

WELCOME!

HEART OF COLORADO RPD HOUSING FORUM



RURAL PHILANTHROPY DAYS

Chaffee · Clear Creek · Custer · Fremont
Gilpin · Lake · Park · Summit · Teller



Heart of Colorado RPD Housing Forum

Phillip Enmark

Project Coordinator, Housing Colorado

Alison George

Director of the Division of Housing, DOLA

Andy Proctor

Housing Development Manager, Division of Housing,
DOLA

Tracey Stewart

Senior Program Officer, Colorado Health Foundation

Laia Mitchell

Senior Program Officer, Gates Family Foundation

Steve Cordova

Executive Director, Total Housing Concepts

Jerilynn Francis

Director of Marketing and Community Relations,
Colorado Housing and Finance Authority (CHFA)





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RURAL PHILANTHROPY DAYS

September 21, 2021

Our Mission

Housing Colorado is to be a unified voice promoting the preservation and production of quality affordable housing for low and moderate income Coloradans through statewide education and advocacy in order to build a strong economy and healthy communities.

OUT^{of} REACH

THE HIGH COST OF HOUSING

2020

NATIONAL LOW INCOME HOUSING COALITION



Housing Colorado

In **Colorado**, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,375**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$4,585** monthly or **\$55,016** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

\$26.45
PER HOUR
STATE HOUSING
WAGE

FACTS ABOUT COLORADO:

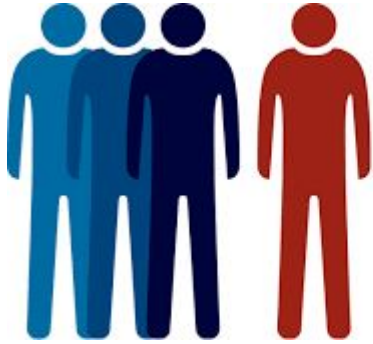
STATE FACTS	
Minimum Wage	\$12.00
Average Renter Wage	\$19.49
2-Bedroom Housing Wage	\$26.45
Number of Renter Households	742,242
Percent Renters	35%

88
Work Hours Per Week At
Minimum Wage To Afford a **2-Bedroom**
Rental Home (at FMR)

71
Work Hours Per Week At
Minimum Wage To Afford a **1-Bedroom**
Rental Home (at FMR)

2.2
Number of Full-Time Jobs At
Minimum Wage To Afford a
2-Bedroom Rental Home (at FMR)

1.8
Number of Full-Time Jobs At
Minimum Wage To Afford a
1-Bedroom Rental Home (at FMR)



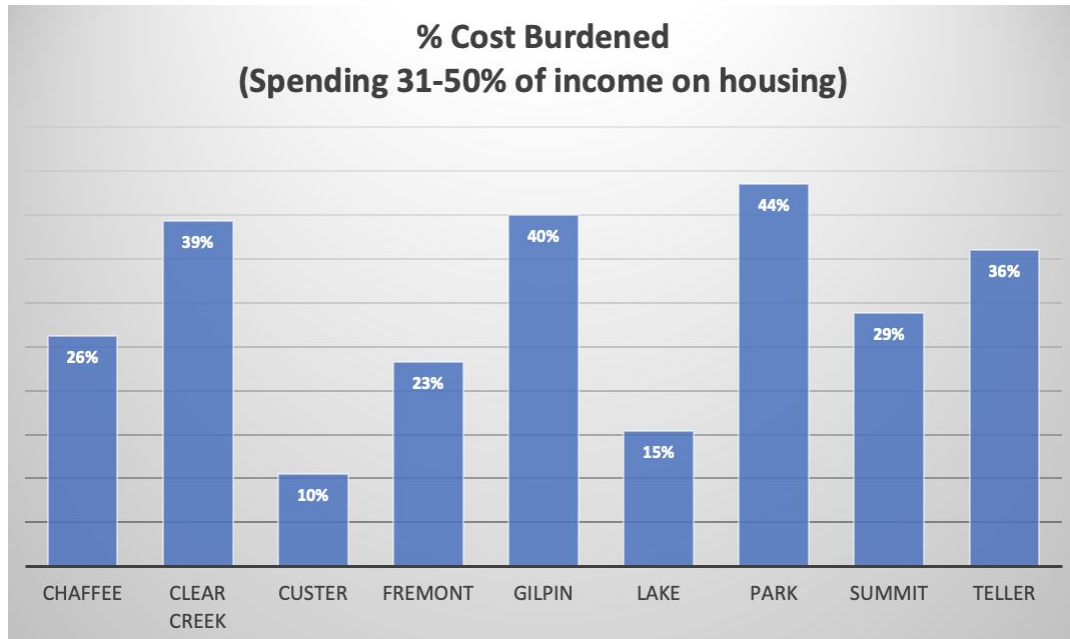
1 in 4 Coloradans
spends more than
50% of their income
on housing-related
costs.

113,000

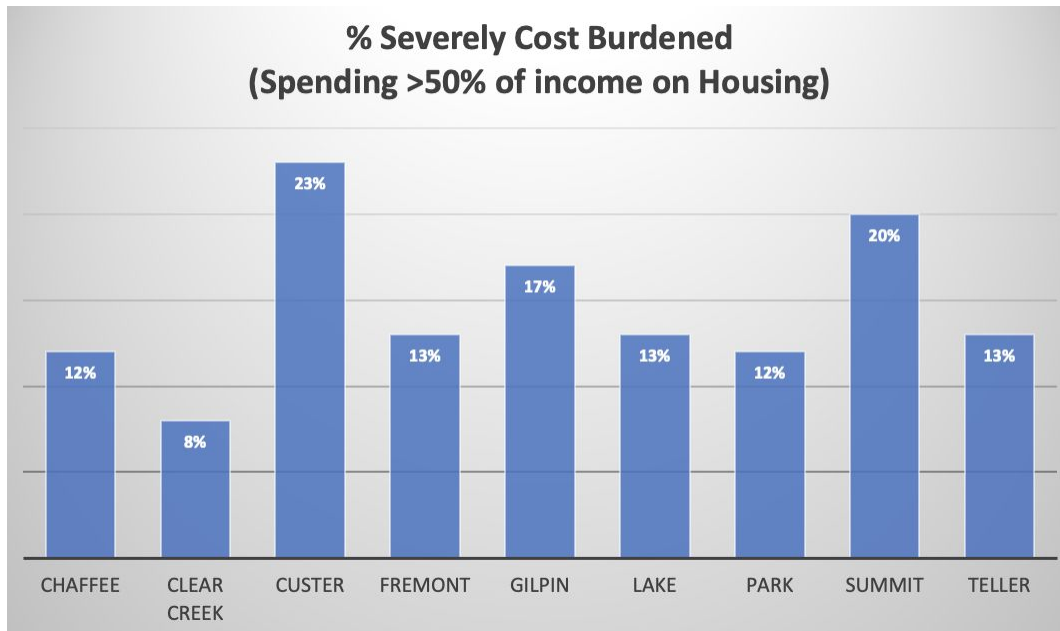
Shortage of affordable, available homes statewide



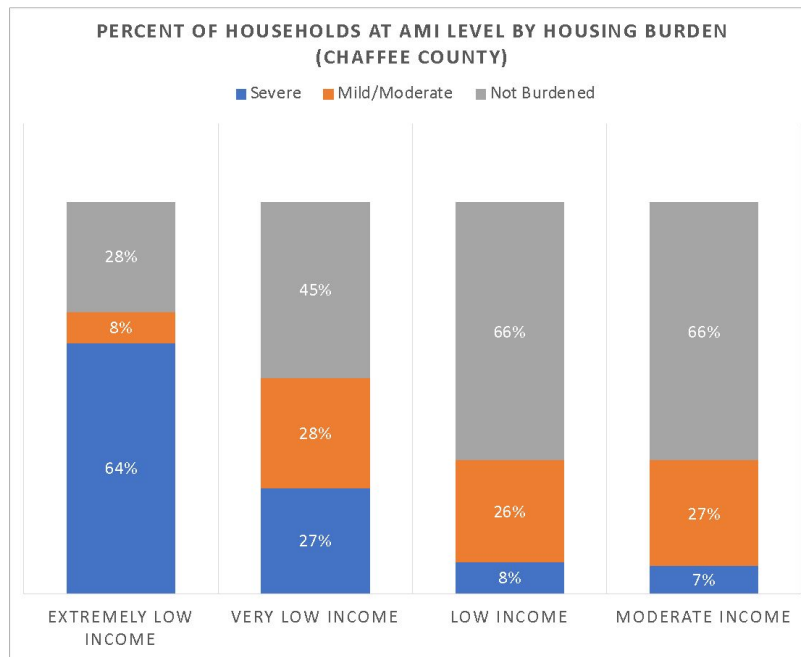
Cost Burden



Cost Burden



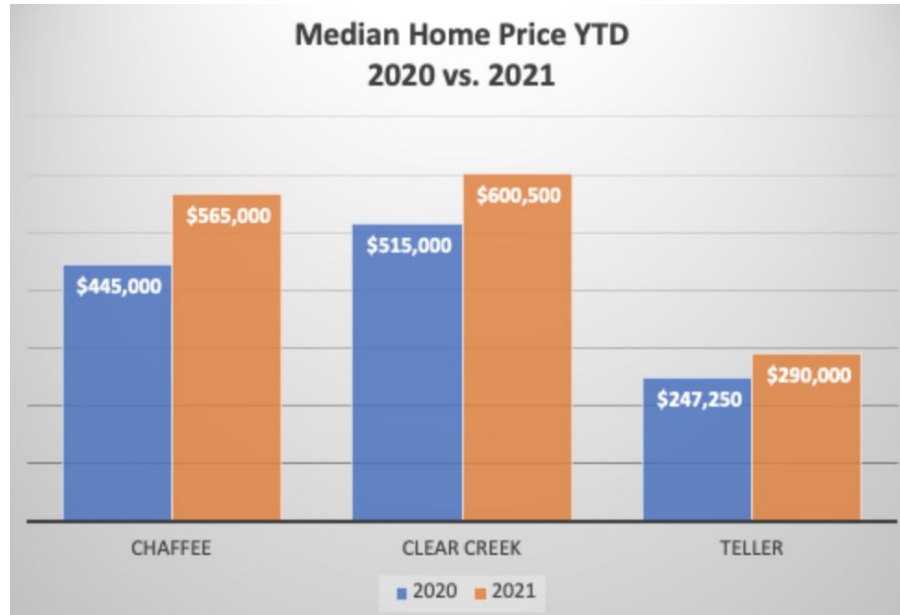
Cost Burden



Availability



Availability





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Authority (CHFA)



Division of Housing Federal and State Stimulus Funds

Andy Proctor
Housing Development Manager



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ARPA Recovery, What we Know

Affordable Housing and Home Ownership

\$500M for housing

- HB21-1329 appropriates \$98.5M to DOH immediately.
- \$1.5M Eviction Legal Defense Fund
- Interim task force to determine \$400M

\$305M additional Emergency Rental Assistance to continue ERAP

\$175M Homeowner Assistance Fund

1,023 Emergency Housing Vouchers

\$66M HOME ARP funds



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HB21-1329 - Initial ARPA Housing funds (\$98.5M)



Acquisition Fund

Up to \$35M available for property acquisition.

- Short term, low interest loans
- Eligible Properties
 - Land
 - Existing residential
 - Existing other use

Funds to be repaid with perm financing



Investment Funds

Up to \$70M available to invest in existing affordable housing funds.

DOH to loan capital into non-profits, CDFIs, traditional financial institutions, affordable housing investment funds.

DOH funds to leverage affordable housing financing already being undertaken by these partner funds.



LIHTC Supplemental Grants

Up to \$25M to grant alongside CHFA Round 1 (9%) LIHTC awards

- Intended to stretch the 9% LIHTC resource to more projects
- Awarded to projects as a grant
- Project/applicant still eligible for traditional DOH gap funding as needed
- Intended as an optional resource for LIHTC applicants



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2021 State Stimulus Bills

SB21-242



New Funding

Housing Development Grants Hotels Tenancy Support Program (\$30M).

Program Description

This program provides funds to DOLA to support the purchase of underutilized hotels/motels for affordable housing or to lease rooms in these properties for those in need of affordable housing, including individuals experiencing homelessness.

- Short term loans to quickly acquire property

- Low interest / no payments

- Acquisition loan will be paid off upon closing of perm financing

- Perm financing is eligible to use DOH gap funds

NOFA to be released September 2021.

New Funding

DOLA Innovative Affordable Housing Strategies (\$48M).

Program Description

Incentivize local governments to adopt land use policies which promote the creation of affordable housing.

Provide grants to local governments to create and make use of new land use policies which promote the creation of affordable housing.

Provide funding for local communities to go through a DOLA housing development toolkit to help them conceive of, plan for, construct and operate new housing.



HB21-1271

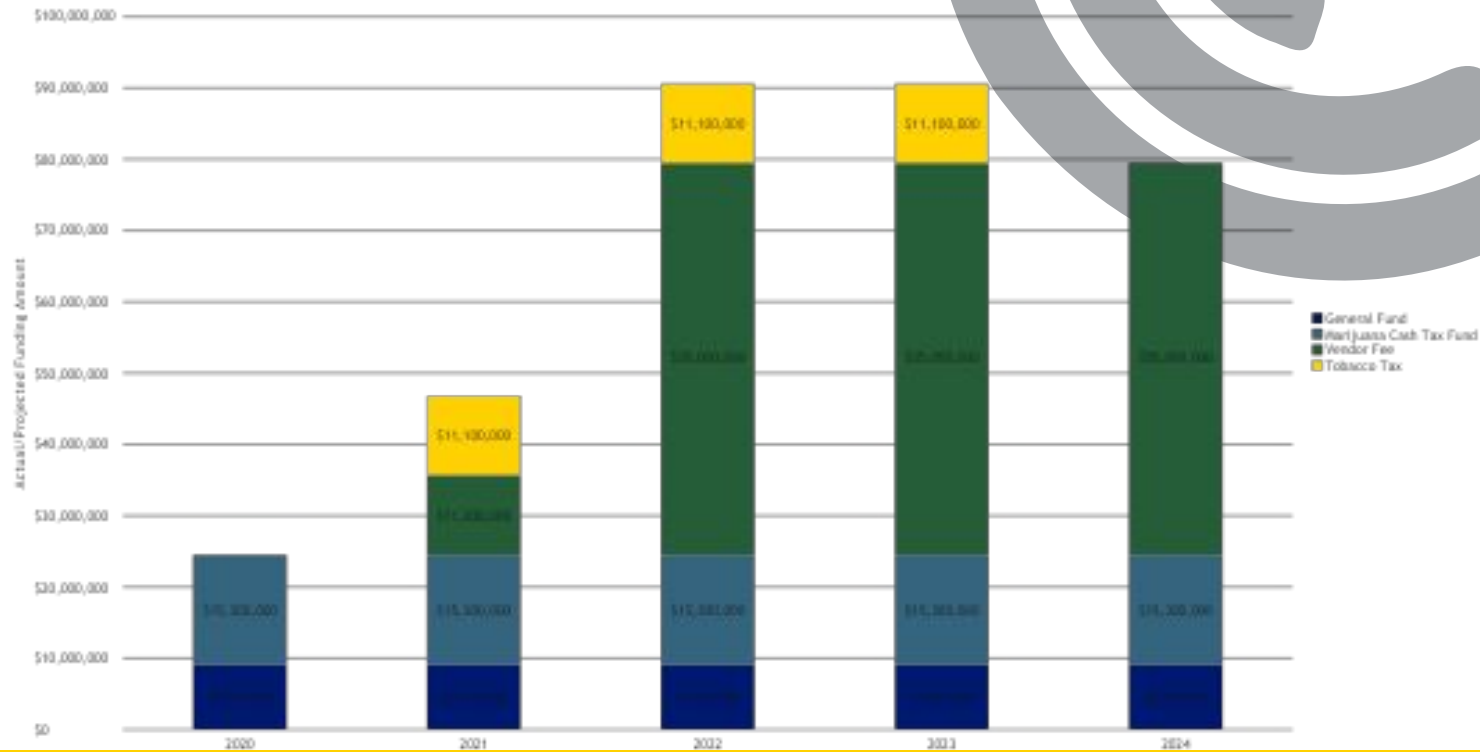


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Funding Availability - State Housing Funds

Housing Development Grant Funding by Source and Fiscal Year



Funding Availability - Federal Housing Pass Through Funds

Community Development Block Grant (CDBG): ~\$2.9MM

HOME: \$6.6MM

Housing Trust Fund (HTF): \$10.0MM



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HUD Funding Sources (FHA Mortgage Insurance) *(https://www.hud.gov/program_offices/housing/mfh/progdesc)*

Rental Housing / Manufactured Home
Communities - Section 207

Rental New Construction or Sub. Rehab -
221(d)(4)

Purchase or Refi Existing Multifamily -
207/223(f)

Refi Existing MF - 223(a)(7)

Housing Finance Risk-Share - 542(c),
allocated through CHFA

Section 202 Elderly (direct HUD
allocation)

Section 811 S.H. for Persons with
Disabilities (capital funds through HUD,
rental assistance through approved
States)



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USDA Rural Development “RD” Funding for Housing

Section 538 - M.F. Guaranteed Rural Rental Housing (no applications in CO 2018-2021. Really requires LIHTC)

Section 514 - Farm Labor and Migrant or Seasonal Farm Laborers (application is open through 11/1/21)

Much of what RD does in Colorado includes:

Homeownership loans

Rental Assistance (“RA”)

Current Fed budget includes
\$500K in additional RA funding
~3,000 households in CO
receive RA from USDA



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Housing Recovery Office

*Oversee Emergency Rental Assistance
and Homeowner Assistance Funds*

Welcome Office Director, Sarah Buss

Watch for additional position
announcements:

Program Managers for Rental and
Homeownership

Budget Analysts

Program Assistants



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Evolution of Renter Relief Programs



Emergency Housing Assistance Program (EHAP)

- Ran from April 2020 through March 2021
- Served renters and homeowners
- Tenants applied for assistance
- Households must have earned less than 80-100% AMI, experienced financial hardship due to the economic disruption caused by COVID-19.



Property Owner Preservation Program (POP)

- Ran from August 2020 through February 2021
- Served renters
- Rental Property owners and mobile home parks apply directly online to DOH
- Program-specific HAP contract executed to receive payment in arrears
- Residents must attest to financial hardship



Emergency Rental Assistance Program (ERAP)

- Runs from March 2021 through 2024
- Serves renters
- Owners, managers, and tenants may all apply
- Can also fund housing stability services
- Households up to 80% AMI



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Andy Proctor
Housing Development Manager

andy.proctor@state.co.us

720-672-2138

www.colorado.gov/dola

<https://cdola.colorado.gov/housing-covid19>



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HB21-1271

DOLA Innovative Affordable Housing Strategies

2021 Rural Philanthropy Days - Heart of Colorado Housing Forum
September 21, 2021

Intent of Legislation

- Provide incentives to municipalities and counties to remove land use regulatory and development review process barriers and to add local incentives to developing affordable housing
- Provide funding and resources to local governments (planning work) to remove these barriers and add local incentives so they qualify for Incentives Grants

3 DOLA Programs Created by the Bill

1. Housing Toolkit (\$1.6M total)

- Cohort training and technical assistance program (led by Division of Housing)

2. Planning Grants (\$6.8M to award)

- Fund the planning work to qualify for Incentives Grants
- DOLA will update model land use codes for municipalities and counties

3. Housing Development Incentives Grants (\$37.7M to award)

- To qualify, applicants must have adopted at least 3 qualifying strategies

All funds must be spent by June 30, 2024

Qualifying Strategies Listed in the Bill

- Use of vacant publicly-owned property for aff. housing development
- Subsidize/reduce local government fees
- Expedited dev. review for aff. housing up to 120% AMI
- Expedited dev. review for acquiring or repurposing underutilized commercial property
- Density bonus program for housing needs
- Promote submetering utility charges for aff. housing
- Dedicated funding source to subsidize aff. housing infrastructure costs and fees
- Middle multifamily (duplex, triplex, other) use by right in SF residential zoning districts
- Aff. housing use by right
- ADU use by right in SF zoning districts
- Allow planned unit developments (PUDs) w/ integrated aff. housing units
- Allow small square footage residential unit sizes
- Lessened minimum parking requirements for new aff. housing
- Land donation/acquisition/banking program
- Other novel, innovative, creative approaches → *DOLA has the option to consider additional strategies*

Planning Grant Program Overview

- Eligible entities include municipalities and counties
- Awards cannot be made directly to housing authorities or COGs (but municipalities or counties can and should partner)
- ~\$6.8 million to award
- No set award max; expect most awards to be \$50,000-\$200,000
- 25% local cash match with flexibility for reduction with economic hardship (talk to your DOLA Regional Manager about reduced match). Local match can include financial commitment from partners.
- Planning Grant awards cannot cover admin expenses (e.g., existing staff time)

Planning Grant Program Eligible Projects

- Funds planning work *to help communities qualify* for Incentives Grants
- You do not need to intend to apply for an Incentives Grant to be competitive for a Planning Grant
- Can also fund analyses/studies (e.g., housing needs assessments, property inventories) *if paired* with implementation strategy development from the qualifying list
- DOLA expects to see (and fund) inclusive and equitable public engagement
- DOLA also wants to ensure strategies adopted consider and address equity impacts on marginalized and vulnerable populations; Planning Grant awards can fund engagement work and equity assessments

Planning Grant Program Timeline & Update

- First round of review for projects submitted by September 20
- Rolling grant cycles (approx. monthly) until funds are depleted
- # of funding rounds will be determined by how many apps are in each round
- First come, first served but applications must be competitive
- All funds must be spent before June 30, 2024. If applicants wish to apply for an Incentives Grant, work should be completed/communities need to qualify by next fall (2022).



Incentives Grant Program Overview

- \$37.7M for grants to a muni/county to gap fund an affordable housing development or to otherwise support affordable housing implementation
- To qualify, applicants must have adopted at least 3 qualifying strategies from the menu of options in the statute.
 - *Don't have 3 strategies? Apply to the Planning Grant Program!*
- Suggested award max of \$3M; expect most awards to be \$500,000-\$1M
- 20% cash match required (no in-kind; leverage partner funds; reduction or waiver possible for economic hardship- consult Regional Manager)
- “Affordable” defined as up to 80% AMI (rental) or 140% (ownership)

Incentives Grant Program Eligible Projects

- Gap fund an affordable housing development
- Seed fund programs (e.g., land banking, land trust, trust fund)
- Land acquisition
- Administrative costs are allowed (typically up to 15%)
- Pre-development costs may be eligible in the main funding round (2022), if pre-approved by DOLA
- Off-site improvements are allowed (with pre-approval). DOLA expects a maximum of 50% of the total award for this purpose, particularly to address equity concerns.
- Equitable and inclusive outreach and engagement expected (and eligible)

Incentives Grant Eligible Projects & Elements



Incentives Grant - Competitive Projects

- Geographic and housing type diversity
 - Readiness
 - Capacity
 - Impact
 - Sustained support
 - Implement best practices
 - Community benefits (e.g., childcare, energy efficiency, health outcomes, etc)
 - Sustainable development pattern
 - Equity, diversity & inclusion
 - *Rehabilitating vacant commercial/industrial building in a core area
 - *Higher energy efficiency than locally required
 - *Ensure longer term affordability (e.g., deed restricted more than 30y)
- *Extra points may be earned if an applicant can show the project addresses the above*

Incentives Grant Program Timeline

- Program guidelines posted online
- Planning a small, highly competitive round this year (3-5 model projects; for communities who already have adopted at least 3 qualifying strategies)
 - LOI due November 1
- Remaining funds available in the fall of 2022

Google “DOLA 1271” or visit
<https://cdola.colorado.gov/1271>

Key Takeaways

- Evaluate whether you need to apply for a Planning Grant
 - How many qualifying strategies are already adopted?
 - Is your housing needs assessment up to date enough to direct your efforts?
- Local govts: Start talking now with your housing community about potential Incentives Grant Program projects
- Think about how you will create an inclusive and equitable public engagement process and will ensure strategies adopted consider and address equity
 - Both Planning Grant Program and Incentives Grant Program can fund community engagement work
- Think timing (fast-paced process; code updates take time)

Thank You!

Andy Hill, Community Development Office Director

staff contacts: Christy Wiseman, Land Use & Water Planner (Planning Grants)

KC McFerson, Senior Planner (Incentives Grants)

**Community Development Office
Division of Local Government
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