMI through interest rate buy-downs and down payment assistance loans.

ACTION 2: Preserve 185 low and moderate income owner occupied units by funding 15 regional rehabilitation programs.

ACTION 3: Provide the necessary capital and portfolio management training to enable 2 regional rehabilitation loan funds to meet local demand without new infusions of state or federal funds.

ACTION 4: Host two annual workshops for agencies operating existing single family housing rehabilitation programs to facilitate linkages with private lenders and to develop management systems to stabilize loan funds.

RESOURCES:

Funding project activities of substantial and moderate rehabilitation, alternative relocation, new construction of units for sale and related infrastructure needs, interest rate buy downs, down payment and closing cost assistance through the following programs: Division of Housing Grants and RLF, "Small Cities Community Development Block Grant (only in non-entitlement areas), Colorado Housing and Finance Authority Programs, HOME, Department of Energy Weatherization Assistance, Low Energy Income Assistance, Rural Development homeownership programs, State Mineral Impact and other federal, local and private funding sources.

Strategy IV

FIVE YEAR STRATEGY: TO PROVIDE AFFORDABLE, SAFE, AND SANITARY HOUSING OPPORTUNITIES FOR EXTREMELY LOW, LOW AND MODERATE INCOME PEOPLE NEEDING HOUSING LINKED WITH SUPPORTIVE SERVICES WHICH MAY HELP PEOPLE MAINTAIN OR ACHIEVE INDEPENDENT LIVING.
Housing assistance for persons with special needs is a priority for the State of Colorado. Special populations are defined as persons whose housing needs cannot be fully addressed without supportive services. Special populations are persons with physical disabilities, mental illness, developmental disabilities, people with AIDS, and frail elderly.

PRIORITY AND ANALYSIS:

Priority #1: **Non-homeless Persons w/ Special Needs (0 - 50% AMI)**
Priority #2: **Frail Elderly (51 - 80% AMI)**

ANALYSIS. Many of the lowest income persons in Colorado are those with special needs. Persons living on SSI or small social security checks cannot afford to pay market rents or the market rates at assisted living facilities. An individual living on SSI in Colorado would have to spend 82% of their income for an efficiency rental unit in Colorado. The Colorado Department of Human Services Supportive Housing and Homeless Programs office estimates that there are 10,276 persons with disabilities that need subsidized housing in Colorado. As more of the institutional residential settings for persons with developmental disabilities and mental illness close, more housing will be needed for these persons that is linked with supportive services.

The Division of Housing estimates that there are 1,527 elderly persons in Colorado that need assistance with activities of Daily Living. Many of these persons have very low, low and moderate incomes.

ONE YEAR GOALS AND ACTIONS

ACTION 1: For persons with special needs at 30% or less of median income, produce 110 deeply subsidized rentals linked with supportive services by partnering with deep subsidy funding programs.

ACTION 2: Construct at least 48 accessible assisted living units for the frail elderly.

ACTION 3: Educate local governments, new and existing grantees, housing producers and providers on the requirements of the Fair Housing Laws, the Americans with Disabilities Act, and other federal regulations concerning management and production of housing.

ACTION 4: Work with existing nonprofit housing development agencies, special needs providers, and other housing agencies to increase the coordination between housing providers and service providers in producing more accessible, affordable units for the disability community by sponsoring one or more workshops on housing development for persons with special needs.

RESOURCES:

Funding is available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, infrastructure improvements, support services, and operating expenses through the following programs: Division of Housing Grants and RLF, "Small Cities" Community Development Block Grant (only in non-entitlement areas), HOME, Permanent Housing for Handicapped Homeless Persons, Supplemental Assistance for Facilities to Assist the Homeless, AIDS Housing Opportunity Program, Supportive Housing for Persons with Disabilities (Section 811), Federal Low Income Housing Tax Credits, Colorado Housing Financing Authority programs, State Historical Grant Funds, State and Federal Historic Tax Credits and other federal, local and private funding sources.

Strategy V

FIVE YEAR STRATEGY: TO INCREASE AND/OR EXPAND THE AVAILABILITY OF EMERGENCY SHELTER FACILITIES, TRANSITIONAL HOUSING OPPORTUNITIES, AND PREVENTION PROGRAMS FOR HOMELESS PERSONS, VICTIMS OF DOMESTIC VIOLENCE AND FORMERLY HOMELESS PERSONS. There is still the need to provide continued operating assistance to existing emergency shelters and construct new shelters and transitional housing units in many regions of Colorado. In 1998, ESG funds administered by DOH served 53,467 persons.

PRIORITY AND ANALYSIS:

Priority #1: **Homeless Families & Individuals and Homeless Youth**

ANALYSIS. The 1999 statewide Continuum of Care Gaps Analysis shows that there is an estimated need for 1,149 shelter beds, 1,314 transitional housing units and 1,762 permanently supportive housing units in Colorado.

Outside of the Denver Metro area regional shelters for homeless people and victims of domestic violence are the most effective way of delivering services. These shelters are primarily located in the regional population and trade center for a particular area.

Homelessness exists in most communities of Colorado. A healthy real estate market makes it hard for the very lowest income families to find an affordable place to live. Often these persons have mental, physical or substance abuse problems that may require additional supportive services. In rural Colorado, domestic violence is one the main causes of homelessness.

Emergency shelters in urban areas are no longer able to meet the demand for sheltering families or individuals. Especially for single women, the number of beds available do not meet demand. The availability of transitional housing is even more inadequate. Operational SRO's outside the City and County of Denver are nearly non-existent and the number of SRO beds in Denver continues to shrink when needed most. More SRO and supportive housing units are needed to decrease the number of homeless persons in Colorado.

The number of transitional housing units in both the urban and rural areas of Colorado have increased over the past five years, but are still inadequate. Many homeless providers have nowhere to send families and individuals once their shelter stay is over.

ONE YEAR GOALS AND ACTIONS:

ACTION 1: Increase the number of homeless persons served with DOH funds to 50,000.

ACTION 2: Increase or preserve affordable, decent, safe, and sanitary transitional housing units and related services by funding new transitional housing units throughout the state.

ACTION 3: Provide funding for tenant rental assistance for households where homelessness has been caused by natural disaster, job loss, domestic violence, or other emergency family situations.

ACTION 4: Provide funding through existing agencies for homeless prevention programs for rent and or mortgage payments.

RESOURCES:

Funding will be available for the following activities: acquisition, substantial and moderate rehabilitation, new construction, related infrastructure, tenant based rental assistance and/or support services and operating costs through the following programs: Division of Housing Grants, "Small Cities" Community Development Block Grant (only in non-entitlement areas), ESG, HOME, State Homeless Tax Checkoff Fund, and Stewart McKinney Programs.

Strategy VI

FIVE YEAR STRATEGY: TO HELP IMPROVE COLORADO COMMUNITIES IDENTIFY, PRIORITIZE AND ADDRESS THEIR CAPITAL IMPROVEMENT NEEDS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide direct capital improvements planning assistance to fifteen (15) communities.

ACTION 2: Provide or arrange financing to fifty (50) communities to address health/safety hazards in water, sewer, fire, safety, and other infrastructure systems.

ACTION 3: Help secure a minimum of $10,000,000 from other public/private sources to assist communities.

ACTION 4: Provide funding through the contiguous County Limited Gaming Impact Fund to the contiguous gaming counties to mitigate the impacts from gaming-related activities to public facilities and services.

RESOURCES:

Funding for these project activities will be provided through the following programs and organizational unit: Division of Field Services in cooperation with other state and federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, Contiguous County Limited Gaming Impact Funds, FmHA, State Water and Power Resources Authority, Colorado Water and Conservation Board and other state and federal programs too numerous to mention. All requests for funding will be through an open and competitive process. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

Strategy VII

FIVE YEAR STRATEGY: TO HELP CREATE A CLIMATE MORE CONDUCIVE TO JOB CREATION IN ECONOMICALLY DEPRESSED AREAS, ESPECIALLY THOSE SUFFERING FROM A COMBINATION OF HIGH UNEMPLOYMENT, LOW POPULATION GROWTH, AND LOW PER CAPITA INCOME.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide funding to five local downtown redevelopment projects.

ACTION 2: Provide funding for historical or cultural attractions, public recreational facilities and other facilities which capitalize on tourism.

ACTION 3: Provide funding each year to local/regional Enterprise Zones to augment marketing efforts.

ACTION 4: Arrange for joint multi-enterprise zone marketing in at least three national or regional trade shows.

ACTION 5: Increase awareness and usage of Enterprise Zone program thereby increasing job creation and investment by businesses.

RESOURCES:

Funding for these project activities will be provided through the following programs and organizational unit: Division of Field Services in cooperation with other state and federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, EDA, FmHA, and other state and federal programs too numerous to mention. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

Strategy VIII

FIVE YEAR STRATEGY: TO HELP IMPROVE THE LEADERSHIP AND GOVERNING CAPACITIES OF COLORADO COMMUNITIES BY ASSISTING LEADERS TO DEVELOP COMMUNITY GOALS AND PROVIDE THE NECESSARY TRAINING AND RESOURCES TO HELP ACHIEVE THESE GOALS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Provide goal setting assistance to 25 communities.

ACTION 2: Assist in conducting 20 formal and informal training sessions for local officials.

ACTION 3: Providing funding each year to local/regional Enterprise Zones to augment marketing efforts.

ACTION 4: Arrange for joint multi-enterprise zone marketing in at least three national or regional trade shows.

RESOURCES:

Funding for these project activities will be provided through the following programs and organizational unit: Division of Field Services in cooperation with other state and federal programs, "Small Cities" Community Development Block Grant Program, State Energy Impact Assistance Program, and other state and federal programs too numerous to mention. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not.

Strategy IX

FIVE YEAR STRATEGY: TO PROVIDE EFFECTIVE, PROFESSIONAL ASSISTANCE TO THE STATE'S BUSINESS COMMUNITIES; TO MAKE ESSENTIAL INFORMATION EASILY ACCESSIBLE TO SMALL BUSINESS OWNERS THROUGHOUT THE STATE; TO PROMOTE THE DEVELOPMENT AND EXPANSION OF MINORITY BUSINESSES; TO OFFER STATE JOB TRAINING, MARKETING AND ASSISTANCE PROGRAMS TO EVERY REGION OF THE STATE; AND TO ENCOURAGE BUSINESS RETENTION EXPANSION AND RELOCATING RESULTING IN THE RETENTION OR CREATION OF COLORADO JOBS.

ONE YEAR GOALS AND ACTIONS

ACTION 1: Encourage retention and expansion of Colorado businesses by marketing Colorado.

ACTION 2: Support local governments and private/public partnerships engaged in business recruitment, retention, and expansion programs.

ACTION 3: Coordinate state job training, management and financial assistance to companies.

ACTION 4: Provide services to small businesses which help them expand or remain in business.

ACTION 5: Increase and improve the level of state business development services provided to local communities and organizations within the state.

ACTION 6 Improve Colorado's visibility for quality job retention and creation.

ACTION 7: Continue to increase retention and expansion activities focused on existing Colorado business, or companies with significant Colorado facilities.

ACTION 8: Facilitate and coordinate corporate decisions to local businesses in Colorado.

ACTION 9: Increase the emphasis on creation of quality, good paying jobs, created by relocating businesses.

ACTION 10: Coordinate relationships among non-metro Denver airports with business growth opportunities created by CY 1995 opening of the Denver International Airport.

RESOURCES:

Funding for these project activities will be provided through the following programs and organizational unit: Governor’s Office of Economic Development's programs: Business Development; Small Business; Small Business Development Centers; Minority Business; Colorado FIRST Customized Job Training; Western Slope Satellite Office; Colorado Leading Edge; and Research and Administration, in cooperation with other state and federal programs, to include the "Small Cities" Community Development Block Grant Program. Applications for assistance that are "complete" and "competitive" are given greater consideration than those that are not. Applications are received on a continuous cycle.

Table 2A

Priority Needs Summary Table

PRIORITY HOUSING NEEDS - Statewide (households)			Priority Need Level High, Medium, Low	Total Needs	Goals
Renter	Small Related	0-30%	H	23,706	300
		31-50%	H	11,319	1,010
		51-80%	M	6,061	1,481
	Large Related	0-30%	H	6,395	81
		31-50%	H	5,124	457
		51-80%	M	3,144	768
	Elderly	0-30%	H	15,466	67
		31-50%	H	8,130	721
		51-80%	M	2,054	502
	All Other	0-30%	H	24,094	669
		31-50%	H	9,404	839
		51-80%	M	3,604	881
Owner		0-30%	H	32,899	608
		31-50%	H	20,799	517
		51-80%	M	53,398	1,315
Special Populations (Included in above renter and owner numbers. See special needs table for detailed needs estimates)		0-80%	H		
Total Goals					10,215
Total 215 Goals					

Priority Community Development Needs

For the Community Development Block Grant program, the State's overall goal is to be responsive to local community development needs, strategies and priorities, and to produce a measurable improvement in the communities served. The State's primary objective, which parallels the statutory national objective for CDBG, is "the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of extremely low, low and moderate income.

The state's objectives are also being enhanced through funding made available to the state from the Farmer's Home Administration and Environmental Protection Agency in the form of jointly funded projects as well as the state's own Energy and Mineral Impact Assistance Program. In making funding decisions for the community development and public facilities needs of the state, the CDBG and Impact programs fund projects on a competitive basis using the same advisory board and grant cycle. While a project may have met all the criteria for funding, it may not be awarded funds due to the lack of sufficient grant funds available or for other reasons.

The state's responsiveness to local needs is partially demonstrated in the types of applications received and awarded. In reviewing the combined funding decisions for these two programs over a five year period since 1995, local priorities have been as follows:

Public Facility Needs	Number of Requests	Projects Funded
Senior Centers	7	6
Youth Centers	3	3
Neighborhood Facilities	28	20
Child Care Centers	26	21
Parks and/or Recreation Facilities	5	5
Health Facilities	28	23
Other Public Facilities (includes improvements for libraries, schools, museums, town halls, fire stations, etc.)	355	305
TOTAL	452	383
Infrastructure Improvement Needs		
Solid Waste Disposal Improvements	39	32
Flood Drain Improvements	26	17
Water Improvements	99	84
Street Improvements	46	44
Sidewalk Improvements	4	2
Other Infrastructure Improvements	7	7
TOTAL	221	146
Public Service Needs		
Transportation Services	4	3
Other Public Service Needs (includes circuit riders, interns, etc.)	0	0
TOTAL	4	3

Accessibility Needs

Architectural Barrier Removal	3	3

Historic Preservation Needs*

*No requests for funding in this area

Economic Development Needs

Information on number of proposals reviewed, but not funded, is not available		28

Other Community Development Needs

Energy Efficiency Improvements	0	0
Hazards and/or Lead Based Paint Removal	0	0
TOTAL	0	0

Planning

Planning and Studies	82	81

By itself, the CDBG program is designed to help smaller communities meet their greatest community development and housing needs where the needs of extremely low, low and moderate-income persons receive priority consideration. Following are some of the cumulative accomplishments through June 30, 1999, of the CDBG program since 1983, including the special 1983 "Jobs Bill" program.

- Over $141 million has been obligated by the state to 558 local projects.
- More than 669,000 people are benefitting from these 558 local projects.
- About 66% of all persons benefitting from local projects are low and moderate income persons.
- Minority persons benefitting from completed projects number about 137,792 (23.1% of all beneficiaries of completed projects).
- About 95.4% of obligated funds have been awarded for local projects in which a majority of beneficiaries are low and moderate income persons. (Approximately 4.3% have been committed for local projects that eliminate slums or blight, and about 0.3% for other urgent community development needs.)
- More than $430 million in other public and private funds has been leveraged into local projects. Over $309 million has come from private sources and over $121 million from various public sources.
- About 8.4% of obligated funds have been used for local and state administration expenses. (Federal law allows up to 20% to be used for administration.)
- 269 of the projects have been sponsored by municipalities, 227 by counties.
- 67.9% of all projects have been outside of the "Front Range" counties (Regions 2, 3, 4 and 7).
- 37.5% of all projects have been in the state's most economically distressed "southern tier" from the Kansas/Oklahoma border on the east to the Utah border on the west (Regions 6, 7, 8, 9 and 14).

- The number of projects, by type, has been:

Economic development	112	(20.0%)
Housing	183	(32.9%)
Public Facilities	256	(46.0%)
Public Service	5	(0 .9%)

- The amount of funding, by project type, has been:

Economic Development	$40,961,203.29	(28.9%)
Housing	$44,647,706.04	(31.5%)
Public Facilities	$56,166,882.01	(39.5%)
Public Service	$ 196,773.00	(.1%)

- Individual grants have ranged from $17,000 to around $2.6 million. The average size has been about $210,000.

- 129 projects have been undertaken by two or more municipalities or counties on a "joint" or "multi-jurisdictional" basis:

Economic Development	50
Housing	72
Public Facilities	7

- In addition, 64 projects were undertaken by counties on a cooperative basis with one or more municipalities within the county.

Chapter 5 OTHER ACTION STEPS

Anti-Poverty Strategy

Based on the latest available U.S. Census reports the number of people with incomes below the poverty line in Colorado was 349,418 in 1998, or 8.7% of the states population. The number of persons living in poverty in Colorado has declined over the past decade. In 1990, the number was 375,214, which comprised 11.7% of the population. Since 1990, Colorado, like many other states, has changed their anti-poverty strategies to incorporate the changes brought about by the change in federal welfare programs.

In 1996, federal welfare reform legislation required each county in Colorado to design a plan to administer the federally funded Temporary Aid for Needy Families (TANF). These plans were required to include the county anti-poverty strategies on TANF planning, organizational restructuring, staff development, work requirements, work activities, good cause exemptions, sanctions and appeals process. Many of the county plans are still in an infant stage. Several counties have developed advisory boards consisting of concerned citizens from both public and private sectors to provide input on how to administer TANF.

Although each county has the ability to design how they will administer TANF funds, one thing is certain. Successful welfare reform is highly dependent upon the TANF households receiving job training, housing, child care, transportation, family health care, educational support and continuous employment. Providing training and employment opportunities to TANF recipients has been a challenge for many counties especially those with limited employment opportunities.

Coordination of supportive services seems to be the key factor to assist families in escaping poverty. Federal agencies such as the Departments of Agriculture, Education, Health and Human Services, Housing and Urban and Development are requesting that state departments plan and coordinate their supportive service programs and create a unified plan for requesting future block grant federal funding. In addition, local governments and non-profits are required to coordinate supportive services in their local areas in order to apply for new program funding. The coordinated effort of linking job training, education, employment opportunities, child care, transportation, housing and food stamp benefits it is hoped that poverty stricken families will receive a full benefits package to assist them in getting up and off the welfare rolls.

Beyond the efforts to improve coordination, the Division has taken the lead in funding programs that can become models for communities throughout Colorado. Because the Division's funding is primarily discretionary, it is used as the catalyst for other supportive housing efforts. The Division of Housing can finance hard assets such as housing construction or rehabilitation, or soft costs such as rental subsidies. The direct impact of housing development is quality housing and construction jobs for a community.

The Division has initiated a new model program called “Step-up Housing.” Step-up housing will provide permanently affordable housing for households at or below 30% of the area median income (AMI). Step-up housing can be available to residents on a permanent basis, unlike conventional transitional housing that is limited to two years. Initially, rents are made affordable for the 30% AMI families and as their income increases so does their rent. When the family is able to pay market rate for the rental unit the owner makes available another unit for a family at 30% of AMI. In addition, supportive services must be available to the family to further future success. Developers wishing to rehabilitate existing housing for this new program are given a deeper grant subsidy in order to make the rents affordable. The Colorado Housing Finance Authority (CHFA) is also exploring ways of providing low interest and no interest loans for housing development that serves families at 30% of AMI. The Division and CHFA, as well as other housing fund agencies, often coordinate their funding in order to make affordable housing projects successful.

In 1999, the Division's Housing Development Grant allocation was increased permanently to $2.6 million in order to meet the need for additional affordable housing in the state. A legislative provision provides that 55% of the affordable housing units funded with these monies serve families at 30% of AMI or below. This provision helps ensure that the poorest families in Colorado have an increasing supply of rental units affordable to them.

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

X The Colorado Division of Housing currently administers ten FSS programs in Colorado and provides an additional $46,000 to fund FSS related staff. Between 130 to 150 families participate in the program - 60 families have current escrow accounts with the Division and fifty individuals have successfully graduated.

- Many of the Division Section 8 contractors who administer the FSS programs have developed innovative ways to provide support to the families they serve. Two agencies have developed revolving emergency loan programs so that when a family is in need of funds for necessities they can take out a low or no interest loan. One agency is providing $25 to $50 incentives when an FSS client completes a GED, vocational or college course. Another agency is coordinating their first time home owner program with the graduates of their FSS program in order to assist them in homownership.

The Division of Housing also operates a Section 8 Special Needs Program that coordinates with supportive services. This program offers rental assistance to 63 families through the Homeless with Substance Abuse initiative; 150 families receive rental assistance through the Mainstream Housing Opportunities for Persons with Disabilities, 35 families receive assistance through the Colorado AIDs project, and 40 families currently residing in transitional housing or shelters receive rental assistance for permanent housing.

The Department of Human Services (DHS) Supportive Housing and Homeless Programs administers a Section 8 rental subsidy and FSS program for persons with disabilities. Sixty percent of FSS participants have current escrow accounts. Individuals with escrow accounts have used the funds to achieve success in their chosen occupations or to pursue further education. This agency was recently awarded 160 units for the Section 8 Welfare to Work Program in order to combine affordable housing with local supportive services for their clients and work in conjunction with the Colorado Coalition for the Homeless and other agencies.

Transitional housing is a method to support households while they try to secure permanent employment, increase job skills, and bring stability to an otherwise unstable family life. Typically, families reside in transitional housing for up to two years. The Division has approved funding and supported transitional housing in many communities within the state. Funding for emergency shelters for homeless and victims of domestic violence is also provided by the Division. These shelters are located in rural and urban areas throughout Colorado. Domestic violence shelters are the first line response to a growing problem in many urban areas and the high growth areas of Colorado's rural communities. The following are examples of some of the recently funded transitional and emergency shelter projects:

- A domestic violence shelter in Canon City through the Loaves and Fishes non-profit that will provide 18 beds plus warehouse space to store food, clothing and furniture.

- Project Heritage who has partnered with the Travel Lodge in Denver in order to provide 97 rooms for emergency and transitional housing to homeless households.

- La Puente's (San Luis Valley non-profit) long-term transitional housing program that serves the homeless with rent vouchers, supportive services and case management.

Assessing whether these housing policies and programs reduce poverty rests with the success of each household. The basis for assessment will be the progress each of the programs mentioned above makes towards: increasing household income, maintaining steady employment, achieving contracted goals, meeting escrow account goals, and reducing a household's dependency on public assistance as measured by the time a family remains on rental assistance. According to a June 29, 1999 article in the Rocky Mountain News, the number of Coloradoans on welfare has dropped by half after two years of reform. Despite predictions that thousands of people would have to be kicked off the rolls to meet a July 1st "work activity" deadline, only 176 families lost their benefits for resisting efforts to help them work. Although many TANF recipients are finding employment due to Colorado's good economy, they are in relatively low-paying jobs, thus many of these families pay much more than 30% of their income in rent and are extremely rent burdened. For this reason, the poorest families in Colorado are affected the worst by a good economy.

Institutional Structure Housing

Public Institutions

STATE OF COLORADO. Department of Local Affairs.

Division of Housing coordinates the state's affordable housing efforts and works to foster cooperation between private enterprise and local, state and federal governments. Its goal is to facilitate construction, acquisition and rehabilitation of affordable housing units, particularity for lower income households. The Division is responsible for enforcement of the federal Manufactured Home Construction and Safety Standards for all manufactured homes built in the state. It provides both technical assistance and direct financial support to local governments and non-profit agencies through the following programs:

< State Housing Development Grant Program;
< State Revolving Loan Fund;
< Federal Section 8 Rental Assistance Certificates and Vouchers;
< Federal "Small Cities" Community Development Block Grant Housing Program;
< Federal Emergency Shelter Grant Program;
< Federal Home Investment Partnership Program;
< Private Activity Bond Program;
< Federal Permanent Housing for the Handicapped Homeless Program; and,
< Federal Emergency Community Service Homeless Program.

The Community Housing Assistance Section staff are assigned specific regions of the state, and field offices are located in Grand Junction and Pueblo. This section works with local communities to identify housing needs (assist in identifying the type, cost, location and number of housing units needed in the community); assemble a housing development team (work with community to create a housing development project team); and help secure private and public funding for the community's housing project.

In addition, the Division of Housing manages the statewide balance of Private Activity Bond allocation which is accessed by application to the Department of Local Affairs. A Bond Allocation Committee of eight members appointed by the Governor reviews application and advises the Executive Director on specific allocation proposals.

The **State Housing Board** whose seven members are appointed by the Governor, serves as an advisory unit to the Division and the Governor. The Board meets monthly to review and recommend funding decisions on housing applications for the various funding programs administered by the Division, passes regulations for manufactured structures, and adopts building codes for multifamily housing in counties with no codes.

Division of Local Government and Field Services administers three programs which directly and indirectly affect statewide housing efforts.

< The *Impact Assistance* program provides grants for the planning, construction and maintenance of public facilities and the provision of public services. Loans, in addition to grants, are available for water and wastewater projects. Eligible recipients are municipalities, counties, school districts, special districts and other political subdivisions socially or economically impacted by the development, processing or energy conversion of minerals and mineral fuels.

< The *"Small Cities" Community Development Block Grant* program which provides grants for public facility projects.

< Through the *Enterprise Zone* program, the department designates certain economically-distressed areas of the state as Enterprise Zones. Businesses may qualify for special state tax incentives to encourage job creation and investment in these zones.

Division of Local Government and Field Services functions as the outreach arm of the department. The staff, located in the eight field areas, work with local clients to define needs; to identify and develop response capacity; coordinate the delivery of department services; provide follow-up with evaluation of services and project effectiveness, and serve as advocate for both local government clients and for department agencies.

Denver based staff work to build independent local government capacity through a variety of general government and community development services and provides or arranges some financing.

< *Technical Services*, in coordination with Field Services, provides a broad range of specialized technical assistance, training and published materials to enhance administrative capabilities for local governing entities. These services include budgeting and financial management; capital improvement and land use planning; purchasing; environmental matters; water and sewer financing and operations, and financial capacity research and analysis.

< *Demography* provides demographic and economic information, assistance and coordination to public and private organizations. Services include all decennial census data; general and special population estimates and projections; cooperative programs with the U.S. Bureau of the Census, and special economic and demographic analysis and development projects.

STATE OF COLORADO. Department of Human Services.

Mental Health Services provides public mental health services through two mental health institutes, contracts with three specialty clinics and twenty private non-profit community mental health centers located throughout the State. This service delivery network enables DMH to provide a continuum of care which ranges from intensive inpatient hospital beds to day treatment services in the community. All DMH services are offered to clients on an "ability to pay" basis, with state funds, federal block grant, and medicare dollars making up the costs which are greater than the available client fees and third party payments.

Developmental Disabilities Services is responsible for services and support provided through the state operated Regional Centers and 20 Community Center Boards. The Regional Centers provide 24-hour residential services in the "most restricted setting in the continuum of residential services", as well as medical, vocational, and educational services. The Community Center Boards are private, nonprofit organizations located throughout the state whose functions include: needs assessments, planning, coordination of service, and service/supports from approved service agencies. General services provided by this Division to people with developmental disabilities include: case management, residential services/supports, day program services/supports, and family services/supports.

Youth Services administers and contracts with private providers for statewide services for juveniles aged 10 to 21 years of age who have demonstrated delinquent behavior. These providers serve youth in both institutional and community settings.

Supportive Housing and Homeless Programs (SHHP) provides Section 8 rental assistance to families and individuals with mental and physical disabilities. Certificates and vouchers are passed through to 60 local community service providers who provide supportive services to the households. SHHP also administers special rental assistance programs including the Single Room Occupancy Moderate Rehabilitation Program, the Veterans Affairs Supportive Housing Program and a Shelter Plus Care program. They are also active in finding homeownership opportunities for disabled persons.

COLORADO HOUSING AND FINANCE AUTHORITY sells bonds enabling it to provide financing for the acquisition of single family homes by first-time buyers and for the development of multifamily housing and special needs housing. This agency also administers the Low Income Housing Tax Credit Program.

LOCAL GOVERNMENTS OR REGIONAL QUASI-PUBLIC ORGANIZATIONS. The Division of Housing works closely with local governments and Councils of Governments throughout the state to deliver housing assistance. Many homeowner rehabilitation programs and downpayment assistance programs are administered regionally through one local government or Council of Governments. The Division of Housing has engaged local governments in analyzing the regulatory costs associated with housing development by publishing reports and conducting trainings for local government staff. DOH has also published The Local Government Guidebook, a manual distributed to Colorado local governments to teach local governments about the importance of affordable housing and how to identity local housing needs.

Nonprofit Organizations.

Colorado communities are served by a large group of nonprofit housing development and service agencies. There are several nonprofit housing organizations that develop housing or deliver housing assistance or services on a statewide basis. Many others are located within and serve a single regional area. Since 1991, the Division of Housing has worked with many local communities on the creation of regional CHDOs. DOH now has 42 certified CHDOs throughout the state. Many of these serve poor rural communities with a variety of housing services. The Division of Housing has also focused attention on increasing the capacity of rural housing authorities to produce more housing in their communities. Many housing authorities that may have owned only one small property have now developed new rental units for families and seniors using a variety of financing resources including tax credits. DOH works with these housing authorities, CHDOs and regional nonprofit organizations during all steps of the development process, from identifying housing demand to putting together financing packages to managing lease up. These efforts have resulted in the creation of many rural projects that would not have happened otherwise. DOH continues to work with these partners on new projects and identify new rural and urban nonprofit partners.

Foundations.

There are many foundations which have programs that provide funds for the development of housing and for the delivery of housing related services. Because DOH works statewide with many organizations, our staff is aware of those foundations that are apt to fund various types of housing projects. DOH staff developed a technical brief, or Advance, on Foundations and Corporate giving in 1999 to help our nonprofit and local government partners access foundation funds. Many rural foundations have funded housing projects in their communities.

The Colorado Association of Realtors has a grant pool called the Housing Opportunity Fund. These funds, which come from local boards of realtors, are distributed regionally and on a statewide level for many housing projects, including downpayment assistance programs. A DOH staff person sits on the board of this organization. The Division of Housing also has produced an Advance on the CARHOF funds to ensure that all funds are utilized statewide. In 1998, the Public Service Company utility company started the New Centuries Energy Foundation.

Funds are distributed for a variety of projects, including housing. Again, DOH staff has disseminated information about this fund and their grants cycle to nonprofit housing organizations. Many have been successful in receiving funds for their housing development projects. The Division of Housing will continue to explore new foundation and private funding sources for housing activities in the communities that we serve.

Private Industry.

This group includes the corporations, commercial banks, Savings & Loan's, mortgage companies, credit unions, and pension funds. It also includes the construction and real estate industry. Colorado has had a high level of participation from the development and homebuilder community around the issue of affordable housing. These groups came together to support an increase in the level of state funding to the Division of Housing for the Housing Development Grant program. Local banks have begun providing long term financing to housing projects in their areas, some with more flexible loan terms. Some larger banks have begun offering their own affordable housing mortgage products. The Division of Housing will continue to engage these groups in the discussion of increasing the amount of affordable housing in Colorado.

Institutional Structure Non-Housing

Public Institutions

STATE OF COLORADO. Department of Local Affairs.

Divison of Local Government and Field Services (LGFS) administers programs which directly or indirectly affect statewide efforts; the *Impact Assistance (IA)* Program, the *"Small Cities" Community Development Block Grant* (CDBG), the *Local Government Gaming Impact Fund*, *Waste Tire Program, Conservation Trust Fund, Beanpole (Telecommunications) Program and the Search and Rescue Fund.*

Field Services functions as the marketing arm of the department for the non-housing community development needs of the state. The staff are located in eight regional offices and work with local clients to define their needs; to identify and develop response capacity; coordinate the delivery of the department's non-housing services; provide follow-up with evaluation of services and project effectiveness, and serve as advocate for both local government clients and for department agencies.

Given the various goals of the programs, the IA and CDBG programs have a state-wide multi-purpose design. The other five programs have a very specific clientele and will only be mentioned casually throughout this discussion. The IA and CDBG programs operate open-competitive grant programs. The IA program may offer loans, but only for very specific water and sewer purposes. By design, no loans are offered through CDBG program. All applications for IA or CDBG funding are reviewed by the regional field staff who prepare the staff evaluation for each application. Providing input into the staff review process are numerous state agencies.

Solid Waste & Landfill	Office of Energy Conservation Local Government/Field Services Department of Health
Drinking Water/Treatment	Local Government/Field Services Department of Health
Sewer/Wastewater/Sludge	Local Government/Field Services Department of Health

Flood Control/Drainage	Colorado Water Conservation Board
Hazardous Material/Emergency Warning	Office of Emergency Services
Road & Bridge	Department of Transportation

Education, Distance Learning	Department of Education
Aviation	Department of Transportation
Historical	Department of Higher Education/Historic
Parks & Recreation	Department of Natural Resources

Also, a listing of all applications is shared with USDA Rural Development for the purpose of determining its interest in working with LGFS on a particular project/s. Except in emergency situations, all IA applications for funding are reviewed by the State Impact Assistance Advisory Committee that makes recommendations to the Executive Director of the Department of Local Affairs for funding. Applications for CDBG are reviewed by staff who make recommendations to the Executive Director for funding.

The Department is represented on numerous boards and advisory groups. Of particular note is the inter- and intergovernmental "Water and Sewer Needs Committee" which is composed of state and federal agencies normally concerned with sewer and water issues. The Committee is made up of the Colorado Municipal League, Special District Association of Colorado, Colorado Counties, Inc., USDA Rural Development, Colorado Rural Water Association, and the Colorado Water resources and Power Authority. Coordination is provided through LGFS. The Committee produces "lists" of cities, towns, special districts, and unincorporated communities which operate and/or manage water and wastewater systems or need such systems. The "lists" represent only needs which are ranked based on primarily health and capacity concerns using data from various sources including Department of Health district engineers as well as local input. The "lists" are up-dated quarterly. The committee and the "lists" are intended to be a common base for the sharing of information to include potential financial resources for the funding of, either separately or in conjunction with another committee member, projects.

Office of Economic Development and International Trade

The purpose of the Office of Economic Development and International Trade (OED) is to retain Colorado's existing businesses, to help them expand, and to encourage out-of-state companies with good quality paying jobs to locate to Colorado. The mission of OED is to provide effective, professional assistance to the state's business community and to local communities; to make essential information easily accessible to small business owners throughout the state; to promote the development and expansion of minority businesses; to offer state job training, marketing and assistance programs to every region of the state; and to encourage business retention expansion and relocation resulting in the retention or creation of Colorado jobs. OED is made up of the following programs: Business Development, Small Business and Small Business Development Centers, Women's Business Office, Economic Development Commission, Minority Business Office, Office of Defense Initiatives, and Research and Special Projects.

The Finance and Review Committee reviews all CDBG economic development applications and makes final funding decisions.

Gaps in Institutional Structure

Assessment. Affordable Housing has become an issue familiar to much of Colorado. While there are still partnerships to be forged and groups to be educated, local governments, private industry, nonprofit organizations and state government have worked hard to tackle the issues involved in providing affordable housing. Under former Governor Roy Romer and now Governor Bill Owens, there has been a Smart Growth process that includes affordable housing as a growth issue. Representatives of all sectors have participated in these efforts. The gaps remaining in the institutional structure in Colorado are educating the public and reducing NIMBY, better coordination and cooperation between special needs providers and the organizations that produce housing units, and continued education of local agencies to increase the production of affordable housing units statewide.

Local nonprofit organizations and housing authorities. Many of these groups not only lack funds to meet the demands, but they also lack the staff expertise and capacity to expand or diversify their existing services. While many small agencies have taken on developing new housing units in the past five years, there is not enough capacity within the nonprofit community to develop the number of very low, low, and nonprofit units needed in many areas of the state. For profit developers are creating units in some markets, but for the very lowest income households, those with special needs or a need for service enriched housing, there must be increased capacity to produce more housing.

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

Strategy to Overcome Gaps

The Colorado Division of Housing will continue to lead efforts to increase the coordination and involvement of state and federal agencies, public and private nonprofit and others in the leveraging of funding sources, the planning and delivery of housing related services, and development of special initiatives to increase and preserve affordable housing for the extremely low, low and moderate income families and individual who reside in the State of Colorado.

DOH staff will continue to work at the local level with local governments and housing providers to increase the local capacity to create new affordable housing units. This one on one technical assistance will be supplemented by statewide training such as the Developer's Toolkit and Creative Finance workshop, which can help increase the capacity of Colorado's housing providers. The Division of Housing will work with the Department of Human Services and local special needs providers to encourage partnerships between service providers for special needs populations and housing development agencies. These partnerships are essential to increasing the supply of affordable, accessible housing for special needs populations. DOH staff will also work to increase the number of very low income units statewide by increasing awareness of the need for 30% rental units, and helping agencies put together the financing structure to make these units feasible.

The "Big Four Group" which contains representation from Colorado Division of Housing, Colorado Housing and Finance Authority, U.S. Department of Housing and Urban Development, and U.S. Rural Economic and Community Development (RECD) meets monthly to discuss multiple agency rules and yearly targets specific areas within the state where all funding sources and staff expertise are combined to address immediate housing needs. Staff from these agencies meet every other month to discuss specific projects and areas of the state with a need for new housing units.

Actions contained in several of the Strategies are specific to overcoming the gaps identified above. Strategy I and its goals and actions are designed to address many of these gaps, especially those dealing with increasing local capacity.

Governmental Coordination

The Department of Local Affairs is the one agency in Colorado that deals almost exclusively with local governments on all levels of its mission. This documentation represents hours of community meetings, compilation of written surveys, and consultations with local governments, state agencies, and nonprofit agencies in the state. Cooperation and coordination between The Department of Local Affairs, other involved state agencies and local governments did not just take place to produce this document, that coordination and cooperation is a daily occurrence as can been understood by a complete reading of this document.

Low-Income Tax Credits

Low-Income Housing Tax Credits. The Colorado Housing Finance Authority (CHFA) has the authority to allocate the LIHTC in Colorado. CHFA and the Division of Housing work closely together in using the Low Income Housing Tax Credits to develop affordable housing. The staffs of both agencies are in constant contact to discuss new and existing projects and meet formally every other month to update each other on pending projects. This system will be continued during the next five years. The annual plan for allocation of tax credits in 2000 has been finalized by the CHFA Board at this time and is available from CHFA upon request. Below are specific actions that will be taken in the next five years to continue this on going coordination:

- Continued close coordination between CHFA and the Division of Housing in the use of LIHTC, federal, state, and private funds for project funding;

- Education and training for for-profit, nonprofit and local government housing providers in the use of LIHTC; and,

- Full allocation of all available credits each year for affordable housing.

Public Housing Resident Initiatives

Public Housing Resident Initiatives. The State does not operate any public housing and therefore does not plan for any resident initiatives.

Troubled Housing Authorities

There are no troubled housing authorities in Colorado. The HUD Trouble Agency Recovery Center will contact the Division of Housing in the future if there are housing authorities in need of assistance. The Division of Housing will be offered as a resource to these housing authorities.

Barriers to Affordable Housing

Growth management issues have become a primary concern for state and local elected officials in Colorado. The state's rapid increase in development over the last decade has resulted in a closer examination of public policy that directs future transportation improvements, water capacity, open space availability, and housing supply. In the growth management debate various land use policies to control or direct growth are being considered. Depending on the public policy objectives, these land use policies can be viewed as either growth management tools or regulatory barriers.

The contrast between growth management policies or regulatory barriers is most apparent in housing development. As the Division of Housing defined in our 1998 report "Affordable Housing Regulatory Barrier Impact Report" this contrast is evident in the methods communities use to finance infrastructure, control zoning and subdivision growth; insure health and safety with building codes; limit development through permits and procedural rules; and protect environmental and cultural resources.

Since 1998, the Colorado General Assembly's Joint Budget Committee required the Division of Housing to report on the type and prevalence of local regulatory barriers to affordable housing, the steps taken by the Division of Housing to reduce these barriers and the effectiveness of these actions. The Division defines regulatory barriers as either a deliberate or de facto action that prohibits or discourages the construction of affordable housing without sound 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 benefit.

Local Regulatory Barriers

As requested by the Legislature, we first examined the type and prevalence of local regulatory barriers. DOH has identified five categories of land use regulations frequently cited as barriers to affordable housing. These include: (1) infrastructure financing; (2) zoning and subdivision controls; (3) building codes; (4) permitting and procedural rules; and (5) environmental regulations. The Division of Housing works with communities to show how local governments in Colorado modify regulations to reduce their impact on affordable housing. This assistance is provided through technical workshops on land use planning and on financing affordable housing. DOH also negotiates with each developer to reduce local regulatory cost during our application review process. The tables that follow show examples of how local governments used regulatory reform to create affordable housing in 1999.

The following table shows how local governments finance infrastructure improvements such as roads, libraries, schools, parks, etc. and methods to reduce the fiscal impact on affordable housing. Direct payments for expanding services such as roads, parks, and utilities are referred to as an impact fee. Land dedications are often required for larger developments to reduce the expansion cost of schools or parks. Local governments may also require an exaction, which conditions approval of new development for on-site or off-site improvements, such as right-of-ways for expanded transportation or utilities.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Infrastructure Financing	Development Impact Fees	The Town of Rangley waived development fees for a twenty bed assisted living facility
	Exactions	Colorado Springs is sharing the on-site drainage improvements for an affordable housing project.
	Land Dedications	City of Glenwood Springs is offering increases in density for land to be used as a buffer for a nearby school.
	Rationing of Building Permits	Boulder is exempting affordable housing from its growth management permit limitation

Zoning & Subdivision Controls: Include standard housing size, width of streets, accessory dwelling units. The primary purpose of zoning restrictions is to separate incompatible land uses. These regulations also are used to maintain real estate values by enforcing controls on the location, size, and appearance of all residential and commercial buildings. However, zoning regulations can limit the use of the most affordable types of housing, multifamily and manufactured housing, by limiting the amount of land zoned for this purpose.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Zoning/Subdivision Controls	Restricted multifamily/ manufactured housing zoning	Garfield Co. requires10% density bonus for affordable housing of request for rezoning request that increase residential density.
	Standard house & lot size	In Glenwood Springs the proposed Cardiff Glen subdivision will have streets 24ft. wide.
	Prohibition of accessory dwelling units	The Cardiff Glen subdivision will include accessory dwelling units better known as mother in law apartments
	Excessive subdivision standards	Forty-three counties have adopted subdivision exemption policies.

Building Codes: A third type of regulation likely to affect a community's supply of affordable housing is the local building code. The building code serves the most important public purpose of health and safety. Building codes govern the use and installation materials and the design standards for the building and the surrounding land. A local building code plays a vital role in protecting not only the occupants of the building but also its long term value.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Building codes	Mechanical codes	After issuing a code violation for lack of a fire sprinkler system in a group home for lower income persons with developmentally disabilities, the City of Pueblo paid for its installation.
	Material specifications	Las Animas County allows the use of alternative building materials such as strawbale, adobe, and recycled lumber.

Permitting & Procedural Rules: Application fees & schedules, open ended approval processes, timing of fee payments. The permitting process can be expensive in terms of fees and time. Fees are charged for inspections, permits, and applications. Time delays in the approval process add uncertainty and risk to an already expensive investment. The following is a table of permits and procedures and how local governments modify their process.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Permitting and Procedures	Complicated fee schedule	City of Delta reduced fees and streamlined its permitting process to hasten the rehabilitation of a building for a domestic violence shelter
	Open-ended review timeline	Las Animas County has a published schedule of permit cost and application timelines.
	Multiple approval process	City of Greeley facilitates the permit review process thru the Planning Dept. Administrative Review Team.

Environmental & Cultural Protection

The Clean Water Act, the Endangered Species Act, the National Environmental Policy Act, and the National Historic Preservation Act are the most prevalent of federal environmental statutes encountered when developing or redeveloping affordable housing. Each of these mandates is federal and must be adhered to by local governments in their development procedures and methods. It is the unpredictability of these regulations that give pause to private investors. Many of the regulatory remedies seek to identify environmentally sensitive land parcels or buildings so private investors can avoid the additional cost or delays inherent in mitigating impacts on the environment.

Regulatory Category	Regulatory Requirement	Regulatory Remedies
Resource Protection	Historic preservation	The Greeley Urban Renewal Authority resolved many uncertainties in the development process for Meeker Commons.
	Water resource protection	Adjustment of building sites and channeling of a nearby stream prevented flooding at Wapiti Meadows Apartments in Fraser.
	Nat'l Environmental Policy Act	Inexpensive materials like strawbale or wood have been used to construct barriers to reduce noise levels in high traffic areas.
	Endangered Species Act	Front Range local governments have started to identify the Preeble Mouse habitat area for builders to avoid.

Local Land Use Policies

An examination of municipal and county land use policies shows many local governments with flexible land use policies and building codes. The flexibility of policies and codes is a starting point for assessing the local governments ability to reduce perceived regulatory barriers. In 1997, DOH conducted a survey of both municipal and county governments. In 1999 this information was updated. The Division of Housing updated the municipal government information and Colorado Counties Inc. gathered the information from counties. Both of these surveys measured similar policies, regulations, and codes.

A total of 140 municipalities participated in the DOH 1999 survey. Of these municipalities, 72% had adopted a Comprehensive or Master Plan. This percentage is very similar to the percentage of municipalities with Comp Plans in 1997, the last year of our survey. Of the communities responding to our survey, 25 do not have a comprehensive or master plan. None of these communities have populations over 1,800, most have populations under 800. Of these 25 communities, 12 will be completing a plan in the coming year.

There seems to be a greater recognition of housing needs by communities since more are including housing as an element in their Comp Plans. In 1997, 63% included housing in their Comp Plan, while in 1999 this percent increased to 80%. It seems that local governments have responded to the Legislature's initiative with the passage of House Bill 1093 in 1997. The Act directed local governments to consider housing when revising or adopting Comp Plans.

Of the 63 counties in Colorado, 45 have master plans or comprehensive plans and nine have not adopted a plan. Ten counties did not respond to the survey. Of the counties with comprehensive plans, thirty have either created or updated their plans since 1990, eighteen of these since 1995, only four rural counties omitted affordable housing as a plan element. The primary funding source for these plans other than the community's General Funds is the state. The state sources include the use of students from state colleges or planning grants from state agencies.

The use of intergovernmental agreements between counties and municipalities for residential development is a recognition of the intricacies of growth management. Accounting for all of the counties that comprise the growth corridors of I-25 and I-70 each has adopted intergovernmental agreements regarding land use decisions with adjoining governmental entities. These agreements will be the backbone of future growth priorities. These agreements contain policies for annexation, extension of utilities, and expanded public services. The provision for affordable housing should also be included in these intergovernmental agreements, particularly in the state's high growth areas.

The Division of Housing's Effectiveness In Reducing The Impact Of Land Use Regulations

DOH provides technical assistance to local governments seeking to modify land use regulations in order to encourage affordable housing development. A priority for DOH during our financial underwriting process is to assess a local governments financial contribution compared to the impact its regulations and policies have on the total project cost. Both of these efforts have produced concrete results.

Technical Assistance

In 1999, the Division of Housing conducted a series of workshops for local government officials, homebuilders, elected officials, and affordable housing professionals. Each workshop profiled actions taken by local communities that reduce the impact of land use regulations on affordable housing. Each workshop also promoted the use of the division's "Reducing Housing Cost Through Regulatory Reform" handbook. Over 400 copies of this publication have been distributed through the workshops or by direct requests.

Based on the success of these workshops and publications like "Reducing Housing Cost Through Regulatory Reform" DOH has become a primary resource to local governments seeking to modify land use policy to encourage affordable housing development. Examples of communities modifying land use policies and regulations in 1999 to increase their affordable housing supply include: Douglas County, Greeley, Steamboat Springs, and Garfield County.

Each community is utilizing existing governmental powers to increase the supply of affordable housing. In Steamboat Springs and Routt County, both units of government joined together to adopt a comprehensive plan for developing six square miles of an area west of Steamboat Springs. In Greeley, the city is using its urban renewal authority to secure land in their downtown commercial area and use the competitive development process to entice private developers to construct family and senior housing in downtown Greeley. In 1999, Garfield County amended its land use regulations to provide inclusionary zoning bonuses for developers of affordable housing.

Division of Housing Financial Negotiations

As applications are reviewed for funding from the Division of Housing, an analysis of local contribution and local cost is done. DOH staff works with housing agencies and local governments to reduce the cost burden local fees and development requirements can place upon an affordable housing project. The following table shows the results of these negotiations from 1998 and 1999. The table shows that the amount of local contribution to projects increased, though the cost of local fees also increased.

Rural Development/New Construction in 1999

	1998	1999
Number of Projects	10	13
Total Project Cost	$23,559,703	$23,027,054
DOH Subsidy	3,492,700	3,511,590
Local Gov't Contribution	402,455	1,555,352
Cost of Local Fees	425,279	728,422

Urban Development/New Construction, 1999

	1998	1999
Number of Projects	11	4
Total Project Cost	$24,166,357	$15,628,668
DOH Subsidy	1,401,500	715,000
Local Gov't Contribution	2,181,820	1,411,000
Cost of Local Fees	1,238,073	715,125

Lead-Based Paint Hazards Reduction

Background. The Colorado Division of Housing (DOH) recognizes that childhood lead poisoning is potentially a serious hazard to the children of this state. DOH continues to work closely with sub-grantees and contract agencies to assure that the current requirements of Title X are met. The Colorado Department of Public Health and Environment (CDPHE) is the lead state agency for development of lead hazard reduction through training, certification, risk assessment and remediation. Staff of the DOH works closely with CDPHE on the development of lead-based paint hazard reduction strategies.

On September 15, 1999, the U.S. Department of Housing and Urban Development issued additional regulations to protect young children from lead-based paint. These new regulations are being issued under sections 1012 and 1013 of Title X and take effect on September 15, 2000. The new regulations place a greater emphasis on reducing lead in house dust than do existing regulations. The DOH will receive the training and information necessary to implement the new regulations in all applicable programs administered by CDOH.

The CDPHE was given statutory authority for the development of the Lead Hazard Reduction Program during the 1997 legislative session. The CDPHE has developed a statewide comprehensive plan to reduce childhood lead poisoning. The plan was completed July 1, 1998. The rules and regulations of the statewide comprehensive plan became effective in September 1998. They essentially mirror the guidance provided in Title X. The CDPHE is authorized by the E.P.A. to provide training and certification programs for lead abatement workers, lead inspectors, risk assessors, contractors/supervisors and project planners.

For the past several years CDPHE has received CDC Surveillance funding and EPA funding, which has allowed the department to determine the extent of the lead poisoning in Colorado and to determine an appropriate program for the state. The most recent epidemiological data is for the years 1994 through 1997.

From January 1994 through December 1997, 23,020 test results for children 6 months to 72 months old were reported to CDPHE. The categories are listed in the following way, 22,208 (96.5%) children had blood lead levels <10ug/dL, 535 (2.3%) children had blood lead levels 10-14.9ug/dL, 167 (.7%) children had blood lead levels 15-19.9ug/dL, 110 (.5%) children had blood lead levels >20ug/dL. Overall, the incidence of elevated blood lead levels for children in Colorado over the past four years is 3.5%.

From June through September 1995, the Colorado Department of Public Health and Environment conducted a survey of blood lead levels among children living in north central Denver. The area was selected based on 1994 surveillance data; data on age of housing units, household income, and race/ethnicity; and information provided by a concerned community group. A census of a randomly selected sample of households living in the survey area was conducted from April through June 1995 to identify children from 12-35 months of age. Of the children identified in the census who could be located a few weeks later for blood specimen collection, 60.4% or 173 participated. A pediatric phlebotomist collected a blood specimen by appointment in each child's home. The proportion with blood lead levels > 10 µg/dL was 16.2%. The proportion with elevated levels was higher than expected and over five times greater than the overall rate (3.2%) for Denver County calculated from 1994 surveillance reports. The findings are consistent with the idea that there exist "pockets" of childhood lead poisoning within the city. The results of the survey highlight the problem of lead poisoning in the city and the need to provide resources for environmental investigation and intervention.

The strategy for the years 2000 through 2005 is to meet all applicable lead-based paint regulations on a statewide basis.

Market and Inventory Conditions. The number of housing units which may contain lead-based paint in the State of Colorado and which are occupied by low and very-low income persons represent a substantial percentage of the total housing stock. Estimates are as follows:

Estimate of Housing Units With Lead Based Paint - State of Colorado

Pre-1940 Housing Units

Total All Units	**145,236**		
Total Renter Units	**56,435**	**Total Owner Units**	**88,801**
Extremely Low	34,453	Extremely Low	18,214
Low	18,934	Low	32,771
Total Low Income Units	**104,372**		

1940-1959 Housing Units

Total All Units	**54,530**		
Total Renter Units	**22,286**	**Total Owner Units**	**32,244**
Extremely Low	12,970	Extremely Low	5,775
Low	8,329	Low	14,349
Total Low Income Units	**41,423**		

1960-1979 Housing Units

Total All Units	**461,516**

Total Renter Units	**168,400**		**Total Owner Units**	**293,116**
Extremely Low	88,644		Extremely Low	39,258
Low	67,551		Low	90,488
Total Low Income Units	**285,941**			

It is therefore estimated that 661,282 housing units (+/-10%) in the State of Colorado contain lead-based paint. The estimated total number of low-income units that may contain lead based paint is 431,736 (+/-10%) or approximately 65% of all housing units that contain lead-based paint.

Hazard Reduction Strategies. The Colorado Division of Housing has adopted the following strategies for accomplishment in the next five years:

- Strategy #1: The DOH will continue to work with public and private efforts to reduce lead-based paint hazards to young children. The DOH will continue to work with an inter-agency work group to develop and implement strategies for statewide hazard reduction. The DOH will continue to coordinate with the Colorado Department of Public Health and Environment, the lead agency in this effort. The CDPHE requires that all children that are eligible for Medicaid have blood lead screenings at 12 months and again at 24 months. Such screening is an eligible Medicaid expense. Physicians who administer the tests are required to report those children with elevated lead blood levels to CPDHE. The results of these screenings will be monitored on an on-going basis in order to identify communities with a higher incidence of lead poisoning. Primary remediation efforts will be targeted to these communities and to homes where children with elevated blood lead levels have been identified.

- Strategy #2: Continue to develop technical capacity. DOH will continue work to increase the ability of contractors in the recognition and reduction of lead hazards. Information will continue to be distributed regarding workmanship practices that will minimize risk to workers and residents.

- Strategy #3: Provide public information and education. All sub-grantees and contractors have been provided with current literature to distribute to occupants of housing assisted with DOH funds. This includes the single-family owner-occupied rehabilitation program, the Section 8 voucher program, and programs that assist in the acquisition and rehabilitation of rental properties. The EPA pamphlet "Protect Your Family From Lead in Your Home" is distributed to DOH sub-grantees who, in turn, to distribute this literature to residents. All property owners that receive funding from DOH are also required to provide full disclosure regarding lead hazards to purchasers of targeted housing.

- Strategy #4: In 1999, the City of Denver received a HUD Lead-Based Paint Hazard Control grant for use in the City and County of Denver. In 2000, the CDPHE and DOH will work on a joint application for a LBP Hazard Control grant from HUD to provide these resources to the rest of the State. Success of this grant application will accelerate the abilities of the state agencies and private contractors statewide in the recognition and proper treatment of potential lead hazards.

- Strategy #5: The Colorado Division of Housing plans to provide technical assistance to all DOH subgrantees on the requirements of Sections 1012 and 1013 of Title X prior to September 15, 2000.

Monitoring Standards and Procedures. The Colorado Division of Housing will continue to utilize the monitoring procedures that are in place for the specific federal funds that they administer. Additional monitoring standards and procedures may be developed to meet the requirements of Sections 1012 and 1013 of Title X.

Monitoring Standards and Procedures.

As part of its duties related to the administration of state and federal affordable housing funds, the DOH is responsible for monitoring the expenditures of these funds to ensure that they are spent appropriately. The DOH risk-based approach to monitoring allows asset managers to focus more time on grantees that are at higher risk of encountering problems during the use of the affordable housing funds.

The level of monitoring for a project is determined by DOH staff (the Housing Developer and the Asset Manager) with final approval given by the Grants Program Manager. The Developer and Asset Manager discuss the administrative capacity of each grantee and agree on the level of monitoring before recommending it to the Program Manager. The level of monitoring will be listed on the Project Performance Plan (PPP) that is attached to the grantee's contract.

Under the new monitoring approach, recipients are categorized into three main classifications.

FREQUENT (Full On-Site Monitoring)	X **New Grantees**- Grantees who have never received funding from DOH and/or Grantees that have not received funding in the last three years. X **New activity for existing grantees** X **Complicated projects** X **Unresolved findings or concerns** X **Repeat instances of findings or concerns** X **Existing Grantee - new staff in key positions** X **Section 8 Grantees: HQS inspection of rental units (5% of units/per year)** **X Staff recommendation due to unexpected problems occurring during the project.**
PERIODIC (Partial On-Site or Self-Certification Monitoring).	X **Uncomplicated project** X **Repeat grantee-same/similar type project** X **Existing Grantee - New staff in key positions** X **Grantee had no findings during last monitoring** **X Grantee is considered moderate in administrative capacity**
OCCASIONAL (Is labeled as a "N" in the Paradox Monthly Report for NO monitoring).	X **Continuing Program such as the SFOO Rehab, Downpayment, ESG, Section 8 programs - monitoring can be skipped up to two years.** X **Grantee has not received any findings or concerns in the past two (2) years.** **X Grantee is considered a high functioning in administrative capacity.**

Chapter 6 SPECIFIC PROGRAM DESCRIPTIONS

Home Investment Partnership Program

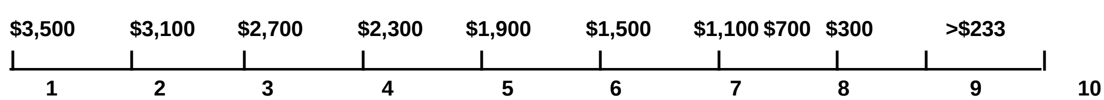
I. FUND DISTRIBUTION

The $6,828,000 allocated to the State of Colorado for federal fiscal year 2000 will be distributed through a competitive application process except for existing multijurisdictional single-family owner occupied rehabilitation programs which will receive funding in accordance with the State Single Family Owner Occupied Rehabilitation Policy. Applications will be reviewed and considered on a continuous basis by the Division of Housing, Department of Local Affairs. The Division may end or defer consideration of housing proposals when funds available have been exhausted or when proposals are incomplete or premature.

Applications for HOME should reflect local needs as well as be consistent with the State of Colorado's annually approved Consolidated Plan. The Division has also developed a set of tools to analyze applications and guide potential applicants. These tools are the Cost and Effectiveness Rating Instrument (CERI) and the Funding Gap Analysis Spreadsheet. DOH staff also review applications to ensure that proposals meet the federal requirements for each program, including the HOME program.

CERI and the Funding Gap Analysis Spreadsheet are used by DOH staff and the SHB to evaluate the relative merits of funding applications. Through CERI, two aspects of housing proposals are evaluated: the cost per person housed and the "externalities." The cost per person housed is determined by dividing the total development cost by the number of persons to be housed. This cost is then divided by the number of years the project sponsor has committed to keep units affordable. The result is the cost per person (CPP) per year of affordability. This is rated on a scale of 1 to 10. This rating is based upon two factors: the current development costs, and historic data which is maintained for previous projects of similar type. For example, a score of 10 indicates very reasonable cost and a score of 1 indicates a very expensive project.

Cost Per Person Housed



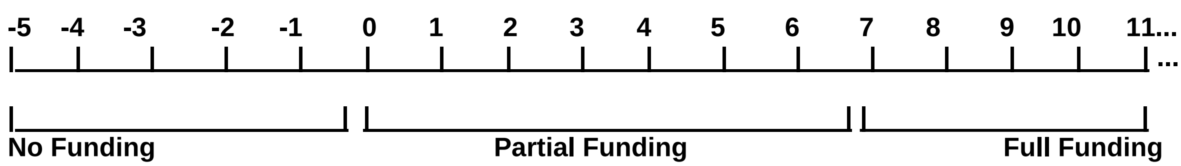
The second component of CERI rates a number of external factors relevant to the proposed housing. These include: project impact/need, local commitment, environmental issues, social impact and transportation.

Externalities Matrix	+1	-1
Project Impact Need - Project has market data justifying need		
Public/Private Commitment - Project has local govt or community financial support		

Externalities Matrix	+1	-1
Management Capability - Project developer has capability of completing project		
Public Services - Utilities/ infrastructure/public services are available to the project		
Environmental Impact - No negative impact on air/water quality, noise levels, views		
Environmental Setting - Project has a favorable environmental assessment		
Social Impact - Project demonstrates community support		
Social Setting - Residents will experience no negative social impacts resulting from location or configuration		
Personal Cost - Residents will not experience excessive financial impacts for utilities, transportation and other services		
Transportation - location is within close proximity to jobs/schools; or served by mass transit.		
Net Total Score		

The combined point score of the CPP and the externalities results in the cost and effectiveness rating. A higher rating indicates a higher priority project. The ultimate goal of the process is to establish parameters for determining which projects receive funding awards. These parameters will be reflected in the bracketed areas as they appear in the CERI below. This linear rating form allows for targeting the most cost effective and most valuable projects to the community. By combining both considerations, projects with the highest value (impact) are grouped along the continuum indicating a positive funding decision. By using a linear instrument, the fundable parameter can move over time thus acknowledging increasing effectiveness of projects submitted. In essence, as the pool of successful projects increases, the bar becomes higher for new projects.

Cost Effectiveness Rating Instrument



The other tool used by DOH staff is the gap analysis spreadsheet. Through this software, an analysis is done of project development cost, income and expense. This analysis results in a determination of how much debt a project can reasonably service and the amount of gap funding required for the project to proceed. This gap is filled through a variety of sources including funds administered by DOH.

The combination of these two tools allows the SHB to target limited resources to the housing activities with the highest need in an individual community. As well, the amount of subsidy required can be accurately determined. Development staff can also provide community housing developers with specific guidance regarding project development. This allows development staff to work in the planning stages guiding and modifying projects before they go before the SHB.

Early in the process, DOH staff provide feedback to developers regarding the appropriateness of development concepts. This timely intervention is necessary because developers must incur predevelopment expenses (sometimes in excess of $100,000) before a project can be brought before the SHB. Developers are discouraged from submitting requests that do not meet DOH priorities. While staff work with developers to modify projects to meet DOH standards, only projects that meet the priority target populations are cultivated.

The results of the staff review will be forwarded to the Executive Director of the Department of Local Affairs, and brought to the Colorado State Housing Board, an advisory board. The consultation with the board is usually at a regularly scheduled monthly hearing, but also may be by telephone or mail. The Department Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses and conditions; and permitting projects to be amended to include additional, fewer or different project activities.

Direct Administration. The Department of Local Affairs may choose to administer HOME funds directly if it determines that a specific project would benefit from such administration.

Geographic Fund Distribution. The Department of Local Affairs intends to distribute HOME funds by considering both geographic and population needs. Funding decisions will include consideration of prior housing projects funded within the area as well as quantified need level driven by population distribution including the needs of special populations as identified in the State of Colorado's annually approved Consolidated Plan. Projects that occur in high growth areas are considered to be high priority projects.

II. Community Housing Development Organizations

The State of Colorado will reserve fifteen percent of its allocation for community housing development organizations (CHDOs). The amount available for CHDOs will be $1,024,200. The CHDO funds will also be distributed through a competitive process on a continuous basis.

The Division of Housing will identify CHDOs in the state through a two-fold process. A questionnaire which will enable potential and existing CHDOs to determine if they are eligible as CHDOs will be sent to nonprofits and housing providers throughout the state upon request. At the same time, the housing development staff of the Division of Housing will continue to work to identify potential CHDOs in their specific geographic areas. Applicants and/or their subgrantees applying through the competitive process for HOME funds will also be screened to identify any existing or potential CHDOs.

It is anticipated that the types of activities to be undertaken by CHDOs will be acquisition, rehabilitation, homebuyer programs, and new construction. It is also anticipated that some CHDOs may be interested in applying for the project specific technical assistance loans.

III. OTHER FORMS OF INVESTMENT

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

IV. REFINANCING

HOME funds may be used to refinance existing debt on an eligible single-family, owner-occupied property when HOME funds are used to rehabilitate the unit, if the overall housing costs for the owner will be reduced and the housing made more affordable.

HOME funds may also be used to refinance existing debt on multifamily rehabilitation projects if refinancing is necessary to permit of continue long-term affordability and is consistent with the state established guidelines. To qualify the proposed project must meet the following guidelines:

(i) rehabilitation is the primary eligible activity. For this to be established to amount of HOME funds used for rehabilitation must exceed the amount of HOME funds used to refinance existing debt. At a minimum the ration of rehabilitation costs to refinancing costs must be 1.5 to 1;

(ii) project review will include a review of management practices to demonstrate that disinvestment in the property has not occurred, that the long term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;

(iii) the application must include the information as to whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;

(iv) the required period of affordability will be a minimum of 30 years;

(v) the state will accept application for refinancing statewide; and,

(vi) HOME funds will not be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

Administration and Planning Costs. The Department of Local Affairs, Division of Housing may expend for its HOME administrative and planning costs ten percent (10%) of the HOME allocation.

V. HOMEBUYERS PROGRAM

The Department of Local Affairs, Division of Housing, will accept applications for homebuyer programs if they meet the guidelines for resale as required in 24 CFR 92.254. Homebuyer program guidelines must meet the following federally required qualifications.

Qualify as affordable:

< If purchased with or without rehabilitation the initial purchase price does not exceed 95% of the median purchase price for the type of single-family housing (1 to 4-family residence, condominium unit, cooperative unit, combination manufactured home and lot, or

manufactured home lot) for the area as determined by HUD; and has an estimated appraisal value at acquisition, if standard, or after any repair needed to meet property standards in .92.251, that does not exceed 95% of the median purchase price for similar type of single-family housing.

< It must be the principal residence of the owner whose family income qualifies (equal to or less than 80% of area median family income) at the time of purchase;

< Is purchased within 36 months if a lease-purchase agreement in conjunction with a homebuyer program is used to acquire the housing;

X Meets the federally required resale restrictions or the federally required minimum affordability periods. However the state will seek to maximize the affordability period for homeowner and rental properties. To maximize affordability periods we have established a threshold of thirty (30) years, but will make every effort to extend this period to 40 years and beyond.

STATE GUIDELINES FOR A HOMEBUYER PROGRAMS

The State will assure that any homebuyer program capitalized with HOME funds will meet the following requirements for the properties and prospective homeowners to participate in this activity.

ELIGIBLE ACTIVITIES. HOME funds may be used for acquisition or for the acquisition and rehabilitation of homes for homebuyers whose incomes are equal to or less than 80% of area median income.

ELIGIBLE PROPERTY OWNER. The prospective purchasing household must meet two key federally required eligibility criteria in order to participate.

1) Must have a gross income that does not exceed eighty percent (80%) of the area median income. The purchasing household must be low income at the time of the household initially occupies the property, or at the time the HOME funds are invested, whichever is later. Verification of income eligibility is good for a period of six months.

2) Must occupy the property as a principal residence. The deed and the loan documents (Promissory Note) between the buyer and seller should incorporate this requirement and the requirement that subleases are only allowed with written approval by the State.

A third criteria has been added by the state. This criteria limits homebuyer assistance to households with incomes between 80% and 60%. This criteria reflects the minimum income required by homeownership to initially purchase and maintain a home. Homeowners participating in a self-help housing program may have incomes less than 60% AMI.

ELIGIBLE PROPERTY TYPES. Property which is eligible to be used in a homebuyer program is not restricted to federal properties or to other publicly held properties. The property can be PRIVATELY or PUBLICLY held prior to sale to the homebuyer. The property can be an existing property or newly constructed. Any property which will serve as the purchaser's principal residence, including:

- A single family property (one unit);
- A two to four unit property;
- A condominium unit;
- A manufactured home and lot;
- A manufactured home lot; and,
- A cooperative unit.

FORMS OF OWNERSHIP. For purposes of the HOME program, homeownership means ownership in fee simple title or a 99 year leasehold interest in a one to four unit dwelling or in a condominium unit, or ownership or membership in a cooperative or mutual housing project if recognized by state law as homeownership. The ownership interest may be subject only to the following:

- Mortgages, deeds of trust or other debt instruments approved by the State; and,

< Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME program restrictions on resale.

Property Standards. Before property transfer, the house must be inspected for health and safety defects. The prospective purchaser must be notified of the work needed to cure defects and the time frame which it will take to complete the repairs.

Acquisition Only -- Property must meet local housing standards or codes at the time of initial occupancy. If no standards exist, Section 8 Housing Quality Standards (HQS) must be met.

Acquisition and Rehabilitation -- Where rehabilitation to the property is needed. The property must be free from any defects that pose a danger to the health or safety of occupants before occupancy and not later than 6 months after property transfer. Within 2 years of property transfer to the homebuyer, the property must meet all applicable local codes, rehabilitation standards, ordinances and zoning ordinances at the time of project completion.

All construction projects (rehabilitation and new construction) assisted with HOME funds must meet local codes, rehabilitation standards, ordinances and zoning ordinances. In the absence of local requirements, projects must meet the following:

< One of three model codes--Uniform Building Code (ICBO); National Building Code (BOCA); Standard Building Code (SBCC)

< Council of American Building Officials One to Two Family Code (CABO);

< the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926.

New construction -- Newly constructed housing must meet the Model Energy Code published by the Council of American Building Officials.

HOME-assisted construction must meet the accessibility standards of the Fair Housing and Section 504.

Property Value (at time of purchase). The initial purchase price that does not exceed 95% of the median purchase price for the type of single family housing for that type of housing. The state may establish the area median value by using the Section 203(b) limits or the state may establish the value through a community-wide market analysis. The value may be established by an appraisal by a qualified appraiser or qualified staff of a HOME program administrator.

Income Qualification and Affordability. There are NO federal requirements that the homebuyer remain low income after purchase of the unit. There is NO federal requirement that determines a minimum or maximum amount for the monthly housing costs (PITI) or, that the homeowner's PITI remain affordable to the homebuyer. However, the state does use a maximum household income of 80% and a minimum household income of 60% for initial eligibility, unless the purchaser is a self-help program participant below 60% AMI.

Resale Restrictions or Recapture Provisions. In accordance with the HOME Program requirements the State will accept either the resale restriction or the recapture provision for maintaining the affordability of housing in Homebuyer Program Policies submitted in applications requesting HOME funding. The restrictions and recapture provisions are the following:

OPTION ONE -- Create Another Affordable Units by recapturing the HOME Investment

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 activity.

< Recapture entire amount - require the entire investment to be repaid.

< Reduction during affordability period - the investment amount to be recaptured may be reduced on a pro rata basis for the time the

homeowner has owned and occupied the housing measured against the affordability period.

< Shared net proceeds - If the entire amount cannot be recaptured plus enable the owner to recoup their downpayment and capital investments in the property, the proceeds may be shared based on the following formula.

HOME investment

HOME investment + Homeowner investment / Net Proceeds = % of HOME $ to be recaptured

Homeowner investment

HOME investment + Homeowner investment / Net Proceeds = % of Amount to homeowner

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 downpayment or subordinate financing provided on behalf of the purchase.

OPTION TWO -- Sell the Existing Property to a Subsequent Low-income Purchaser

- 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 which allows for:

  - "fair return on investment, including any improvements" to the seller (the former homebuyer).

  AND ALSO,

  - The property must be "affordable" to a "reasonable range of low income purchasers".

- Housing may be presumed to meet all of the resale requirements (i.e., fair return, affordable, and that the subsequent buyer is low income) during the period of affordability without enforcement mechanisms if this presumption is supported by a local market analysis.

- The market analysis of the neighborhood must indicate that the housing is and will continue to be available and affordable to a reasonable range of low-income families.

The affordability period restrictions on sale of the property are waived if the homeowner defaults on the first mortgage and foreclosure proceedings are initiated. However, the affordability restrictions are revived if during the original affordability period, the owner retains ownership of the property.

The amount of development subsidy required to produce the unit in excess of the fair market value is not subject to recapture. If the HOME subsidy is only used for the development subsidy in excess of the fair market value, the Option Two, the resale option, must be used.

Whether Option One or Two is used -- after the required affordability period based on the amount of HOME assistance ends -- the property may be sold at any price to any new homebuyer, without any consideration of the purchaser's income.

Forms of subsidy. HOME funds may be used for down payment and closing cost assistance, interest subsidies, direct loans, or grants for acquisition, rehabilitation of existing units and/or construction of new units. The program may use one or more of the above forms of subsidy.

If the HOME funded subsidy is:

- down payment and/or closing cost assistance, it must be in the form of a secured debt, such as a deferred loan to help enforce the principal residency and resale provisions;

- an interest subsidy paid directly to the first mortgage lender in order to reduce the interest rate on the loan, there must be a provision that a proportionate refund will be provided to the State or its state recipient or subrecipient if the private loan is prepaid before the loan maturity date;

VI. TENANT-BASED RENTAL ASSISTANCE PROGRAM

The Department of Local Affairs, Division of Housing, will accept applications for operating a tenant-based rental assistance program from a public housing authority or any other entity with the capacity to operate a rental assistance program within their community or region. Each TBRA application will be judged by its impact on addressing a communities affordable housing needs, but specific consideration will be given to weighing the TBRA method of assistance with less costly housing alternatives.

Applications will be evaluated based on the following factors:

$ The immediancy of the need for TBRA. Displacement caused by natural disaster, job loss, domestic violence, or other emergency family situations.

$ The lack of existing permanent housing within a housing market.

$ A strategy for developing additional permanent rental housing supply.

$ A minimum financial contribution by the tenants.

$ The projected rents are consistent with local market conditions.

Program design factors:

< must specify the local market conditions that led to the choice of this option;

< may select families in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to extremely low, low or moderate income families and are reasonably related to preference rules established under section 6(c)(4)(A) of the Housing Act of 1937.

< may select eligible families currently residing in units that are designated for rehabilitation or acquisition with HOME funds without requiring that the family meet the written tenant selection policies and criteria. Families so selected may use the tenant-base assistance in the rehabilitated or acquired unit or in other qualified housing. These families must be required to use the tenant-based assistance within Colorado.

< may select eligible families currently residing in rental units that are designated for rehabilitation using HOME program funds without requiring that the family be placed on the PHA's Section 8 waiting list;

< specify if the contract for assistance will be paid to the landlord or directly to the assisted family;

< specify the length of time the assistance will be provided. The term of assistance may not exceed 24 months but may contain the option to be renewed, subject to the availability of additional HOME funds and the required HOME match of twenty-five percent (25%) non-federal monies.

< may use HOME funds to provide loans or grants to eligible extremely low, low or moderate income families for security deposits as delineated in 24 CFR . 92.210.

< CERTIFY THAT IN OPERATING THE PROGRAM THEY WILL ADHERE TO ADDITIONAL REQUIREMENTS AS DELINEATED IN 24 CFR . 92.211;

< CERTIFY THAT THE TENANT WILL NOT PAY MORE THAN THIRTY PERCENT (30%) OF HIS/HER ADJUSTED INCOME FOR RENT;

< CERTIFY THAT THE RENT OF THE UNIT IS REASONABLE AS COMPARED TO RENT CHARGED FOR COMPARABLE UNASSISTED UNITS IN THE SAME AREA;

< CERTIFY THAT HOUSING OCCUPIED BY A FAMILY RECEIVING TENANT-BASED ASSISTANCE UNDER THE HOME PROGRAM MUST MEET SECTION 8 HOUSING QUALITY STANDARDS; AND,

< certify that the amount of monthly assistance may not exceed the difference between 30% of the tenant's adjusted monthly income and the Section 8 Existing Fair Market Rent for the area, after adjustments for bedroom size.

VII. AFFIRMATIVE MARKETING PROCEDURES AND REQUIREMENTS

The Department of Local Affairs, Division of Housing, will adopt the affirmative marketing procedures outlined below for HOME-assisted housing containing five (5) or more housing units and will require adoption by all grantees of affirmative marketing plans specific to local conditions. The procedures may include:

< methods for informing the public, owners and potential tenants about Federal Fair Housing laws and the grantee's affirmative marketing policy. Suggested methods may include use of the Equal Housing Opportunity logotype or slogan in press releases and in solicitations for owners, distribution of the policy to media and interested public groups, and written communications to fair housing and other groups. Another method would be the display of the fair housing poster.

< requirements and practices each owner will utilize in carrying out the affirmative marketing policy. Grantees may require owners to advertise vacant units in newspapers of general circulation and minority media if available, to display the Equal Housing Opportunity logo or fair housing poster in rental offices, and/or to notify the PHA of vacant units.

< procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach. Special outreach may be undertaken, at the grantee's option, by individual owners or by the grantee on behalf of all owners. Special outreach may be accomplished through the following methods:

. newspaper announcements in general circulation newspapers and/or ethnic, neighborhood, community, or school newspapers;

. announcements in church or school bulletins, posters, or oral presentations to community organizations; and,

. posters publicizing the program placed in grocery stores, job center sites, community centers, churches, schools, or other places where potential tenants may visit.

Each unit of general local government that subgrants the administration of this program must adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of 24 CFR 92.351.

The grantee must maintain a file that contains copies of all marketing efforts and the records necessary to assess the results of these actions. This file will be inspected by the Division of Housing staff to evaluate the marketing efforts. The file should contain copies of newspaper ads, memos of phone calls, copies of letters and any other pertinent information.

The Division of Housing will monitor, at least annually, the compliance efforts made by its grantees and owners through review and approval of the affirmative marketing plans; comparison of predetermined occupancy goals to actual occupancy data that the owner will be required to maintain; and, review of outreach efforts on the part of the grantee and/or owners.

If the grantee and/or owner fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other actions the Division of Housing may deem necessary.

VIII. MINORITY AND WOMEN BUSINESS OUTREACH PROGRAM

In accordance with Section 281 of the HOME Investment Partnership Act and 24 CFR 92.350, the Department of Local Affairs, Division of Housing, will prescribe procedures acceptable to HUD to establish and oversee a minority outreach program. The program shall include minority and women-owned businesses in all contracting activities entered into by the state to facilitate the provision of affordable housing authorized under this Act or any other Federal housing law applicable to the state.

The Department of Local Affairs, Division of Housing will encourage the use of women and minority owned businesses in bids for the various programs under the Colorado HOME program through coordination with the Governor's Minority Business Office established in 1989.

The outreach program, at a minimum, will consist of the following:

- development of a systematic method for identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies and/or products;

- usage of the local media, electronic and print, to market and promote contract and business opportunities for MBEs and WBEs;

- development of informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;

- development of solicitation and procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;

- sponsorship of business opportunity-related meetings, conferences, seminars, etc., with minority and women business organizations; and,

- all grantees and subrecipients will be required to maintain statistical data on the use and participation of minority and women business enterprises as contractor/subcontractors in HOME assisted program contracting activities. Owners will be required to identify projects that were bid by minority and women owned entities and the number of minorities or women hired as a result of activities undertaken using HOME funds.

Emergency Shelter Grant Program

I. PROGRAM DESCRIPTION

GOAL. The goal of the Colorado Emergency Shelter Grants Program is to assist homeless persons by providing better facilities, a complete continuum of supportive services at emergency shelters/transitional housing programs and to assist potentially homeless persons by providing expanded prevention programs.

PROGRAM OBJECTIVES (listed in order of priority)

- To support the operating costs of emergency shelters.

- To assist in the prevention of homelessness.

- To assist in improving the quality and range of services necessary for a complete continuum of care that encourages self-sufficiency for the homeless.

- To increase the availability of emergency shelter and transitional housing programs.

- To include homeless families and individuals to the maximum practicable extent in maintaining, renovating, operating, and constructing homeless facilities.

Program Strategies. The Colorado Division of Housing will employ four strategies in the 2000 Federal Fiscal Year in its $945,000 allocation of ESG funds. Priority will be given to projects in non-formula areas that are consistent with the following strategies.

- In order to develop a comprehensive approach to the provision of emergency shelter and delivery of services for the homeless, the first program priority is to ensure that existing programs have sufficient operating funds.

- The second strategy is to encourage programs to use a coordinated, case management approach to service delivery. Programs utilizing strong case management approaches that ensure the delivery of essential services along the continuum of care will receive priority consideration for funding.

- The third strategy is to encourage homeless prevention through funding of programs that provide well thought out approaches to homelessness prevention.

- The fourth strategy is to assist programs that show an ability to leverage other funds in the operation of a shelter and/or delivery of related prevention and essential services.

II. Emergency Shelter Grant Utilization

In fiscal year 1999 the Colorado Division of Housing received an ESG allocation of $975,740. That year, agencies requests for ESG funds totaled $1,355,361. A 27% ESG fund need, among requesting agencies, went unmet within the state.

III. Eligibility

Units of local government or nonprofit organizations within the State of Colorado are eligible to apply for Emergency Shelter Grant funding. Local governments may apply for assistance on behalf of nonprofit organizations or may deliver services directly. The State may distribute Emergency Shelter Grant funds directly to private nonprofit organizations.

If a nonprofit agency applies directly to the State for ESG funds, it is a federal requirement that they submit with their application a letter certifying approval of the application by the relevant unit of local government. In determining the relevant unit of local government for this certification, the local agency needs to determine its primary service area. If the primary service area is a town or city, the agency should seek approval of the town or city government. Programs whose primary service area is county wide or covers multiple towns and unincorporated areas, should ask approval of county governments. As a condition of grant award, applicants and grantees will be required to complete the appropriate

Emergency Shelter Grants Program Certifications, have proof of Internal Revenue Service(I.R.S.) 501(c) status, and submit current I.R.S. W-9 Federal tax identification forms.

Local certifications include:

- Emergency Shelter Grant Program Assurances and Certifications;
- Certification of Local Approval for Nonprofit organizations;
- Certification of Exemption from requirements of the National Environmental Protection Act (See Environmental Review Section IX.), and;
- Certification of Consistency with the appropriate approved Consolidated Plan.

NOTE: The following entities have Consolidated Plans: Adams County; Arapahoe County; City of Arvada; City of Aurora; City of Boulder; City of Colorado Springs; City and County of Denver; City of Fort Collins; City of Greeley; City of Grand Junction, Jefferson County; City of Lakewood; City of Longmont; City of Loveland; City and County of Pueblo; and the City of Westminster. ESG applicants from these areas should obtain Certifications of Consistency with Consolidated Plan from these local governments. The Colorado Division of Housing will provide Certifications of Consistency with the Consolidated Plan for ESG applicants located throughout the balance of the state.

State Certifications include:

< Emergency Shelter Grant Assurances and Certifications Program;
< Prohibition of the use of federal funds for lobbying certification;
< Certification of consistency with the 2000 Colorado Consolidated Plan.

IV. ELIGIBLE ACTIVITIES

The activities listed below are eligible for funding under the Emergency Shelter Grant Program.

< Payment for costs of operation and maintenance which include such items as insurance, utilities, operating staff, and furnishings;

< Essential services;

< Homeless prevention services;

< Grant administration.

V. ALLOCATION AND SELECTION CRITERIA

The State will solicit Emergency Shelter Grants proposals from local governments and eligible nonprofit organizations and review them on a competitive basis. The problem of homelessness is a complex one that requires a variety of services and shelter facilities. Program applicants are encouraged to develop programs that address supportive service needs and homelessness prevention in addition to covering basic operating expenses. Applicants will be required to prioritize the activities for which they will be requesting funds. Priority will be given to applications from local government and nonprofit organizations located in non-formula ESG areas.

The evaluation criteria, in order of priority, will include the following:

1) The location of the service organization (programs located in non-formula ESG allocation areas will receive priority consideration);

2) The capacity of the local government and/or nonprofit organizations to carry-out the project(s);

3) The commitment to provide coordinated essential services and homelessness prevention activities within the applicant organization and in cooperation with other local nonprofit and governmental service providers (e.g. case management, centralized intake, a voucher system to assure payment for services provided by outside organizations);

4) The level of funding support for the applicant;

5) The extent and urgency of the identified homeless needs;

6) The anticipated project impact upon the identified needs, and

7) The availability of other sources of funding for rehabilitation and emergency repair.

All applicants should show at least a dollar for dollar, or 1:1 match for ESG funds requested. The state will adjust contractual matching requirements based on the need of the subgrantee up to the $100,000 federal statewide match waiver.

To comply with federal program rules, the state will ensure that not more than 30% of the aggregate amount of all ESG funds received by Division of Housing will be used for homeless prevention. The State will further ensure that not more than 30% of the aggregate amount of all ESG funds received will be used for essential services. Finally, the State will ensure that not more than 10% of the aggregate amount of all ESG funds received will be used for operating staff costs. In each of these cases, the State may vary the percentage of homeless prevention, essential services, and operating staff amounts it distributes to individual State recipients, respectively.

VI. REALLOCATION

Any local government or nonprofit organization that fails to enter into a contract within sixty (60) days from the date of the award notice will subject their award to recapture and reallocation. Additionally, any local government or nonprofit organization that fails to request reimbursement for eligible activities within sixty (60) days from the contract execution date will subject their funds to recapture and reallocation

VII. MONITORING AND REPORTING

Each local government or nonprofit agency receiving grant funds will be required to submit to the State a quarterly report covering accomplishments and expenditures. The quarterly reports will be due 20 calendar days after the end of each quarter throughout the grant year. The State will perform grantee monitoring and provide required reports to HUD.

VIII. ENVIRONMENTAL REVIEW

Colorado will assume the federal responsibility for assessing the environmental effects of the proposed Emergency Shelter Grant activities in accordance with 104(g) of the Housing and Community Development Act of 1974, the procedural provisions of the National Environmental Protection Act (NEA), and the regulations contained in 24 CFR Part 58. Unless the project involves rehabilitation, conversion, or major repairs, repairs with costs greater than $500, project activities are exempt from the requirements of the National Environmental Protection Act.

IX. PROJECTED EMERGENCY SHELTER GRANT TIME TABLE
SCHEDULE SUBJECT TO CHANGE

February 25, 2000	ESG Notice of Funding Availability published; application request letters mailed.
April 3, 2000	ESG application deadline
May 19, 2000	ESG Awards made
July 1, 2000	Effective starting date of FY 2000 funding

Small Cities" Community Development Block Grant Programs

I. FOREWORD

The State of Colorado, through the Governor's Office of Economic Development and International Trade (OED), and the Department of Local Affairs, will administer the "Small Cities" Community Development Block Grant (CDBG) program for nonentitlement jurisdictions of the State for Federal Fiscal Year 1999.

Local-State discussions of state administration of the CDBG program began in 1981 and resulted in the State opting to assume the responsibility for administration of the program starting in federal Fiscal Year 1983. These discussions have continued each year and have consisted of a direct consultation process with local governments and the public, including at least one public hearing each year, and deliberations with advisory groups. The State CDBG program, as presented in this document, represents the collective effort of all the individuals, local governments and organizations who have participated in its development. While unanimity may not have been achieved on all issues, constructive compromises and agreements were generally realized. The time and effort committed by all who have participated in the development and refinement of the program is greatly appreciated.

The Governor's Office of Economic Development and International Trade is responsible for all projects involving the use of CDBG funds to provide financing for private for-profit businesses, with one exception. The exception is the case in which the financing for a private, for-profit business is for the rehabilitation of non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts or when such properties are of key historic or commercial importance to a community or neighborhood. The Department of Local Affairs is responsible for this type of rehabilitation and for all other eligible CDBG project activities, including housing, public facilities and community development. The Department's Division of Housing has "lead" responsibility for housing projects assisted through the program. The Field Services section of the Department's Division of Local Government and Field Services is responsible for CDBG-assisted public facilities and community development projects. The Department's Division of Local Government and Field Services is responsible for overall coordination of the State's CDBG program. Appropriate State staff can be reached at the following numbers:

Governor's Office of Economic Development (Denver) **(303)892-3840**

Department of Local Affairs---TDD **(303)866-5300**

Division of Housing (Central Number)
(303)866-2033
Field Offices- Denver-Andy Proctor(303)866-4650

Melissa Stirdivant	**(303)866-4964**
Ann Watts	**(303)866-4652**
Pueblo-Rick Hanger	**(719)544-2466**
Grand Junction-Bill Whaley	**(970)248-7302**

Division of Field Services-(Central Number) **(303)866-2771**

Field Offices-	**Denver**	**(303)866-3688**
	Durango	**(970)247-7311**
	Sterling	**(970)522-6600 Ext 6714**
	Grand Junction	**(970)248-7310**
	Loveland	**(970)679-4501**
	Pueblo	**(719)544-6577**
	Monte Vista	**(719)582-9429**
	Silverthorne	**(970)468-2183**

II. INTRODUCTION

The federal Community Development Block Grant (CDBG) program was established by the Housing and Community Development Act of 1974. The program is designed to help communities meet their greatest community development and redevelopment needs, with particular emphasis on assisting persons of low and moderate income. The overall program consists of two major elements:

- The **"entitlement"** program. This portion of the overall program is administered by the U.S. Department of Housing and Urban Development (HUD) and provides assistance to those communities which are "entitled" to CDBG funds by virtue of their size or metropolitan area status. Essentially, entitlement communities are those cities which are within a metropolitan area and which have a population of 50,000 or more or are designated as a "central city," and those counties which are within a metropolitan area and which have a combined population of 200,000 or more in their unincorporated areas and nonentitlement municipalities. There are currently 15 entitlement jurisdictions in Colorado: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Bow Mar, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), and Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.

- The **"nonentitlement,"** or so-called "Small Cities," program. This portion of the overall program provides assistance to those communities which do not qualify for the entitlement program. The State assumed responsibility for administration of this portion of the CDBG program starting in federal Fiscal Year 1983.

Review and Comment by Local Governments and Citizens

The State's annual Performance and Evaluation Reports provide a basis for review and comment on the performance of the State. Pursuant to the State open records law and the federal CDBG law, records on use of any prior year and future Small Cities CDBG funds by the State or a local government or recipient must be available for access by citizens and units of general local government. The State's records are available through the Department of Local Affairs, 1313 Sherman Street, Room 521, Denver, Colorado. These records may be examined in the State's offices and copies may be obtained for a fee during regular working hours.

The State will provide to citizens and to units of general local government reasonable notice of, and an opportunity to comment on, any proposed substantial changes in these Program Guidelines or in the use of CDBG funds.

Compliance With Federal and State Requirements

These Program Guidelines and grantee guidance have been developed to comply with all existing federal requirements. When revised federal regulations for the state-administered "Small Cities" program are published for effect, those new regulations and any subsequent changes in the law, regulations or policy will govern in the event of any inconsistencies with these Program Guidelines.

The program design also takes into account that, in administering the program, the State and local applicants and grantees must assume responsibility for assuring compliance with many federal and State laws and regulations that apply to the CDBG program. **A brief description of some of the applicable federal requirements is included in Section VIII.**

III. GOAL AND OBJECTIVES

Goal. Colorado's goal in administering the CDBG program is to establish a program which is responsive to local community development needs, strategies and priorities, and which produces a measurable improvement in the communities served by the program.

Primary Objective. The primary objective of the State's program is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, **principally for persons of low and moderate income.** Consistent with this primary objective, not less than seventy percent (70%) of federal Fiscal Years 2000, 2001 and 2002 funds and State program income will be used for project activities that benefit persons of low and moderate income.

Broad Objectives. The federal Housing and Community Development Act of 1974 establishes three broad national objectives for the CDBG program:

- Benefit persons of low and moderate income;
- Prevent or eliminate slums or blight; and
- Address other urgent needs.

The primary objective of the State's program will be achieved through a program which gives maximum feasible priority to funding activities which benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. Funding may also be provided for activities which grantees certify meet other community development needs that have arisen during the preceding 18-month period and have a particular urgency.

Additionally, it is the intent of the State and of Congress that CDBG funds not be used to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of CDBG assistance.

The state will give funding priority for child care facilities and services in an amount of approximately $2 million.

Benefit to Persons of Low and Moderate Income

Except as otherwise specified in federal law and regulations, a local project activity will be determined to address the broad national objective of "benefit to persons of low and moderate income" if not less than fifty-one percent (51%) of the beneficiaries of the CDBG-funded project activity are low and moderate income persons.

Low and moderate income persons are defined as those persons who are members of households whose annual incomes do not exceed HUD-prescribed income limits, which are based on eighty percent (80%) of median family income. Two sets of income limits are contained in the appendices of these Program Guidelines. Depending on the nature of the specific local project activities and on the specific techniques to be used, CDBG grantees are required to use one or the other of the two sets of income limits.

- Contained in Section IX are income limits stated in **current** (1999) dollars. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their **current** incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are low and moderate income persons. CDBG grantees and applicants undertaking "area-wide benefit" projects and using State-approved surveys to obtain information on the **current** incomes of project beneficiaries must use these income limits to estimate the low and moderate income benefit of project activities to low and moderate income persons.

- HUD has provided the State data on the number and percentage of low and moderate income persons in all municipalities, counties, enumeration districts, census tracts and block groups for "area-wide benefit" projects. These data are available from the State on request.

Prevention or Elimination of Slums or Blight

Contained in **Section X are the requirements which must be met in determining that a project activity meets the broad national objective of "prevention or elimination of slums or blight**." For the purpose of determining whether a local project activity addresses this broad national objective, the definition of "slum" is the definition of "slum area" contained in 31-25-103 C.R.S., as amended, and, similarly, the definition of "blight" is the definition of "blighted area" contained in 31-25-103, C.R.S., as amended.

Address Other Urgent Needs

To comply with the national objective of meeting community development needs having a particular urgency, an activity will be considered to address this objective if the applicant certifies that conditions exist which:

- pose a serious and immediate threat to the health or welfare of the community,
- are of recent origin or recently became urgent,
- the grantee is unable to finance on its own; and
- other resources of funds are not available.

A condition will considered to be of recent origin if it developed or became critical within 18 months preceding the grantee's certification.

IV. ELIGIBLE ACTIVITIES AND RECIPIENTS

Eligible Activities. Eligible activities and services under the State CDBG program are those which:

- are consistent with the program goal and objectives stated above; **and**

- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974, as amended, and are otherwise eligible under other sections of Title I and under detailed federal regulations. **Excerpts from Section 105 and other sections of the federal CDBG law relevant to activity eligibility are presented in the Eligible Activities Section.**

Activities which involve involuntary, permanent displacement of persons are not ineligible; however, it is a federal requirement that local plans and policies be established to minimize involuntary, permanent displacement; replace low/moderate-income dwelling units demolished or converted to another use as a direct result of CDBG assistance; and assist persons actually displaced as a result of CDBG-assisted activities.

The State has certified to HUD that it will not refuse to distribute the CDBG funds to any unit of general local government on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs, except that this does not prevent the State from establishing priorities in distributing the CDBG funds on the basis of the activities selected.

Eligible Recipients. Eligible recipients are those municipalities and counties **not** eligible for federal "entitlement" CDBG funds; that is, eligible recipients are all municipalities and counties **except**: Adams County (unincorporated areas and Bennett, Broomfield, Brighton, Federal Heights, Northglenn and Thornton), Arapahoe County (unincorporated areas and Bow Mar, Cherry Hills Village, Columbine Valley, Deer Trail, Englewood, Glendale, Greenwood Village, Littleton, and Sheridan), Jefferson County (unincorporated areas and Arvada, Edgewater, Golden, Lakewood, Mountain View, and Wheat Ridge), Aurora, Boulder, Colorado Springs, Denver, Fort Collins, Grand Junction, Greeley, Lakewood, Longmont, Loveland, Pueblo and Westminster.

The State encourages arrangements between and among eligible entities that will ensure adequate provision of common or related community development activities and services. Also, municipalities and counties may contract with other entities or parties (Councils of Governments, Regional Planning Districts, Special Districts, Local Development Corporations, Downtown Development Authorities, Urban Renewal Authorities, Housing Authorities, non-profit corporations, etc.) to carry out project activities as provided for under statutes (including 31-51-101 (1) (c), 30-11-101 (1) (d), 29-1-203 and 29- 1-204.5, C.R.S., as amended), ordinances and resolutions, and State and local financial management procedures.

Multi-Jurisdictional Projects

A **"multi-jurisdictional"** project is one in which two or more municipalities and/or counties carry out an activity or set of closely-connected activities which address(es) an identified common problem or need. The following specific requirements must be met in multi-jurisdictional projects:

- One of the participating municipalities or counties must be authorized by the other participating municipalities or counties to act in a representative capacity for all of the participants. This designated entity must assume overall responsibility for ensuring the entire project is carried out in accordance with all program requirements. The overall responsibility and any related individual responsibilities must be specified in a legally binding cooperation agreement between the designated entity and all other directly participating municipalities and counties.

- To meet the citizen participation requirements of Section 104(a)(2) of the Housing and Community Development Act of 1974 ("the Act"), as amended, all the requirements listed in paragraph 2 of "Grantee Responsibilities" must be met, including the requirements that:

    - Each participating jurisdiction must hold a public hearing; and

    - The proposed and final project plan/application for the combination of project participants must be made available in each of the participating jurisdictions.

- To meet the citizen participation requirements of Section 104(a)(3) of the Act, each participating jurisdiction must have and follow a detailed citizen participation plan which addresses the six areas of concern specified in paragraph 3 of "Grantee Responsibilities".

- To meet the requirements of Section 106(d)(2)(D) of the Act, each participating jurisdiction must identify its community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs. (See paragraph 4 of "Grantee Responsibilities".)

- To meet the requirements of Section 104(d) of the Act, each participating jurisdiction must have and follow a Residential antidisplacement and relocation assistance plan. (See paragraph 5 of "Grantee Responsibilities.")

- To meet the requirements of Section 106(d)(5) of the Act, each participating jurisdiction must make and comply with the displacement, fair housing and other certifications described in paragraphs 6, 7, and 8 of "Grantee Responsibilities".)

V. METHOD OF FUNDS DISTRIBUTION

A total of $11,067,000 in FFY 2000 funds is expected to be allocated to the State for the 2000 program. Of this amount, about $10,634,990 will be available for commitment to local projects, and about $321,340 will be available to the State for its administration of the program. Any unobligated prior years funds, for local projects will also be available for commitment to local projects, as well as any committed funds which may be subsequently recovered by the State and any additional funds which may be awarded to the State by HUD, less the State administration allowance.

Program income (i.e., amounts earned by the recipient or its subrecipient, if not a nonprofit, that are generated from the use of CDBG funds) paid to the State, less the State administration allowance, will be directly available for commitment to local projects or will be set aside by the State in a revolving loan fund for commitment to local projects which generate program income. (Program income paid to the State and available for award is projected to total about $50,000 during the twelve (12) month program year.) Local recipients will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income is to continue to be used to finance projects of the same type and that there is adequate capacity to administer the funds. The state will determine when an activity will be considered to be continued. The state will use up to two percent (2%) of locally retained program income for state program administration expenses. Any available funds which are not committed, including funds set aside from program income payments, will be carried forward for commitment during a subsequent period.

In FFY 2000, the state will use up to one percent (1%) of the amount of the amount available to the state ($110,670) for technical assistance to local governments and nonprofit program recipients.

Not less than seventy percent (70%) of funds received by the State during the period of FFYs 2000, 2001 and 2002 will be used for project activities that benefit low and moderate income persons.

Interim/Short-Term Financing Grant Program

Significant portions of the CDBG funds allocated to the State will remain unused for relatively long periods, even after these funds are committed by the State to eligible recipients for local projects. In order to maximize the use of these funds, which are available to the State under letters of credit from HUD, the State may choose to use these funds to provide grants to eligible recipients for interim or short-term financing of eligible economic development, housing and public facilities project activities which are consistent with the federal and State program goals and objectives. Program income or other funds paid to the State under the Interim/Short-Term Financing Grant Program will be used by the State to meet its other grant commitments to recipients. A recipient will be allowed to retain program income if it can be demonstrated to the satisfaction of the State that the program income is likely to be needed to finance projects of the same type and that there is adequate capacity to administer the funds.

Because the availability of funds for subsequent use depends on the payment of these funds from the initial user, there is some risk to subsequent users. This risk will be minimized through the use of irrevocable and unconditional letters of credit (to be required by recipients of borrowers, so that letter of credit proceeds will be available to the State through recipients) and/or other appropriate measures.

In reviewing proposals under the Interim/Short-Term Financing Grant Program, the State will consider:

- The proposed direct benefit of the proposed project activities to low and moderate income persons.
- The nature and extent of the effect of interim/short-term financing on project cost, feasibility and benefit, including the consequences of not providing a grant for the interim/short-term financing.
- The likelihood that program income or other funds will be available to the State in the amount and at the time proposed by the recipient so that the State will be able to meet its other grant commitments to recipients.
- In the event the interim/short-term assistance is to be provided to a private, for-profit entity to carry out an economic development project, whether the assistance is "necessary or appropriate" (as required by federal statute, regulation and policy).

Regular Grant Program Funding

The following amount of funds will be initially set aside for the two major categories of projects and activities for the regular FFY 2000 grant program:

	State Program Income	FFY99
Business financing (through OED)	$50,000	$3,544,996
Housing (through Local Affairs)		3,544,997
Public facilities/community development (through Local Affairs)		3,544,997
	$50,000	$10,634,990

More or less than these amounts for each project category may actually be awarded, depending on the relative quality of proposals received and on State and local priorities.

The state will provide information, upon request, for those communities interested in applying for guaranteed loans funds under Subpart M, the Section 108 Loan Guarantee program as well as give consideration to funding multi-year and/or multi-purpose applications.

Maximum and Minimum Grant Amounts

There are no absolute limits to the amount of funding an applicant may request. It is suggested for public facility/community development projects that $500,000 be considered the maximum grant guideline. There is no suggested maximum for housing projects.

Review Process for Housing, Public Facilities, and Community Development Proposals

Public facilities and community development proposals may be considered by the Department of Local Affairs periodically, on a continuous basis, during specified application periods or in conjunction with funding cycles established by the Department. Local government associations and regional organizations providing technical assistance to local governments will be advised of application opportunities. The Department may end or defer consideration of public facilities/community development proposals when funds available have been exhausted and when proposals are incomplete or premature.

The term "community development proposals" includes such projects as public improvements in downtown or other commercial areas, public and private non-profit tourist facilities and attractions, public and private non-profit business incubators, and rehabilitation of publicly and privately owned non-residential properties when such properties are integral parts of local government sanctioned and planned community redevelopment efforts, or when such properties are of key historic or commercial importance to a community or neighborhood.

Housing proposals will continue to be received and considered on a continuous basis by the Division of Housing using the same system outlined in the HOME program narrative. The Department may end or defer consideration of housing proposals when funds available have been exhausted and when proposals are incomplete or premature.

Applicants for public facilities and community development projects (including all participants in multi-jurisdictional projects) are expected to prioritize all applications to the Department for CDBG funds. When submitted, housing, public facilities and community development proposals will be evaluated by Department staff on the following three major factors and other appropriate considerations:

- Project Impact
- Public and Private Commitments
- Management Capability

The results of the staff review will be forwarded to the Executive Director of the Department of Local Affairs, who may consult with the State Housing Board or other advisory groups on the proposal. The consultation may be by telephone or mail, or may involve a meeting or hearing. Proposals for the continuation of existing housing rehabilitation/replacement projects will not be reviewed individually by an advisory body as long as acceptable performance is maintained, including performance in obtaining commitments of local cash and other public and private funds for their projects.

The Department Executive Director will consider staff reviews and any advisory committee recommendations and make the final funding decisions based on the project review factors.

In making funding decisions as well as decisions on proposed modifications to funded projects, the Department Executive Director may specify alternatives or changes as he deems necessary or appropriate, consistent with the project review factors. Alternatives and changes specified may include, but are not necessarily limited to: providing more or less funding than requested, proposed or recommended; adjusting project budget line items; providing funds for only selected activities within an overall project; making a single award to two or more separate applicants so that projects can be undertaken on a multi-jurisdictional basis; changing terms, uses and conditions; and permitting projects to be amended to include additional, fewer or different project activities.

**Review Process for Business Development Proposals
Involving Financing for Private Businesses**

Business development proposals involving the provision of financing for private for-profit and non-profit businesses (except for any financing to be provided by the Department of Local Affairs for "community development proposals," as previously described) will be received and considered on a continuous basis by the Governor's Office of Economic Development and International Trade (OED). Such proposals include those which would provide such financing through local or regional revolving loan funds and those which would provide infrastructure for specific businesses.

The OED may end or defer consideration of business financing proposals when funds available for award for such projects have been exhausted and when applications are incomplete or premature. Proposals will be evaluated by staff using the same three major factors as noted above for housing, public facilities and community development proposals, and other appropriate considerations. The State Financial Review Committee will review the economic development proposals and make final funding decisions.

Review Factors for All Public Facilities and Economic Development Proposals

The following are the factors that will be used by staff in evaluating proposals. Under the various factors are listed many of the general and specific questions that may be asked, as appropriate, by staff in reviewing proposals and determining ratings.

1. **Project Impact.** The purpose of consideration of this factor is to determine the extent to which the community, particularly its low and moderate income residents, will benefit from the proposed project.

   a. **Benefit to Low and Moderate Income Persons**

      For **all projects,** on an activity-by-activity and on a project-wide basis:

      - What amount(s) of CDBG and non-CDBG funds will directly benefit low and moderate income persons?

      - What percentage(s) of CDBG and non-CDBG funds will directly benefit low and moderate income persons?

      - What number(s) of low and moderate income persons will directly benefit from CDBG and non-CDBG funds?

- What percentage(s) of all persons directly benefitted by CDBG and non-CDBG funds are low and moderate income persons?
- What local application, hiring and other procedures will be used to ensure that benefits projected to be provided to low and moderate income persons will actually be realized by such persons?
- How will the actual benefit to low and moderate income persons be documented?
- Are the jurisdiction's projections or commitments with respect to low and moderate income benefit realistic and attainable?
- If the proposed project will increase operational costs, what will be the effect on low and moderate income persons?

b. **Extent and Urgency of the Need, and Extent to Which the Need is Addressed in a Timely Fashion**

For **all projects:**

- What is the need to be addressed?
- How serious is the need?
- Is the public health or welfare threatened?
- What actions have previously been taken to remedy the problem?
- What are the results of these past actions?
- Have alternative means of addressing the need been adequately considered?
- What actions are proposed to meet the need?
- Are the proposed actions effective, efficient, appropriate, reasonable, and feasible?
- How does the proposed project differ from past efforts?
- Can the proposed activities be undertaken and completed in a reasonable period of time?
- What additional actions, in addition to the proposed CDBG project, may be necessary to meet the need?
- To what extent is the need met by the proposed project?
- What are the consequences of CDBG funds not being approved for the proposed project activities?
- Is resident and/or business displacement minimized? Are provisions made to assist persons involuntarily, permanently displaced?
- Will the project result in the demolition or conversion of dwelling units for the low- moderate income persons?
- What measures are proposed to ensure that results to be achieved by the project will be adequately maintained in the future?
- If appropriate, has consideration been given and commitment made to recovering and reusing CDBG and other funds to continue efforts to address the need?

For projects including supportive **human services activities** (including job training and day care aspects of economic development projects):

- How are such activities critical to the accomplishment of overall objectives?

- Will CDBG funding supplant local, federal or other State assistance available for such activities?
- Is the requested CDBG assistance for such activities sufficient to complete the activities, or must the activities continue in order to achieve overall objectives?
- What percentage of total project costs will be spent on these activities?

For **economic development projects**:

- How many permanent jobs (both full-time and part-time) will be created and/or retained by the proposed project?
- Are the required factors used to determine that assistance to a private, for-profit entity "appropriate"?
- What types of permanent jobs will be created or retained?
- What effect will the proposed project have on the local tax base?
- Has adequate consideration been given to the relationships between job training needs, resources available, and the proposed project?
- If training is involved, how many persons will be trained and how will it be financed?
- When the proposed project involves public improvements in the central business district, are the proposed improvements being undertaken in designated slums or blighted areas?
- When the proposed project involves industrial sites and/or facilities, is a prospect "in hand"?

For **economic development projects which involve grants, revolving loan funds or loan guarantees:**

- At what point will the full amount of the loan(s) be repaid?
- Is the local selection process for grants, loans, loan guarantees and other forms of assistance open and equitable, and address the greatest needs to the extent feasible?

For **site acquisition and/or other development projects:**

- Does the site meet lender or other site selection standards?
- Are preliminary engineering/architectural designs or plans, specifications and cost estimates or studies completed? When will final plans, specifications and cost estimates be completed?
- Have proper studies been completed which demonstrate that there is a market for the proposed project and that it is financially feasible?

For **public facilities projects:**

- Is any attempt planned to recover any capital costs of public improvements assisted with CDBG funds?
- If applicable, is the proposed project on the State Water or Sewer Needs Categorization List? (These lists, which categorize needs on the basis of health and safety issues, are used to identify comparative needs of water and sewer project requests.)

c. **Consistency with Local Development Strategies and Coordination with Other Activities.**

For **all projects:**

- Are the proposed actions consistent with the required Community Development Plan (which identifies community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet these needs) and with other local development strategies?
- How long has the proposed project been a priority or identified in an approved plan?
- What is the priority for the proposed project relative to other CDBG and Impact requests?
- Does the proposed project comply with, or not contradict, existing local planning regulations, such as zoning ordinances and subdivision regulations?
- How is the proposed project part of and consistent with an overall local capital improvements and maintenance plan and budget?
- If the community is included in an adopted development strategy or comprehensive plan for a larger geographic area, is the proposed project in conformance with, or not in contradiction to, such a strategy or plan?
- How long has the proposed project represented a documented need?
- To what extent does the proposed project complement, supplement or support other local, State or federal projects, programs or plans already in effect or to be implemented?
- Is there duplication of effort or overlap?
- To what extent does the proposed project further other related local projects or plans?
- If the proposed project lends itself to a multi-jurisdictional approach, has such a joint approach been adequately considered?
- When projects involve public improvements in the central business district, are downtown public improvements being undertaken in coordination with, or by a representative local economic development organization?

2. **Public and Private Commitments.** The purpose of consideration of this factor is to determine the extent of public and private commitments to the proposed project. Both the amount or value of commitments and the viability of commitments will be considered. **Communities are strongly encouraged to take primary responsibility for resolving their housing, economic development and public facilities problems.** In specific projects this may involve making financial commitments; adjusting development regulations, user rates and fees, and capital construction and maintenance programs; creating improvement districts; establishing development and redevelopment authorities; and generally sharing in or leveraging funds and management for development and redevelopment.

a. **Local Financial Commitments.**

For **all projects:**

- To the extent of their abilities, have the local government and project participants and beneficiaries engaged and/or committed to engage generally in taxing efforts to address their own continuing development and maintenance needs?
- To the extent of their abilities, have the local government and local project participants and beneficiaries appropriated/committed funds specifically for the proposed project and/or committed to alter fees to ensure the success of the specific project?
- When the proposed project involves **revolving loan funds or loan guarantees,** what is the ratio of private and/or local public investment to the amount of CDBG funds requested? How was this determined?

- When the proposed project involves **public improvements in the central business district,** has the private sector demonstrated a commitment to reinvest (e.g., through formation of an improvement district or through committing to business loans)?

- When a proposed **development project requires interim and/or permanent financing,** is the needed financing firmly committed? If not, is there a conditional or preliminary commitment, and what is the likelihood that a firm commitment will be made?

b. **Local Non-Financial Commitments.**

For **all projects:**

- If necessary, has the community committed to alter local regulations to ensure the success of the project?

- Has the community made good faith efforts to involve residents, including low and moderate income persons and minorities, in assessing community needs and developing strategies to address its needs?

- Have the directly affected parties in the community demonstrated active support for the project?

c. **Other Commitments**

For **all projects:**

- Have any grant funds been sought for or committed to the proposed project?

- What are the sources, amounts and availabilities of these grant funds?

3. **Management Capability.** The purpose of consideration of this factor is to evaluate the ability of the local government submitting the proposal to administer the project as described.

a. **Staff and Contractors.**

For **all projects:**

- Does the local government have adequate and experienced programmatic and fiscal staff and contractors, or has the applicant thoroughly considered the types of staff and contractor experience and qualifications necessary to carry out the project, including extensive statutory and regulatory requirements?

- How have the local government and its contractors performed in the past in carrying out development and redevelopment activities, and any type of activity with extensive statutory and regulatory requirements?

- To what extent will local government staff be directly involved in project management?

- What criteria and procedures will be used for selecting contractors?

- Have the roles and responsibilities of project participants been clearly established?

For **economic development projects:**

- Has the local government established an advisory or decision-making committee knowledgeable in economic development matters including small business support, industrial recruiting, revolving loan funds, etc.?

- Does the jurisdiction have business management experience sufficient to review pro forma, cash flow statements and business plans? If not, how will these tasks be accomplished?

b. **Budget**. Administrative costs as well as other costs will be compared with those of other similar proposals.

For **all projects:**

- Are the proposed administration and overall project budgets (including appropriate development and operating budgets in the case of development projects) adequate, reasonable and realistic given the project work plan?

c. **Statutory and Regulatory Compliance.**

- Does the proposed project involve or result in residential displacement? If so, have all reasonable steps been taken to minimize displacement? Is there a plan to replace all low/moderate income housing demolished or converted, and to assist persons being relocated?

- Does the proposed project involve real property acquisition or relocation of any persons or businesses? Are the Uniform Act requirements triggered? Are cost and time requirements reasonably estimated?

- Have labor wage costs been reasonably estimated? (Especially, has the applicant considered whether the proposed project is subject to Davis-Bacon prevailing wage requirements?)

- Is the proposed project in a floodplain or geological hazard area or does it affect cultural or historic resources? Are there other environmental considerations? If so, what mitigation measures are proposed and what alternatives have been considered?

VI. TECHNICAL ASSISTANCE

The State will continue a coordinated technical assistance program to assist communities in the areas of CDBG project management and project formulation and planning, particularly in coordination with State programs such as impact grants, housing grants and loans, emergency water and sewer grants, and economic dislocation funds. Special project management technical assistance will be targeted to those communities which have never administered a CDBG grant, and to those which have experienced or are experiencing difficulty in administering a CDBG grant. Project formulation and planning assistance will be targeted to those communities that need more long-term technical assistance to prepare for CDBG or other State funding in the future and that have committed to undertake overall development and maintenance planning and budgeting efforts. State technical assistance may be in the form of personal contact with local government officials and staff, workshops, brokering assistance from private or local public sources, and documents and materials.

VII. GRANTEE RESPONSIBILITIES

As previously indicated, municipal and county governments are strongly encouraged to take primary responsibility for resolving housing and community development problems. In specific projects, this may involve adjusting development regulations, user rates and fees and capital construction and maintenance programs, creation of improvement districts, and generally sharing in or leveraging funds and management for development and redevelopment.

Also, local governments and project sponsors are strongly encouraged to use advisory committees in assessing needs and in formulating, implementing and modifying local development and redevelopment strategies. Use of such committees can often lend continuity and objectivity to the planning and development process. Additionally, jurisdictions submitting proposals and, as required, other project participants must comply with the following specific requirements by means of addressing the preceding "Review Factors" and providing specific certifications and statements:

1. Develop a community development program so as to give maximum feasible priority to activities that will benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight. An applicant may also describe activities that the applicant certifies are designed to meet other community development needs that have arisen during the preceding 12-month period and have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.

2. Provide in a timely manner and as required, opportunities for citizen participation, hearings, and access to information with respect to its community development program, specifically including:

- Furnishing citizens information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low and moderate income and its plans for minimizing displacement of persons as a result of activities assisted with CDBG funds and to assist persons actually displaced as a result of such activities;

- Publishing a proposed project plan/application in such a manner to afford affected citizens an opportunity to examine its content and to submit comments on the proposed project plan/application and on the community development performance of the applicant;

- Holding one or more public hearings to obtain the views of citizens on community development and housing needs;

- As applicable, providing citizens with reasonable access to records regarding its past use of CDBG funds;

- In preparing its project plan/application, considering any such comments and views and, if deemed appropriate, modifying the proposed project plan/application;

- Making the final project plan/application available to the public;

- In the event it is awarded CDBG funds by the State, providing citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of CDBG funds from one eligible activity to another by following the same procedures required in this paragraph for the preparation and submission of the final project plan/application.

3. Follow a detailed citizen participation plan which:

   - Provides for and encourages citizen participation with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which CDBG funds are proposed to be used;

   - Provides citizens with reasonable and timely access to local meetings, information, and records relating to its proposed and actual use of CDBG funds;

   - Provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals with the level and type of assistance to be determined by the applicant;

   - Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance, which hearings shall be held after adequate notice at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;

   - Provides for a timely written answer to written complaints and grievances, within 15 working days where practicable; and

   - Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

4. Prior to submitting a proposal for funds, identify and document community development and housing needs, including the needs of low and moderate income persons, and the activities to be undertaken to meet such needs.

5. Follow a residential antidisplacement and relocation assistance plan which shall in the event of such displacement, provide that:

- Governmental agencies or private developers shall provide within the same community comparable replacement dwellings for the same number of occupants as could have been housed in the occupied and vacant occupiable low and moderate income dwelling units demolished or converted to a use other than for housing for low and moderate income persons, and provide that such replacement housing may include existing housing assisted with project based assistance provided under section 8 of the United State's Housing Act of 1937;

- Such comparable replacement dwellings shall be designed to remain affordable to persons of low and moderate income for 10 years from the time of initial occupancy;

- Relocation shall be provided for all low or moderate income persons who occupied housing demolished or converted to a use other than for low or moderate income housing, including reimbursement for actual and reasonable moving expenses, security deposits, credit checks, and other moving-related expenses, including any interim living costs; and, in the case of displaced persons of low and moderate income, provide either:
- compensation sufficient to ensure that, for a 5-year period, the displaced families shall not bear, after relocation, a ratio of shelter costs to income that exceeds 30 percent; or

    - if elected by a family, a lump-sum payment equal to the capitalized value of the benefits available under subclause (I) to permit the household to secure participation in a housing cooperative or mutual housing association:

- Persons displaced shall be relocated into comparable replacement housing that is:

    - decent, safe, and sanitary;
    - adequate in size to accommodate the occupants;
    - functionally equivalent; and
    - in an area not subject to unreasonably adverse environmental conditions;

6. Will not plan or attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) CDBG funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than CDBG; or (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the grantee certifies to the State that it lacks sufficient funds received from the State to comply with the requirements of (A).

7. Conduct and administer its program in conformity with the Civil Rights Act of 1964 and The Fair Housing Act.

8. Complete a self-evaluation of its current policies and practices to determine whether they meet the requirements of Section 504 of the Rehabilitation Act of 1973 as amended and the HUD implementing regulations at 24 CFR Part 8.

9. Comply with other provisions of Title I of the Act and other applicable federal and State laws and regulations. (A summary of many of the federal laws and regulations is contained in Appendix A.)

Finally, it should be noted that, to the greatest extent permitted by federal law and regulations, it is the State's intent that the local governments' monitoring and evaluation of projects be in accordance with program and financial oversight responsibilities to their citizens under State statutes and fiscal rules. Principal matters for monitoring and evaluation will be project progress, financial management, subcontracts, documentation, project benefit to low and moderate income persons, and compliance with federal and State laws and regulations. The State may require quarterly financial and program performance reports, a completion performance report and other reports. An audit is required. Information requested will serve to provide the State with a basis for evaluation of grantee performance. In addition, the reports will provide additional assurance of compliance with applicable federal and State laws and regulations.

VIII. FEDERAL LAWS AND REGULATIONS

APPLICABLE TO THE STATE-ADMINISTERED COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

National Environmental Policy Act of 1969 (42 USC 4321 et seq.), as amended, and the implementing regulations of HUD (24 CFR Part 58) and of the Council on Environmental Quality (40 CFR Parts 1500 - 1508) providing for establishment of national policy, goals, and procedures for protecting, restoring and enhancing environmental quality.

National Historic Preservation Act of 1966 (16 USC 470 et seq.), as amended, requiring consideration of the effect of a project on any district, site, building, structure or object that is included in or eligible for inclusion in the National Register of Historic Places.

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.) requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance.

The Archaeological and Historical Data Preservation Act of 1974, amending the Reservoir Salvage Act of 1960 (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities.

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951 et seq.) prohibits undertaking certain activities in flood plains unless it has been determined that there is no practical alternative, in which case notice of the action must be provided and the action must be designed or modified to minimize potential damage.

Flood Disaster Protection Act of 1973 (42 USC 4001), placing restrictions on eligibility and acquisition and construction in areas identified as having special flood hazards.

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.) requiring review of all actions proposed to be located in or appreciably affecting a wetland. Undertaking or assisting new construction located in wetlands must be avoided unless it is determined that there is no practical alternative to such construction and that the proposed action includes all practical measures to minimize potential damage.

Safe Drinking Water Act of 1974 (42 USC 201, 300 et seq., 7401 et seq.), as amended, prohibiting the commitment of federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area.

The Endangered Species Act of 1973 (16 USC 1531 et seq.), as amended, requiring that actions authorized, funded, or carried out by the federal government do not jeopardize the continued existence of endangered and threatened species or result in the destruction or modification of the habitat of such species which is determined by the Department of the Interior, after consultation with the State, to be critical.

The Wild and Scenic Rivers Act of 1968 (16 USC 1271 et seq.), as amended, prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse affect on any river included in or designated for study or inclusion in the National Wild and Scenic Rivers System.

The Clean Air Act of 1970 (42 USC 1857 et seq.), as amended, requiring that federal assistance ill not be given and that license or permit will not be issued to any activity not conforming to the State implementation plan for national primary and secondary ambient air quality standards.

HUD Environmental Criteria and Standards (24 CFR Part 51), providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances, and suitable land uses for airport runway clear zones.

Section 104(d) of the Housing and Community Development Act of 1974, as amended (42 USC 5301), known as the **"Barney Frank Amendment,"** and the HUD implementing regulations requiring that local grantees follow a residential antidisplacement and relocation assistance plan which provides for the replacement of all low/moderate-income dwelling units that are demolished or converted to another use as a direct result of the use of CDBG funds, and which provides for relocation assistance for all low/moderate-income households so displaced.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended **-- Title III, Real Property Acquisition (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by federal or federally-assisted programs and establishing uniform and equitable land acquisition policies for federal assisted programs. Requirements include bona fide land appraisals as a basis for land acquisition, specific procedures for selecting contract appraisers and contract negotiations, furnishing to owners of property to be acquired a written summary statement of the acquisition price offer based on the fair market price, and specified procedures connected with condemnation.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended **-- Title II, Uniform Relocation Assistance (Pub. L. 91-646 and HUD implementing regulations at 49 CFR Part 24)**, providing for fair and equitable treatment of all persons displaced as a result of any federal or federally-assisted program. Relocation payments and assistance, last-resort housing replacement by displacing agency, and grievance procedures are covered under the Act. Payments and assistance will be made pursuant to State or local law, or the grant recipient must adopt a written policy available to the public describing the relocation payments and assistance that will be provided. Moving expenses and up to $22,500 for each qualified homeowner or up to $5,250 for each tenant are required to be paid.

Davis-Bacon Fair Labor Standards Act (40 USC 276a - 276a-5) requiring that, on all contracts and subcontracts which exceed $2,000 for federally-assisted construction, alteration or rehabilitation, laborers and mechanics employed by contractors or subcontractors shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. (This requirement applies to the rehabilitation of residential property only if such property is designed for use of eight or more families.)

Assistance shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund any subcontractor or subrecipient during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 24.

Contract Work Hours and Safety Standards Act of 1962 (40 USC 327 et seq.) requiring that mechanics and laborers employed on federally-assisted contracts which exceed $2,000 be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work week.

Copeland "Anti-Kickback" Act of 1934 (40 USC 276 (c)) prohibiting and prescribing penalties for "kickbacks" of wages in federally-financed or assisted construction activities.

The Lead-Based Paint Poisoning Prevention Act -- Title IV (42 USC 4831) prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with federal assistance, and requiring notification to purchasers and tenants of such housing of the hazards of lead-based paint and of the symptoms and treatment of lead-based paint poisoning.

Section 3 of the Housing and Community Development Act of 1968 (12 USC 1701 (u)), as amended, providing that, to the greatest extent feasible, opportunities for training and employment that arise through HUD-financed projects, will be given to lower-income persons in the unit of the project area, and that contracts be awarded to businesses located in the project area or to businesses owned, in substantial part, by residents of the project area.

Section 109 of the Housing and Community Development Act of 1974 (42 USC 5309), **as amended**, providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin or sex under any program or activity funded in whole or in part under Title I (Community Development) of the Act.

Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 USC 2000 (d)) prohibiting discrimination on the basis of race, color, religion or religious affiliation, or national origin in any program or activity receiving federal financial assistance.

The Fair Housing Act (42 USC 3601-20), as amended, prohibiting housing discrimination on the basis of race, color, religion, sex, national origin, handicap and familial status.

Executive Order 11246 (1965), as amended by Executive Orders 11375 and 12086, prohibiting discrimination on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally-assisted contracts in excess of $2,000.

Executive Order 11063 (1962), as amended by Executive Order 12259, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.

Section 504 of the Rehabilitation Act of 1973 (29 USC 793), as amended, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.

Age Discrimination Act of 1975, (42 USC 6101), as amended, providing that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

Armstrong/Walker "Excessive Force" Amendment, (P.L. 101-144) & Section 906 of Cranston-Gonzalez Affordable Housing Act of 1990, requires that a recipient of HUD funds must certify that they have adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstration; or fails to adopt and enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.

Government-wide Restriction on Lobbying, (P.L. 101-121), prohibits spending CDBG funds to influence or attempt to influence federal officials; requires the filing of a disclosure form when non-CDBG funds are used for such purposes; requires certification of compliance by the state; and requires the state to include the certification language in grant awards it makes to units of general local government at all tiers and that all subrecipients shall certify accordingly as imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less than $10,000 and not more than $100,000 for each failure.

Department of Housing and Urban Development Reform Act of 1989 (24 CFR Part 12) requiring applicants for assistance for a specific project or activity from HUD, to make a number of disclosures if the applicant meets a dollar threshold for the receipt of covered assistance during the fiscal year in which an application is submitted. An applicant must also make the disclosures if it is requesting assistance from HUD for a specific housing project that involves assistance from other governmental sources.

IX. MAXIMUM INCOME FOR LOW AND MODERATE INCOME HOUSEHOLDS

IN CURRENT 1999 DOLLARS

MAXIMUM INCOMES FOR "LOW-INCOME" AND "MODERATE-INCOME" HOUSEHOLDS -- in current (1999) dollars
(to be used only for CDBG projects funded under the 1988 and subsequent CDBG Program Guidelines)

Persons whose current household incomes do not exceed these maximum income limits are considered to be low and moderate income (LMI) persons in the CDBG program. CDBG grantees and applicants whose projects involve the individual selection and qualification of beneficiaries based on their current incomes (as is the case in housing rehabilitation, job creation and other "direct benefit" projects) must use these income limits in determining whether beneficiaries are LMI persons. CDBG grantees and applicants using Department approved surveys to obtain information on the current incomes of project beneficiaries must use these income limits to estimate the LMI benefit of project activities.

		Household Size							
COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
ADAMS COUNTY	Moderate Income	31200	35650	40100	44550	48100	51700	55250	58800
	Low Income	19500	22300	25050	27850	30100	32300	34550	36750
ALAMOSA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
ARAPAHOE COUNTY	Moderate Income	31200	35650	40100	44550	48100	51700	55250	58800
	Low Income	19500	22300	25050	27850	30100	32300	34550	36750
ARCHULETA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
BACA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
BENT COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
BOULDER COUNTY	Moderate Income	33450	38250	43000	47800	51600	55450	59250	63100
	Low Income	24050	27500	30900	34350	37100	39850	42600	45350
CHAFFEE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
CHEYENNE COUNTY	Moderate Income	23950	27400	30800	34250	37000	39700	42450	45200
	Low Income	15000	17100	19250	21400	23100	24800	26550	28250
CLEAR CREEK COUNTY	Moderate Income	27100	31000	34850	38700	41800	44900	48000	51100
	Low Income	16950	19350	21800	24200	26150	28050	30000	31950
CONEJOS COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
COSTILLA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
CROWLEY COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
CUSTER COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
DELTA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
DENVER COUNTY	Moderate Income	31200	35650	40100	44550	48100	51700	55250	58800
	Low Income	19500	22300	25050	27850	30100	32300	34550	36750
DOLORES COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
DOUGLAS COUNTY	Moderate Income	31200	35650	40100	44550	48100	51700	55250	58800
	Low Income	19500	22300	25050	27850	30100	32300	34550	36750
EAGLE COUNTY	Moderate Income	33450	38250	43000	47800	51600	55450	59250	63100
	Low Income	22500	25700	28950	32150	34700	37300	39850	42450
ELBERT COUNTY	Moderate Income	28750	32850	36950	41050	44300	47600	50900	54150
	Low Income	17950	20500	23100	25650	27700	29750	31800	33850
EL PASO COUNTY	Moderate Income	25650	29300	33000	36650	39550	42500	45450	48350
	Low Income	16050	18300	20600	22900	24750	26550	28400	30250
FREMONT COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
GARFIELD COUNTY	Moderate Income	25250	28850	32450	36100	38950	41850	44750	47600
	Low Income	15800	18050	20300	22550	24350	26150	27950	29750
GILPIN COUNTY	Moderate Income	33450	38250	43000	47800	51600	55450	59250	63100
	Low Income	21650	24700	27800	30900	33350	35850	38300	40800
GRAND COUNTY	Moderate Income	26200	29950	33700	37450	40450	43450	46400	49400
	Low Income	16400	18700	21050	23400	25250	27150	29000	30900
GUNNISON COUNTY	Moderate Income	24900	28500	32050	35600	38450	41300	44150	47000
	Low Income	15600	17800	20050	22250	24050	25800	27600	29350
HINSDALE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
HUERFANO COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
JACKSON COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
JEFFERSON COUNTY	Moderate Income	31200	35650	40100	44550	48100	51700	55250	58800
	Low Income	19500	22300	25050	27850	30100	32300	34550	36750
KIOWA COUNTY	Moderate Income	23800	27200	30600	34000	36700	39450	42150	44900
	Low Income	14900	17000	19100	21250	22950	24650	26350	28050
KIT CARSON COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
LAKE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
LA PLATA COUNTY	Moderate Income	26150	29900	33600	37350	40350	43350	46350	49300
	Low Income	16350	18700	21000	23350	25200	27100	28950	30800
LARIMER COUNTY	Moderate Income	28500	32600	36650	40700	44000	47250	50500	53750
	Low Income	17800	20350	22900	25450	27500	29500	31550	33600
LAS ANIMAS COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
LINCOLN COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
LOGAN COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
MESA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
MINERAL COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
MOFFAT COUNTY	Moderate Income	25500	29100	32750	36400	39300	42200	45150	48050
	Low Income	15950	18200	20450	22750	24550	26400	28200	30050
MONTEZUMA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
MONTROSE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
MORGAN COUNTY	Moderate Income	23700	27050	30450	33850	36550	39250	41950	44650
	Low Income	14800	16900	19050	21150	22850	24550	26250	27900
	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650

OTERO COUNTY	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
OURAY COUNTY	Moderate Income	25250	28850	32450	36100	38950	41850	44750	47600
	Low Income	15800	18050	20300	22550	24350	26150	27950	29750
PARK COUNTY	Moderate Income	24350	27850	31300	34800	37600	40350	43150	45950
	Low Income	15250	17400	19600	21750	23500	25250	26950	28700
PHILLIPS COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
PITKIN COUNTY	Moderate Income	34100	39000	43850	48700	52600	56500	60400	64300
	Low Income	26750	30550	34400	38200	41250	44300	47350	50400
PROWERS COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
PUEBLO COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
RIO BLANCO COUNTY	Moderate Income	24650	28150	31700	35200	38000	40850	43650	46450
	Low Income	15400	17600	19800	22000	23750	25500	27300	29050
RIO GRANDE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
ROUTT COUNTY	Moderate Income	29300	33450	37650	41850	45200	48550	51900	55250
	Low Income	18300	20900	23550	26150	28250	30350	32450	34500
SAGUACHE COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
SAN JUAN COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
SAN MIGUEL COUNTY	Moderate Income	36350	41550	46750	51900	56050	60250	64400	68550
	Low Income	22700	25950	29200	32450	35050	37650	40250	42850
SEDGWICK COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650
SUMMIT COUNTY	Moderate Income	33450	38250	43000	47800	51600	55450	59250	63100
	Low Income	21150	24150	27200	30200	32600	35050	37450	39850

COUNTY	Type of Household	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
TELLER COUNTY	Moderate Income	31750	36300	40800	45350	49000	52600	56250	59850
	Low Income	19850	22700	25500	28350	30600	32900	35150	37400
WASHINGTON COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650

WELD COUNTY	Moderate Income	24200	27650	31100	34550	37300	40100	42850	45600
	Low Income	15100	17300	19450	21600	23350	25050	26800	28500
YUMA COUNTY	Moderate Income	22600	25850	29100	32300	34900	37500	40100	42650
	Low Income	14150	16150	18200	20200	21800	23450	25050	26650

X. DEFINITIONS - SLUMS AND BLIGHT

State Statutory Definitions

"Slum area" means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, and which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare. (31-25-103 C.R.S., 1973, as amended.)

"Blighted area" means an area which, by reason of the presence of a substantial number of slum, deteriorated, or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, unusual topography, defective or unusual conditions of title rendering the title nonmarketable, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations or constitutes an economic or social liability, and is a menace to the public health, safety, morals, or welfare in its present condition and use. (31-15-103 C.R.S., 1973, as amended)

Federal Regulatory Definitions and Clarifications

Activities meeting the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. **Activities to address slums or blight on an area basis.** An activity will be considered to address prevention or elimination of slums or blight in an area if:

   - The area, delineated by the grantee, meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law;

   - Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration;

   - Documentation is maintained by the grantee on the boundaries of the area and the condition which qualified the area at the time of its designation; **and**

   - The assisted activity addresses one or more of the conditions which contributed to the deterioration of the area.

   Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard under local definition before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is undertaken. At a minimum, the local definition for this purpose must be such that buildings that it would render substandard would also fail to meet the housing quality standards for the Section 8 Housing Assistance Payments Program-Existing Housing (24 CFR 882.109).

2. **Activities to address slums or blight on a spot basis**. Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.

XI. ELIGIBLE ACTIVITIES

Eligible activities and services under the Community Development Block Grant (CDBG) Program are those which:

- are consistent with the stated program goal and objectives; and
- are included as eligible activities under Section 105 of Title I of the Housing and Community Development Act of 1974 (the "Act"), as amended, and are otherwise eligible under other secti165ns of Title I and under detailed federal regulations.

* * * * * * * * * * * * * * * * *

The following **list of eligible activities** is excerpted from Section 105(a) of Title I of the Act. (Emphasis has been added to facilitate its use.) HUD regulations further define and specify activities and services eligible under the CDBG program.

(1) the **acquisition of real property** (including air rights, water rights, and other interests therein) which is

(A) blighted, deteriorated, deteriorating, underdeveloped, or inappropriately developed from the standpoint of sound community development and growth;

(B) appropriate for rehabilitation or conservation activities;

(C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;

(D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or

(E) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation which promote energy efficiency) of **public works, facilities (except buildings for the general conduct of government), and site or other improvements;**

(3) **code enforcement** in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;

(4) **clearance, demolition, removal, and rehabilitation** (including rehabilitation which promotes energy efficiency) **of buildings and improvements** (including interim assistance, and financing public or private acquisition for rehabilitation, and rehabilitation of privately-owned properties and including the renovation of closed school buildings);

(5) special projects directed to the **removal of material and architectural barriers** which restrict the mobility and accessibility of elderly and handicapped persons;

(6) **payments to housing owners for losses of rental income** incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;

(7) **disposition** (through sale, lease, donation, or otherwise) **of any real property** acquired pursuant to this title or its retention for public purposes;

(8) **provisions of public services**, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 per centrum of the amount of any assistance to a unit of general local government under this title may be used for activities under this paragraph unless such unit of general local government (or in the case of nonentitled communities not more than 15 per centum statewide) used more than 15 percent of the assistance received under this title including program income for the previous fiscal year for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may not use more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount;

(9) **payment of the non-federal share** required in connection with a federal grant-in-aid program undertaken as part of activities assisted under this title;

(10) payment of the cost of completing a project funded under Title I of the Housing Act of 1949;

(11) **relocation payments and assistance** for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;

(12) activities necessary

(A) to develop a **comprehensive community development plan**, and

(B) to develop a **policy-planning-management capacity** so that the recipient of assistance under this title may more rationally and effectively

(I) determine its needs,

(ii) set long-term goals and short-term objectives,

(iii) devise programs and activities to meet these goals and objectives,

(iv) evaluate programs and activities of such programs in accomplishing these goals and objectives, and

(v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;

(13) payment of **reasonable administrative costs** related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the Housing and Community Development Amendments of 1981;

(14) provision of assistance including loans (both interim and long term) and grants for **activities which are carried out by public or private nonprofit entities**, including:

(A) acquisition of real property;

(B) acquisition, construction, reconstruction, rehabilitation, or installation of

(I) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and

(ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and

(C) planning;

(15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities of nonentitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out **neighborhood revitalization or community economic development or energy conservation project** in furtherance of the objectives of section 101(c), and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the **development of shared housing opportunities** (other than construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States' Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;

(16) activities necessary to the **development of energy use strategies,** related to recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as:

(A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and

(B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities.

(17) provision of **assistance to private, for-profit entities**, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that-

(A) creates or retains jobs for low- and moderate-income persons;

(B) prevents or eliminates slums and blight;

(C) meets urgent needs;

(D) creates or retains businesses owned by community residents;

(E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or

(F) provides technical assistance to promote any of the activities under (A) through (E).

(18) the **rehabilitation or development of housing assisted under Section 17** of the United States' Housing Act of 1937.

(19) provision of assistance to facilitate **substantial reconstruction of housing owned and occupied by low and moderate income persons**

(A) where the need for the reconstruction was not determinable until after rehabilitation under this section had already commenced, or

(B) where the reconstruction is part of a neighborhood rehabilitation effort and the grantee

(I) determines the housing is not suitable for rehabilitation, and

(ii) demonstrates to the satisfaction of the Secretary that the cost of substantial reconstruction is significantly less than the cost of new construction and less than the fair market value of the property after substantial reconstruction.

(20) provision of technical assistance **to public or nonprofit entities** to increase the capacity of such entities to carry out eligible **neighborhood revitalization or economic development activities**, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13).

(21) (A) **housing services**, such as housing counseling, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services **related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities** authorized under this section, or under Title II of the Cranston-Gonzalez National Affordable Housing Act, except that activities under this paragraph shall be subject to any limitation on administrative expenses imposed by any law;

(B) lead-based paint evaluation and reduction as defined in Section 1004 of the Residential Lead-Based Paint Hazard reduction Act of 1992.

(22) provision of assistance by recipients under this Title to **institutions of higher education having a demonstrated capacity to carry-out eligible activities** under this subsection for carrying out such activities.

(23) provision of **assistance to public or private organizations**, agencies, and other entities (including nonprofit and for-profit entities) **to enable such entities to facilitate economic development** by-

(A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;

(B) providing technical assistance, advise, and business support services (including assistance, advise, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and

(C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises.

(24) activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low- and moderate- income neighborhoods; and

(25) provision of direct assistance to facilitate and expand home ownership among persons of low- and moderate-income (except that such assistance shall not be considered a public service for purposes of paragraph 8) by using such assistance to-

(A) subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers;

(B) finance the acquisition by low- and moderate-income homebuyers of housing that is occupied by the homebuyers;

(C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);

(D) provide up to 50 percent of any downpayment required from low- and moderate-income homebuyer; or

(E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by low- and moderate-income homebuyers.

* * * * * * * * * * * * * *

The following is a **provision affecting activity eligibility** excerpted from Section 105□ of Title I of the Act. (Section 105□ was added to the Act by amendments enacted in 1983. Section 105(d) was added to the Act by amendments enacted in 1992.)

(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection 105(a) is identified as principally benefitting persons of low and moderate income, such activity shall:

(A) be carried out in a neighborhood consisting predominantly of persons of low and moderate income and provide services for such persons; or

(B) involve facilities designed for use predominantly by persons of low and moderate income; or

(C) involve employment of persons, a majority of whom are persons of low and moderate income.

(D) for purposes of subsection (c)(1)(C)-

(1) if an employee resides in, or the assisted activity through which he or she is employed, is located in a census tract that meets the federal enterprise zone eligibility criteria, the employee shall be presumed to be a person of low- and moderate-income; or

(2) if an employee resides in a census tract where not less than 70 percent of the residents have incomes at or below 80 percent of the area median, the employee shall be presumed to be a person of low- and moderate-income.

(2) In any case in which an assisted activity described in subsection 105(a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if not less than 51 percent of the residents of such area are persons of low and moderate income.

(3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

* * * * * * * * * * * *

The following is a **provision affecting assistance to for-profit entities** excerpted from Section 105(f) of Title I of the Act. (Section 105(f) was added to the Act by amendments enacted in 1992.)

In any case in which an activity described in paragraph (17) of subsection (A) is provided assistance such assistance shall not be limited to activities for which no other forms of assistance are available or could not be accomplished but for that assistance.

* * * * * * * * * * * *

The following is a **provision affecting microenterprise and small business program requirements** excerpted from Section 105(g) of Title I of the Act. (Section 105(g) was added to the Act by amendments enacted in 1992.)

> In developing program requirements and providing assistance pursuant to paragraph (17) of subsection (A) to microenterprise or small business, the Secretary shall:
>
> (1) take into account the special needs and limitations arising from the size of the entity; and
>
> (2) not consider training, technical assistance, or other support services costs provided to small business or microenterprises or to grantees and subgrantees to develop the capacity to provide such assistance, as a planning cost pursuant to section 105(a)(12) or an administrative cost pursuant to section 105(a)(13).

* * * * * * * * * * * *

The following is a **provision affecting activity eligibility** excerpted from Section 104(b)(5) of Title I of the Act. (Section 104(b)(5) was added to the Act by amendments enacted in 1983.)

> The grantee will not attempt to recover any capital costs of public improvements assisted in whole or part (with CDBG) funds ... by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless:
>
> (A) funds received (from the CDBG program) ... are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or
>
> (B) for the purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of (low) ... income, the grantee certifies to the (State) that it lacks sufficient funds received under (the CDBG program) ... to comply with the requirements of subparagraph (A).

* * * * * * * * * * * * *

The following is a **provision affecting lump-sum payments** excerpted from Section 104(h) of Title I of the Act. (Section 104(h) was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)

> Units of general local government receiving assistance under this title may receive funds, in one payment, in an amount not to exceed the total amount designated in the grant (or, in the case of a unit of general local government receiving a distribution from a State pursuant to section 106(d), not to exceed the total amount of such distribution) for use in establishing a revolving loan fund which is to be established in a private financial institution which is to be used to finance rehabilitation activities assisted under this title. Rehabilitation activities authorized under this section shall begin within 45 days after receipt of such payment and substantial disbursements from such fund must begin within 180 days after receipt of such payment.

* * * * * * * * * * * * *

The following is a **provision affecting program income** excerpted from Section 104(j) of Title I of the Act. (Section 104(j) was amended per the 1992 Housing and Community Development Act.)

> Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any grant...distributed by a state, under section 106 if (1) such income was realized after the initial disbursement of the funds received by such unit of general local government under such section; and (2) it will utilize the program income for eligible community development activities in accordance with the provisions of this title. A state may require as a condition of any amount distributed by such state under section 106(d) that a unit of general local government shall pay to such state any such income to be used by such state to fund additional eligible community development activities, except that such state shall waive such condition to the extent such income is applied to continue the activity from which such income was derived, except that the Secretary may, by regulation, exclude from consideration as program income any amounts determined to be so small that compliance with this subsection creates an unreasonable administrative burden on the unit of general local government.

* * * * * * * * * * * * *

The following is a **provision affecting Section 108 Loan Guarantee Authority** excerpted from Section 108(d) of Title I of the Act. (Section 108(d)(2) of the Act was amended by the Cranston-Gonzalez National Affordable Housing Act of 1990.)

> To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this title as security for notes or other obligations and charges issued under this section by any unit of general local government in a nonentitlement area of the State.

Chapter 7 APPENDIX

APPENDIX A-Summary of Consolidated Plan Process

The Department of Local Affairs staff from both the Division of Housing and Division of Local Government and Field Services collaborated to complete this Consolidated Plan.

A summary and public notice of the location of the draft copies and the public comment period was published in the Denver Post. The draft of the Consolidated Plan was available for viewing and comment at the following locations throughout the state for the required thirty (30) day public comment period from January 12, 2000 to February 10, 2000:

Department of Local Affairs, South Central Office
260 Adams Street, Monte Vista, CO 81144
Contact: Debbie Downs (719-852-9429)

Department of Local Affairs, Northeastern Office
Northeastern Junior College
100 College Drive, Sterling, CO 80751
Contact: Kent Gumina (970-522-6600 x6714)

Department of Local Affairs, Northern Mountains Office
191 Blue River Parkway, #206, Silverthorne, CO 80498
Contact: Cathy Shipley, (970-468-2183)

Department of Local Affairs, Northwestern Office
222 South Sixth Street, Rm 409
Grand Junction, CO 81501
Contact: Tim Sarmo, (303-248-7310)

Department of Local Affairs, North Central Office
150 E. 29th Street, Suite 215
Loveland, CO 80538
Contact: Don Sandoval, (303-679-4501)

Department of Local Affairs, Southeastern Office
132 West “B” Street, Suite 260
Pueblo, CO 81001
Contact: Mark Lowrey (719-544-6577)

Department of Local Affairs, Southwestern Office
Ft. Lewis College, 1000 Rim Drive
Durango, CO 81302
Contact: Ken Charles (303-247-7311)

Office of Economic Development and International Trade
1625 Broadway, Suite 1710
Denver, CO 80202
Contact: Alice Kotrlik (303-892-3846)

Colorado Division of Housing
1313 Sherman Street, Room 518
Denver, CO 80203
Contact: Jennie Rodgers (303) 866-4651

The text of the draft plan was also posted on the Division of Housing website with an address posted for written comments.

Five public hearings were held during October/November 1999 for the purpose of accepting testimony on housing and community development needs in the State of Colorado. A total of 110 Colorado citizens attended the meetings which were held in the following locations: Silverthorne, Grand Junction, Durango, Greeley and Pueblo.

Notification of these hearings was done through a special site on the Division of Housing web site dedicated to the 2000 Consolidated Planning Process, and through two separate mailings totaling over 2,600 notifications of the hearings. These notifications went out in September to all housing authorities and local governments, the Colorado Coalition for the Homeless mailing list, the Colorado Supportive Housing and Homeless Programs mailing list, the Colorado Rural Development Council mailing list, the Division of Housing mailing list which includes nonprofit housing providers, and other low income advocacy groups in September. In October, the public hearings were advertised in the Colorado Municipal League, Colorado Counties and Colorado Rural Development Council monthly mailings to their constituents. The hearings were written up before hand in many local newspapers and subsequent articles were written by local news media.

The Division of Housing posted a housing survey of priority needs on its web site. This survey was mentioned at the hearings and “votes” on needs were taken from the end of September 1999 through December 10, 1999.

Written comments were requested to be received by February 10, 2000 at the Colorado Division of Housing, 1313 Sherman St, Rm 518 attn: Jennie Rodgers.

Summary of feedback from the public hearings and written comments on the draft plan can be found in Appendix B of this document.

APPENDIX B-Summary of Public Hearing Comments

The Colorado Division of Housing (DOH) conducted 5 public hearings during October/November 1999, to seek input into the Colorado 2000 Consolidated Plan. A total of 110 Colorado citizens attended the meetings which were held in the following locations: Silverthorne, Grand Junction, Durango, Greeley and Pueblo.

I. Silverthorne - October 28, 1999

There were eleven participants in this meeting held in the central mountains of Colorado. HUD staff in attendance expressed concerns regarding the timing of the meeting and the outreach activities used to publicize the sessions. The session began with a discussion of the specific affordable housing issues in Summit and Grand Counties.

Rental Housing

Need: The need for rental housing in this areas touches all income levels. Although there is a substantial number of multi-family vacation condominiums available, there was no knowledge of any recent affordable rental housing development in the area. The Section 8 Program is not working since there are not enough rental units available. The priority ranking for rental housing by income level for each county follows:

Priorities for Summit/Grand Counties: #1. 60-80% AMI #2. 30-60%AMI #3 0-30%AMI

Priorities for CO Coalition for Homeless: #1. 0-30% AMI #2. 30-60%AMI #3 60-80% AMI

Actions:

@ State should start its own Section 8 Program
@ Support inclusionary zoning and other regulatory reform
@ Provide funds for land acquisition (i.e. land banking)
@ Implement a real estate transfer tax
@ Support new construction of rental units

Homeownership

Need: Homeownership opportunities for those persons at 60%-150% AMI was identified as a need. In addition, single family rehabilitation to preserve existing units was also cited as important. Participants expressed a feeling that there appears to be a "blockade" in homeownership between FHA/FNMA/RD. Both FHA and FNMA financing for the purchase of condominium units requires that the complex be at least 51% owner occupied.

Actions:

@ Preserve existing housing, including mobile homes
@ Provide homeownership assistance for those households at 60%-150% AMI
@ Convert condominium units to homeownership

Special Needs

Need: In Summit County the importance of special needs housing was ranked "medium/high", but the inventory is not available. In Grand County this need was identified as "low/medium"

Actions: None identified

Homeless/Transitional Housing:

Need: HUD programs now require a 25% match for the services budget. The group felt that these funds are difficult to access. It is important to develop new housing, but the recent loss of tenant based rental assistance from the Supportive Housing Program is making it difficult to preserve what has been available.

Actions:

@ Identify source of matching funds for service activities

II. Grand Junction - October 28, 1999

There were thirteen participants in this meeting. A concern was raised by the HUD staff present regarding the timing of the hearings and the outreach activities used to publicize the sessions.

Need: This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High
Rental Housing for incomes between 31-60% - High
Rental Housing for incomes between 61-80% - Medium
Financing for acquisition and rehabilitation of existing affordable rental - High
Financing for new construction of rental housing - High
Financing for homeownership at the 80% AMI or less - High
Preservation of existing homes - High
Provide handicap accessible dwellings for persons at 50% AMI - Low
Increase the number of emergency shelters - High
Increase the number of transitional housing units - High

Actions:

@ Increase the number of emergency shelter beds in Mesa and Garfield Counties
@ Increase the number of transitional housing units in Mesa and Garfield Counties
@ Increase the availability of Section 8 assistance

III. Durango - October 29, 1999

Approximately twenty persons attended the session in Durango.

Need: There was general agreement that instead of prioritizing need, individual comments would be recorded. These included:

@ The survey language was questioned as being too complex for low income persons. A suggestions was made that the language needed to be geared to a sixth grade education level and that simple explanations be provided.

@ Everyone in attendance expressed concern about recent statements made by local elected officials that there was no affordable housing problem. Concern was expressed that since the 1996 housing needs assessment, no data has been compiled to define the problem. Therefore, local agencies were back to justifying any affordable housing efforts.

Actions:

@ DOH should fund an area wide needs assessment, or a combination of needs assessments, that could then be updated periodically. Several participants, including Durango city government representatives, La Plata Community Development Corporation, Southwest Community Resources and Colorado Housing Inc., expressed willingness to divide the cost and work load involved in such an assessment. It was suggested that the needs assessment should include a survey of existing or planned affordable units.

@ A clearinghouse should be established for affordable housing units. There should be a single source for residents and agencies to access.

@ There is a need for more emergency shelter beds and transitional housing in the Durango area. Step-up housing is needed.

@ All of Region 9 has a need for workforce housing. This was defined as affordable rental housing for those households between 50-80% AMI.

@ The preservation of existing single family owner occupied homes continues to be a priority.

IV. Greeley - November 4, 1999

The Consolidated Plan Regional Meeting was held in Greeley, Colorado on Thursday, November 4, 1999. There were 39 attendees. The participants broke down into four smaller groups and listed below is a summary of the comments received by the groups.

Group One

Need: The highest priority is households at 0-30% of AMI. In addition, groups most in need of services/housing were ranked in the following order: migrant workers, disabled, seniors, and families.

Action:

@ Multi-family rental

@ For sale manufactured home on the land/home type model (the homeowner owns the land rather than renting).

Group Two

Need: This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High
Rental Housing for incomes between 31-60% -Medium
Rental Housing for incomes between 61-80% - High
Financing for acquisition and rehabilitation of existing affordable rental - High

Financing for new construction of rental housing - High
Financing for homeownership at the 80% AMI or less - Low
Preservation of existing homes - High
Provide handicap accessible dwellings for persons at 50% AMI - High
Increase the number of emergency shelters - High
Increase the number of transitional housing units - High

Actions:

@ Contribute funds to A Women's Place, shelter for battered women and children. Last year the facility turned away 130 women. Greeley has committed $100,000 in funding to expand the facility.

@ Elbert County needs to partner with a non-profit to provide affordable housing.

@ Fee structures should be redefined and base the cost of the fees on the square footage of the property.

Group Three

Need: This group rated all housing needs outlined on the survey as high priorities.

Action:

@ More multi-family mixed-use property with more of a full community characteristic; e.g. disabled, elderly, economic, and family characteristics. Today, communities are too segregated. Integrated communities would create less of the "those people" divisions.

@ Create more programs to assist new homeowners such as downpayment assistance, go to the private sector to assist their workers, build partnerships with government and the private industry.

@ Continue working with local governments to reduce fees. And continue outreach to local governments to keep affordable housing on the front burner.

Group Four

Need: Assisting households at <30% AMI was rated as a high priority. In addition, the following groups were identified as a high priority: persons with disabilities, single people, homeless, teen families and unattached youth, chronically mentally ill,

Actions:

@ Laws to cap rents or rent controls as a tool to preserve affordable housing.
@ Emergency housing
@ Day shelters
@ First month rent deposit and one month rental assistance

V. Pueblo - November 5, 1999

Twenty-seven people attended the Consolidated Plan meeting in Pueblo. The participants were were divided into two groups.

Group One

Need: This group prioritized the most in need by income level in the following order:

0-30 % AMI - High
31-60% AMI - Next Highest
61-80% AMI - Medium (by ½ of table)
61-80% AMI - Low (by ½ of table

In addition, the following general comments were made concerning the affordable housing need in Colorado:

@ It's a hard transition from homeless to paying rent

@ 61-80 percent of AMI technically can afford a moderate house, but can't afford the down payment to buy the house

@ In Kiowa, generally, the 61-80 percent AMI are elderly, and can't afford anything

@ In Pueblo and Colorado Springs the elderly are generally already taken care of via already established programs and resources

@ Prisoners are released, and they have a job, but no housing which causes reincarceration

@ Shelters can't legally serve persons under the age of 18, unless they have been designated as a shelter to serve youth. Colorado Springs has only one youth bed for the whole city

@ Section 8 preservation

@ Mentally ill - welfare to work

Group Two

Need: This group did not reach a consensus regarding the affordable housing need in Colorado not the actions to address the need. Instead, the following general comments were made:

@ There are limited funds, who should get help? Should we spend all on 30 percent AMI, or spread the funds out and serve more at the 61-80 percent population?

@ What do we do with politically directed priorities? Politics vs. need. This is
beyond DOH to solve. How to get around?

@ Housing entities need to find lenders that will work with subsidized programs – call local bank underwriters and educate them. Perhaps the DOH could tell providers what lenders are "in"

@ Basic homebuyer education is needed – early on – in high school

@ Cost of construction - How do you get cost down? In Victor contractors get $40 to $60/hour. This is due to the weather conditions, and the age of the buildings.

@ Historical buildings - The application process is only open two times a year, must match the dollars, and are told what can and can not be done

@ Those that choose to stay in rentals - not everyone wants to buy a home, need more family units

@ General awareness is needed of the available housing programs, need more help from DOH.

Group Three

This group reviewed the survey and ranked the ten needs as follows:

Rental Housing for incomes between 0-30% - High
Rental Housing for incomes between 31-60% - Medium
Rental Housing for incomes between 61-80% - Low
Financing for acquisition and rehabilitation of existing affordable rental - High
Financing for new construction of rental housing - Medium
Financing for homeownership at the 80% AMI or less - Medium
Preservation of existing homes - Medium
Provide handicap accessible dwellings for persons at 50% AMI - Medium
Increase the number of emergency shelters - High
Increase the number of transitional housing units - High

Written Comments

Written comments were received from the Colorado Coalition for the Homeless and the Colorado Department of Human Services Supportive Housing and Homeless Programs office. These comments were incorporated into the text of the plan.

Colorado Consolidated Plan Survey

In addition to the five public hearings, the Colorado Division of Housing utilized the Internet to seek input into the state's affordable housing needs. A survey document was made available that listed the need categories and provided the user with the opportunity to rank the statewide priorities based upon their knowledge of their own communities. The survey was available for public comment from October 1, 1999 - December 10, 1999.

There were a total of 89 responses through the Internet. An additional 25 survey responses were collected at the public hearings.

The results are listed below.

1. Decrease the number of renter households with incomes between 0-30% of AMI who pay more than 30% of their income for shelter.

High	Medium	Low
82	17	9

2. Decrease the number of renter households with incomes between 31-60% of AMI who pay more than 30% of their in come for shelter

High	Medium	Low
63	36	8

3. Decrease the number of renter households with incomes between 61-80% of AMI who pay more than 30% of their income for shelter.

High	Medium	Low
31	45	31

4. Provide financing for the acquisition and rehabilitation of existing affordable rental properties.

High	Medium	Low
65	32	12

5. Provide financing for the construction of new affordable rental units.

High	Medium	Low
71	29	8

6. Provide the financing to create first-time home ownership opportunities for household earning 80% or less of AMI through infrastructure subsidies, interest rate buy-downs and down payment assistance programs.

High	Medium	Low
66	31	10

7. Preserve existing homes for homeowners at 80% or less of AMI in danger of losing them because of health and safety problems in the structure.

High	Medium	Low
44	43	20

8. Provide handicap accessible dwellings for individuals and households below 50% of AMI which need supportive services linked with housing (CMI, DD, Physically Disabled and Frail Elderly)

High	Medium	Low
57	37	13

9. Increase the number of emergency shelter beds for homeless persons and victims of domestic violence.

High	Medium	Low
47	37	21

10. Increase the number of transitional housing units for persons moving out of emergency shelters.

High	Medium	Low

53	32	20

APPENDIX C-Colorado Planning Region Map

APPENDIX D-Homeless Continuum of Care Regions Map

APPENDIX E-Certifications

In accordance with the applicable statutes and the regulations governing the Consolidated Plan, the State certifies that:

Affirmatively Further Fair Housing -- It will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within State, will take appropriate actions to overcome the effects of any impediments identified through the analysis, and will maintain records reflecting the analysis and action this regard.

Anti-displacement and relocation plan -- It has in effect and is following a residential antidisplacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

2) Establishing an ongoing drug-free awareness program to inform employees about

(a) The dangers of drug abuse in the workplace;
(b) The grantee's policy of maintaining a drug-free workplace;
(c) Any available drug counseling, rehabilitation, and employee assistance programs; and
(d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

3) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;

4) Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will

(a) Abide by the terms of the statement; and

(b) Notify the employer in Writing of his or her conviction for a violation of a criminal drug statute occurring in the Workplace no -later than five calendar days after such conviction;

5) Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction Employers

of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), With respect to any employee who is so convicted

(a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

8) The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Colorado Department of Local Affairs
1313 Sherman Street, Roon 323 or 518
Denver, Denver County
State of Colorado 80203

Check __XX__ if there are workplaces on file that are not identified here; The certification with regard to the drug free workplace required by 24 CFR part 24, subpart F.

Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress,- or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly; The State is in compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

Authority of State -- it is authorized under State law and that the it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations

Consistency with plan -- that the housing activities to be undertaken with CDBG, HOME and ESG funds are consistent with the Strategic plan.

Acquisition and relocation -- it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24.

Section 3 -- it will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24

Specific CDBG Certifications

The State certifies that:

Citizen participation -- It is following a detailed citizen participation plan that satisfies the requirements of § 91.115, and that each unit of general local government that is receiving assistance from the State is following a detailed citizen participation plan that satisfies the requirements of § 570.486.

Consultation with local governments --

(i) It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;

(ii) It engages or will engage in planning for community development activities;

(iii) It provides or will provide technical assistance to units, of general local government in connection with community development programs;

(iv) It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected; and

(v) Each unit of general local government to be distributed funds will be required to identify its community development and housing needs, including the needs of the extremely low, low, income and moderate income families, and the activities to be undertaken to meet their needs

Community development plan -- This consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the statute authorizing the CDBG program, as described in § 570 2, and requirements of this part and part 570.

Use of funds -- It has complied with the following criteria;

(i) With respect to activities expected to be assisted with CDBG funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit extremely low, low, and moderate income families or aid in the prevention or elimination of slums or blight. The plan may also include CDBG-assisted activities that at-e certified to be designed to meet -Other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs;

(ii) The aggregate use of CDBG funds, including section 108 guaranteed loans, during a period Specified by the State, Consisting of the years 2000,2001,2002, shall principally benefit extremely low, low, and moderate income families in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period (see 24 CFR 570.481 for definition of " CDBG funds'); and

(iii) The State will not attempt to recover any capital costs, of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of extremely low, low, and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements However, if CDBG funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than with CDBG funds In addition, with respect to properties owned and occupied by moderate income (but not extremely low, low income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds if the State Certifies that it lacks CDBG funds to cover the assessment;

Compliance with anti-discrimination laws -- the grant will be Conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Excessive force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

(i) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

(ii) A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction

Compliance with laws -- It will comply with applicable laws.

Specific ESG Certifications

The State certifies that it will ensure that its State recipients comply with the following criteria:

(1) In the case of assistance involving major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a 10-year period;

(2) In the case of assistance involving rehabilitation less than that covered under paragraph (1) of this section, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for not less than a three-year period;

(3) In the case of assistance involving essential services (including but not limited to employment, health, drug abuse, or education) or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served;

(4) Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary;

(5) It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal, State, local, and private assistance available for such individuals;

(6) It will obtain matching amounts required under § 576.71;

(7) It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter; and

(8) To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted under the program, and in providing services for occupants of facilities assisted under the program

(9) It is following a current HUD-approved Consolidated Plan.

Specific HOME Certifications

The State certifies that:

(1) If it plans to use program funds for tenant-based rental assistance, that rental based assistance is an essential element of its consolidated plan;

(2) It is using and will use HOME funds for eligible activities and costs, as described in §§ 92.205 through 92 209 and that it is not using and will not use HOME funds for prohibited activities, as described in § 92.214; and

(3) Before committing funds to a project, the State or its recipients will evaluate the project in accordance with guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other federal assistance than is necessary to provide affordable housing.

Signature Date

Executive Director
Title

APPENDIX F-Definitions

Affordable Housing: Affordable housing is generally defined as housing where the occupant is paying no more than thirty percent of gross income for gross housing costs, including utility costs.

AIDS and Related Diseases: The disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

Alcohol/Other Drug Addiction: A serious and persistent alcohol or other drug addiction that significantly limits a person's ability to live independently.

Area of Low Income Concentration Any area where the total percentage of extremely low, low income households is more than 51% of the total population.

Area of Racial/Ethnic Minority Concentration Any county that has a total minority population greater than 38.58% of the total population in the county. (This threshold was derived by taking the percent minority population in the state, 19.29%, and doubling it.) Source: 1990 U.S. Census.

Assisted Household or Person: For the purposes of specifying one-year goals for assisting households or persons, a household or person is assisted if, during the coming Federal fiscal year, they will benefit through one or more programs included in the state's plan. A renter is benefitted if the person takes occupancy of affordable housing that is newly acquired, newly rehabilitated, or newly constructed, and/or receives rental assistance. An existing homeowner is benefitted during the year if the home's rehabilitation is completed. An first-time homebuyer is benefitted if a home is purchased during the year. A homeless person is benefitted during the year if the person becomes an occupant of transitional or permanent housing. A non-homeless person with special needs is considered as being benefitted, however, only if the provision of supportive services is linked to the acquisition, rehabilitation, or new construction of a housing unit and/or the provision of rental assistance during the year. Households or persons who will benefit from more than one program activity must be counted only once. To be included in the goals, the housing unit must, at a minimum, satisfy the HUD Section 8 Housing Quality Standards (see 24 CFR section 882.109).

Committed: Generally means there has been a legally binding commitment of funds to a specific project to undertake specific activities, or an obligation of funds to a State recipient.

Consistent with the Consolidated Plan A determination made by the State that a program application meets the following criterion: The Annual Plan for that fiscal year's funding indicates the State planned to apply for the program or was willing to support an application by another entity for the program; the location of activities is consistent with the geographic areas specified in the plan; and the activities benefit a category of residents for which the State's five-year plan shows a priority.

Cost Burden > 30%: The extent to which gross housing costs, including utility costs, exceed thirty percent of gross income, based on data published by the U.S. Census Bureau.

Cost Burden > 50%

(Severe Cost Burden): The extent to which gross housing costs, including utility costs, exceed fifty percent of gross income, based on data published by the U.S. Census Bureau.

Disabled Household: A household composed of one or more persons at least one of whom is an adult (a person of at least 18 years of age) who has a disability. A person shall be considered to have a disability if the person is determined to have a physical, mental or emotional impairment that: 1) is expected to be of long-continued and indefinite duration, 2) substantially impedes his or her ability to live independently, and 3) is of such a nature that the ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if he or she has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-6006). The term also includes the surviving member or members of any household described in the first sentence of this paragraph who were living in an assisted unit with the deceased member of the household at the time of his or her death.

Economic Independence PROGRAMS UNDERTAKEN BY PUBLIC HOUSING AGENCIES (PHAS) TO PROMOTE ECONOMIC INDEPENDENCE
and Self-Sufficiency AND SELF-SUFFICIENCY FOR PARTICIPATING FAMILIES. SUCH PROGRAMS MAY INCLUDE PROJECT SELF-
Programs: SUFFICIENCY AND OPERATION BOOTSTRAP PROGRAMS THAT ORIGINATED UNDER EARLIER SECTION 8 RENTAL CERTIFICATE AND RENTAL VOUCHER INITIATIVES, AS WELL AS THE FAMILY SELF-SUFFICIENCY PROGRAM. IN ADDITION, PHAS MAY OPERATE LOCALLY DEVELOPED PROGRAMS OR CONDUCT A VARIETY OF SPECIAL PROJECTS DESIGNED TO PROMOTE ECONOMIC INDEPENDENCE AND SELF SUFFICIENCY.

Elderly Household: A FAMILY IN WHICH THE HEAD OF THE HOUSEHOLD OR SPOUSE IS AL LEAST 62 YEARS OF AGE.

Extremely Low-income FAMILIES WHOSE INCOME IS BETWEEN 0 AND 30 PERCENT OF THE MEDIAN INCOME FOR THE AREA, AS **Families:** DETERMINED BY HUD WITH AJUSTMENTS FOR SMALLER AND LARGER FAMILIES, EXCEPT THAT HUD MAY ESTABLISH INCOME CEILINGS HIGHER OR LOWER THAN 30 PERCENT OF THE MEDIAN FOR THE AREA ON THE BASIS OF HUD'S FINDINGS THAT SUCH VARIATIONS ARE NECESSARY BECAUSE OF PREVAILING LEVELS OF CONSTRUCTION COSTS OR FAIR MARKET RENTS, OR UNUSUALLY HIGH OR LOW FAMILY INCOMES.

Existing Homeowner: AN OWNER-OCCUPANT OF RESIDENTIAL PROPERTY WHO HOLDS LEGAL TITLE TO THE PROPERTY AND WHO USES THE PROPERTY AS HIS/HER PRINCIPAL RESIDENCE.

Family: A HOUSEHOLD COMPRISED OF ONE OR MORE INDIVIDUALS.

Family Self-Sufficiency A PROGRAM ENACTED BY SECTION 554 OF THE NATIONAL AFFORDABLE HOUSING ACT WHICH DIRECTS PUBLIC **(FSS) Program:** HOUSING AGENCIES (PHAS) AND INDIAN HOUSING AUTHORITIES (IHAS) TO USE SECTION 8 ASSISTANCE UNDER THE RENTAL CERTIFICATE AND RENTAL VOUCHER PROGRAMS, TOGETHER WITH PUBLIC AND PRIVATE RESOURCES TO PROVIDE SUPPORTIVE SERVICES, TO ENABLE PARTICIPATING FAMILIES TO ACHIEVE ECONOMIC INDEPENDENCE AND SELF-SUFFICIENCY.

Federal Preference THE PREFERENCE GIVEN TO OTHERWISE ELIGIBLE APPLICANTS UNDER HUD'S RENTAL ASSISTANCE PROGRAMS WHO, **for Admission:** AT THE TIME THEY SEEK HOUSING ASSISTANCE ARE INVOLUNTARILY DISPLACED, LIVING IN SUBSTANDARD HOUSING, OR PAYING MORE THAN 50 PERCENT OF FAMILY INCOME FOR RENT. (SEE, FOR EXAMPLE, 24 CFR 882.219)

First Time Homebuyer: AN INDIVIDUAL OR FAMILY WHO HAS NOT OWNED A HOME DURING THE THREE-YEAR PERIOD PRECEDING THE HUD-ASSISTED PURCHASE OF A HOME THAT MUST BE USED AS THE PRINCIPAL RESIDENCE OF THE HOMEBUYER.

FmHA: THE FARMERS HOME ADMINISTRATION, OR PROGRAMS IT ADMINISTERS.

For Rent: YEAR ROUND HOUSING UNITS WHICH ARE VACANT AND OFFERED/AVAILABLE FOR RENT (U.S. CENSUS DEFINITION.

For Sale: YEAR ROUND HOUSING UNITS WHICH ARE VACANT AND OFFERED/AVAILABLE FOR SALE ONLY. (U.S. CENSUS DEFINITION.

Frail Elderly: AN ELDERLY PERSON WHO IS UNABLE TO PERFORM AT LEAST THREE ACTIVITIES OF DAILY LIVING (I.E. EATING, DRESSING, BATHING, GROOMING, AND HOUSEHOLD MANAGEMENT ACTIVITIES.)

Group Quarters: Facilities providing living quarters that are not classified as housing units. (u.S. Census definition). Examples include: prisons, nursing homes, dormitories, military barracks, and shelters.

HOME: The HOME Investment Partnerships Act, which is Title II of the National Affordable Housing Act.

Homeless Family: Family that includes at least one parent or guardian and one child under the age of 18, a homeless pregnant woman, or a homeless person in the process of securing legal custody of a person under the age of 18.

Homeless Individual: An unaccompanied youth (17 years or younger) or an adult (18 years or older) without children.

Homeless Youth: Unaccompanied person 17 years of age or younger who is living in situations described by terms "sheltered" or "unsheltered".

HOPE 1: The HOPE for Public and Indian Housing Homeownership Program, which is Title IV, Subtitle A of the National Affordable Housing Act.

HOPE 2: The HOPE for Homeownership of Multifamily Units Program, which is Title IV, Subtitle B of the National Affordable Housing Act.

HOPE 3: The HOPE for Homeownership of Single Family Homes Program, which is Title IV, Subtitle C of the National Affordable Housing Act.

Household: One or more persons occupying a housing unit. (U.S. Census Bureau definition).

Housing Problems: Household with housing problems include those that: (1) occupy units meeting the definition of physical defects; (2) meet the definition of overcrowded; and (3) meet the definition of cost burden greater than 30%.

Housing Unit: An occupied or vacant house, apartment, or a single room (SRO housing) that is intended as separate living quarters. (U.S. Census definition).

Institutions/Institutional: Group quarters for persons under care or custody. (U.S. Census definition).

Large related: a household of five or more persons which includes at least 2 related persons.

LIHTC: (Federal) Low Income Housing Tax Credit.

Low Income families: Families whose incomes do not exceed fifty percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. HUD income limits are updated annually and are available from local HUD offices for the appropriate jurisdictions.

Middle-Income Families: Families whose income is between 80 percent and 95 percent of the median income for the area,

as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than eighty percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. HUD income limits are updated annually and are available from local HUD offices for the appropriate jurisdictions.

Moderate Income Families: Families whose incomes do exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 95% of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes. (This definition is different than that for the CDBG Program.)

Moderate Rehabilitation: Rehabilitation of residential property at an average cost for the project not in excess of $25,000 per dwelling unit.

Needing Rehab: Dwelling units that do not meet standard conditions but are both financially and structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction of minor livability problems or maintenance work.

Non-Elderly Household: A household which does not meet the definition of "Elderly Household," as defined above.

Non-Homeless Persons with Special Needs: Includes frail elderly persons, persons with AIDS, disabled families, and families participating in organized programs to achieve economic self-sufficiency.

Non-Institutional: Group quarters for persons not under the care or custody (U.S. Census definition used.)

Metropolitan Area Areas consisting of one or more counties including a large population nucleus and nearby communities that have a high degree of interaction. Primary metropolitan statistical areas (PMSAs) are MSAs that make up consolidated metropolitan statistical areas (CMSAs). (U.S. Census definition).

Not Rehabable: Dwelling units that are determined to be in such poor condition as to be neither structurally nor financially feasible for rehabilitation.

Occupied Housing Unit: A housing unit that is the usual place of residence of the occupant(s).

Other Household: A household of one or more persons that does not meet the definition of a Small Related household or a Large Related household, or is an elderly household comprised of three of more persons.

Other Vacant: Vacant year round housing units that are not For Rent or For Sale. This category would include Awaiting Occupancy or Held. (U.S. Census definition).

Overcrowded: A housing unit containing more than one person per room. (U.S. Census definition used in Table 1A).

Owner: A household that owns the housing unit it occupies. (U.S. Census definition).

Physical Defects: A housing unit lacking complete kitchen, bathroom, or electricity (U.S. Census definition.)

Primary Housing Activity: A means of providing or producing affordable housing -- such as rental assistance, production, rehabilitation or acquisition -- that will be allocated significant resources and/or pursued intensively for addressing a particular housing need. (See also "Secondary Housing Activity".)

Project-Based Rental Assistance provided for a project, not for a specific tenant. Tenants receiving project-based **(Rental) Assistance:** rental assistance give up the right to that assistance upon moving from the project.

Public Housing CIAP: Public Housing Comprehensive Improvement Assistance Program.

Public Housing MROP: Public Housing Major Reconstruction of Obsolete Projects.

Rent Burden > 30% The extent to which gross housing costs, including utility costs, exceed 30% of gross income, **(Cost Burden):** based on data published by the U.S. Census Bureau.

Rent Burden > 50% The extent to which gross housing costs, including utility costs, exceed 50% of gross income, **(Severe) Cost Burden:** based on data published by the U.S. Census Bureau.

Rental Assistance: Rental assistance payments provided as either project-based rental assistance or tenant-based rental assistance.

Renter: A household that rents the housing unit it occupies, including both units rented for cash and units occupied without cash payment of rent. (U.S. Census definition).

Renter Occupied Unit: Any occupied housing unit that is not owner occupied, including units rented for cash and those occupied without payment of cash rent.

Secondary Housing A means of providing or producing affordable housing -- such as rental assistance, production,

Activity: rehabilitation or acquisition -- that will receive fewer resources and less emphasis than primary housing activities for addressing a particular housing need. (See also, "Primary Housing Activity".)

Section 215: Section 215 of Title II of the National Affordable Housing Act. Section 215 defines "affordable" housing projects under the Title II HOME Program.

Service Needs: The particular services identified for special needs populations, which typically may include transportation, personal care, housekeeping, counseling, meals, case management, personal emergency response, and other services to prevent premature institutionalization and assist individuals to continue living independently.

Severe Cost Burden: See Cost Burden > 50%.

Severe Mental Illness: A serious and persistent mental or emotional impairment that significantly limits a person's ability to live independently.

Sheltered: Families and persons whose primary nighttime residence is a supervised publicly or privately operated shelter, including emergency shelters, transitional housing for the homeless, domestic violence shelters, residential shelters for runaway and homeless youth, and any hotel/motel/apartment voucher arrangement paid because the person is homeless. This term does not include persons living doubled up or in overcrowded or substandard conventional housing. Any facility offering permanent housing is not a shelter, nor are its residents homeless.

Small Related: A household of two or four persons which includes at least two related persons.

Standard Condition: By state definition, dwelling units which pass the HUD Section 8 Housing Quality Standards; which contain sufficient bedrooms to accommodate the size of the immediate family of the homeowner; and do not contain defects which could threaten the health or safety of the occupants.

Substandard Condition and By local definition, dwelling units that are in such poor condition as to be neither structurally nor
not Suitable for Rehab financially feasible for rehabilitation.

Substandard Condition but By local definition, dwelling units that do not meet standard conditions but are both financially and **Suitable for Rehab:** structurally feasible for rehabilitation. This does not include units that require only cosmetic work, correction or minor livability problems or maintenance work.

Substantial Rehabilitation: Rehabilitation of residential property at an average cost for the project in excess of $25,000 per dwelling unit.

Supportive Housing: Housing, including Housing Units and Group Quarters, that has a supportive environment and includes a planned service component.

Supportive Service Need The plan that PHAs administering a Family Self-Sufficiency program are required to develop to
in FSS Plan: identify the services they will provide to participating families and the source of funding for those services. The supportive services may include child care; transportation; remedial education; education for completion of secondary or post secondary schooling; job training, preparation and counseling; substance abuse treatment and counseling; training in homemaking and parenting skills; money management, and household management; counseling in homeownership; job development and placement; follow-up assistance after job placement; and other appropriate services.

Supportive Services: Services provided to residents of supportive housing for the purpose of facilitating the independence of residents. Some examples are case management, medical or psychological counseling and supervision, child care, transportation, and job training.

Tenant-based (Rental) A form of rental assistance in which the assisted tenant may move from a dwelling unit with a right
Assistance: to continued assistance. The assistance is provided for the tenant, not for the project.

Total Vacant Unoccupied year round housing units. (U.S. Census definition).

Unsheltered: Families and individuals whose primary nighttime residence is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings (e.g., the street, sidewalks, cars, vacant and abandoned buildings).

Vacant Awaiting Occupancy or Held: Vacant year round housing units that have been rented or sold and are currently awaiting occupancy, and vacant year round housing units that are held by owners or renters for occasional use. (U.S. Census definition).

Vacant Housing Unit: Unoccupied year round housing units that are available or intended for occupancy at any time during the year.

Worst-Case Needs: Unassisted, very low-income renter households who pay more than half of their income for rent, live in seriously substandard housing (which includes homeless people) or have been involuntarily displaced.

Year Round Housing Units: Occupied and vacant housing units intended for year round use. (U.S. Census definition). Housing units for seasonal or migratory use are excluded.

APPENDIX G-Citizen Participation Plan

COLORADO'S 2000 CITIZEN PARTICIPATION PLAN
HUD FORMULA PROGRAMS

Pursuant to the Department of Housing and Urban Development's (HUD) proposed rule published in the Federal Register, August 5, 1994. requiring a consolidated planning process for four of its formula programs, Community Development Block Grant State Program (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), this Proposed Citizen Participation Plan is developed to ensure that the citizens of the State of Colorado, particularly persons of low and moderate income residing in areas where it is proposed which such funds are to be used, are provided the opportunity and encouraged to participate in the planning and implementation of funded activities.

The state expects to fund activities that address the needs of the above persons in the categories of housing, public facility, infrastructure improvements, public service, accessibility, and economic development. The state also will develop plans, as necessary, to minimize displacement of persons and to assist any persons displaced.

The primary goal of the state's CDBG program is the development of viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70% of federal fiscal years' 2000, 2001, and 2002 funds will be used for project activities that benefit persons of low and moderate income.

The objectives of the state's HOME program are the following:

@ To expand the supply of decent, safe, sanitary, and affordable housing;

@ To mobilize and strengthen the abilities of the state, units of local government, and nonprofit organizations, to design and implement strategies for achieving an adequate supply of decent, safe, sanitary and affordable housing;

@ To provide eligible applicants, on a coordinated basis, with the various forms of federal housing assistance, including capital investments, mortgage insurance, rental assistance, and other federal assistance, needed:

  @ To expand the supply of decent, safe, sanitary, and affordable housing;

  @ To make new construction, rehabilitation, substantial rehabilitation, and acquisition of such housing feasible;

@ To promote the development of partnerships among the federal government, states and units of general local government, private industry, and nonprofit organizations able to utilize effectively all available resources to provide more of such housing;

@ To make housing more affordable for very low-income and low-income families through the use of tenant-based rental assistance;

@ To expand the capacity of nonprofit community housing development organizations to develop and manage decent, safe, sanitary, and affordable housing;

@ To ensure that federal investment produces housing stock that is available and affordable to low-income families for the property's remaining useful life, is appropriate to the neighborhood surroundings and, wherever appropriate, is mixed income housing;

@ To increase the investment of private capital and the use of private sector resources in the provision of decent, safe, sanitary and affordable housing;

@ To leverage HOME funds insofar as practicable with state and local matching contributions and private investment;

@ To provide credit enhancement for affordable housing by utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when appropriate; and,

@ To assist the very low-income and low-income families to obtain the skills and knowledge necessary to become responsible homeowners and tenants.

The goals of the state's Emergency Shelter Grant (ESG) program are to assist homeless persons by providing better facilities and supportive services at emergency shelters and to assist potentially homeless persons by providing expanded prevention programs. The objectives of the state's ESG program are the following:

@ To assist in supporting the operating costs of emergency shelters;

@ To assist in the prevention of homelessness;

@ To assist in improving the quality, conditions and supportive services available through existing emergency shelters;

The state does not receive an allocation of HOPWA funds.

The state is expecting to receive $11,067,000 in CDBG funds, $6,833,000 in HOME funds, and $945,000 in ESG funds.

CONSULTATION

Prior to the preparation of a "draft" consolidated plan, the state, through the Department of Local Affairs (DOLA) will consult with various public and private agencies that provide housing, health, social, public infrastructure improvements, economic development, and other identified services to persons of low and moderate income, agencies that provide services to persons with AIDS, and with agencies that provide services to homeless persons. DOLA will also notify units of general local governments of the planning process to solicit their input into the process.

PUBLIC HEARINGS

Two public hearings will be conducted per year to obtain citizens' views. The hearings will be conducted, at a minimum, at two different stages of the program. At least one hearing will be held during the development of the plan but before the proposed consolidated plan is published. The hearings will address the housing and community development needs of the state, development of proposed activities, and a review of program performance during the year.

For the initial hearing, a public notice will be published in a newspaper of general circulation throughout the state at least ten (10) days prior to such public hearing. A copy of the public notice will also be sent to the various organizations from which the state sought consultation. A listing of all organizations consulted will be included in the draft plan. The hearings will be held at times and locations convenient to potential and actual beneficiaries, and the state will provide accommodation for the handicapped upon request. In the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate, arrangements will be made to have an interpreter present.

The state will accept written comments up to fifteen (15) days from the date of each hearing. These comments will be a part of the state's consolidated planning process.

PUBLIC INFORMATION AND ACCESS TO RECORDS

Information and records regarding the proposed and past use of the three funding sources will be available at the Department of Local Affairs, 1313 Sherman Street, Room 518, Denver, Colorado during regular office hours, 8am to 5pm Monday through Friday, except holidays. Copies of the proposed consolidated plan will also be available in each of the DOLA's regional fields offices.

Northeastern area office in Sterling, (970) 522-6600 x6714
Southeastern area office in Pueblo, (719) 544-6577
South Central office in Monte Vista, (719) 852-9429
Southwestern office in Durango, (970) 247-7311
Northwestern office in Grand Junction, (970) 248-7310
Northern Mountains office in Silverthorne, (970) 468-2183
North Central office in Loveland, (970) 679-4501
Central office in Denver, (303) 866-3688.

Please call (303) 866-2771 or TDD (303) 866-5300 for the location of the DOLA field office nearest you or you may contact the field office directly. Alternate formats of the citizen participation plan and consolidated plan will be made available to persons upon request.

The DOLA will publish in a newspaper of general circulation the availability of the draft consolidated plan <u>and the dates of the thirty (30) day public comment period</u> . A copy of the summary of the consolidated plan will be sent to organizations with which the DOLA sought consultation. A listing of these agencies will be contained in the public notice. A copy of the entire plan will be available at each of the DOLA's regional field offices listed above and the DOLA's Denver main office. Citizen's who wish to participate in the planning process are encouraged to contact either an organization that represents their interests or the DOLA field office serving their region.

TECHNICAL ASSISTANCE

The DOLA will provide technical assistance to groups representative of persons of very low and low moderate income that are residents of the State of Colorado that request assistance in developing proposals for funding under any of the programs covered by this plan. The level and type of assistance will be determined by the DOLA and will be based on its ability to provide or arrange for such assistance, the cost of providing such assistance and other relevant factors.

AMENDMENTS

The DOLA will amend its consolidated plan when there is a new proposed activity which was not included in the adopted plan, or there is a change in the method of distribution.

WRITTEN COMMENTS AND COMPLAINTS

The state will respond to comments, complaints and grievances in a timely manner. When practicable, such responses shall be made within fifteen (15) working days and included in the consolidated plan. Please address your comments, complaints, or grievances to:

Consolidated Plan Staff
DOLA, Room 518
1313 Sherman Street
Denver, CO 80203