



HOUSING AND BUILDING ASSOCIATION COLORADO SPRINGS

*IRV HALTER, EXECUTIVE DIRECTOR
DEPARTMENT OF LOCAL AFFAIRS*

JUNE 29, 2018



COLORADO
Department of Local Affairs



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Vision Statement

Empowered, thriving, resilient Colorado communities with safe and secure homes for all.



BIG PICTURE

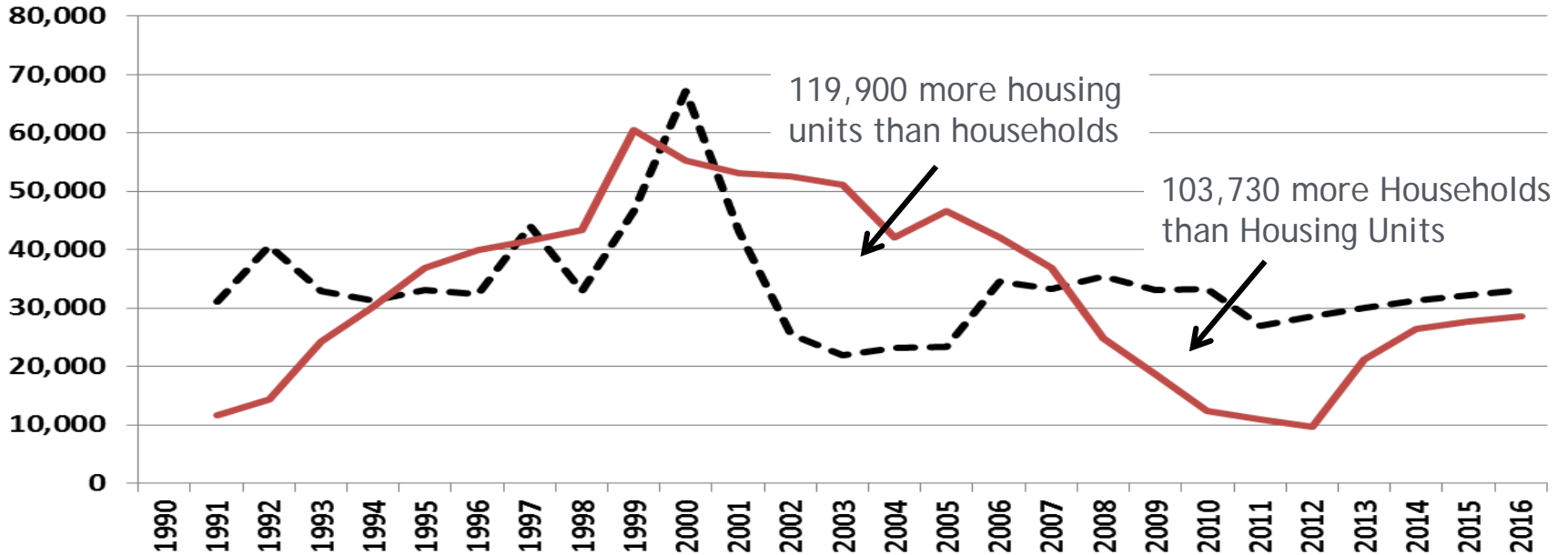
- United States Population 2017: 325.7 million
- Colorado 2017 (US Census): 5,607,154
- Ninth fastest growth: 1.4%
- Eighth largest growth: 77,049



Housing Unit and Household Growth

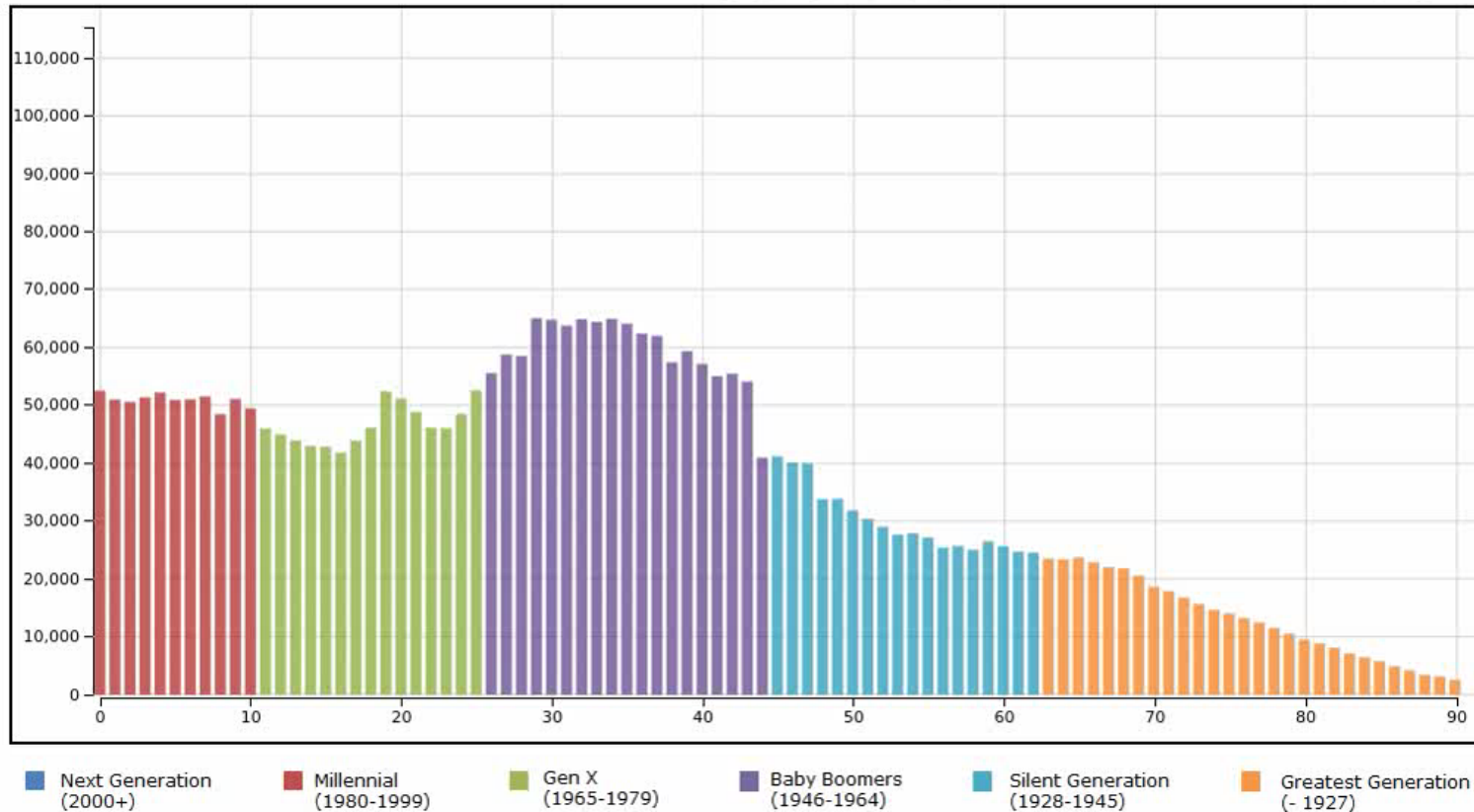
Source: State Demography Office

--- Household Growth — Housing Unit Growth



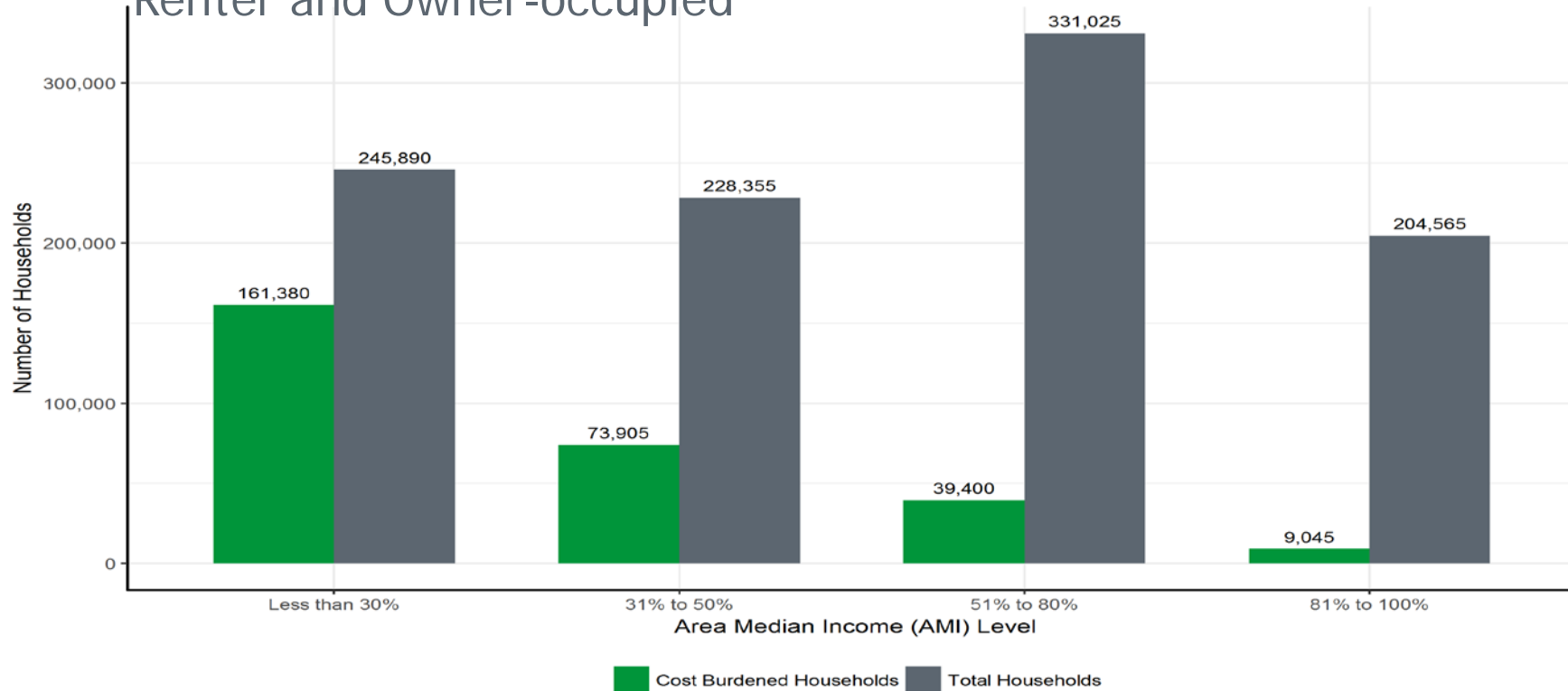
Colorado

1990



Colorado Severe Cost Burdened Households

Renter and Owner-occupied



Note: Severe cost burdened households spend 50% of income or more on housing.

Source: HUD CHAS data, based on 2010-2014 ACS



Statewide Housing Needs

Affordable Housing for Very Low Income

- 161,380 very low income households pay >50% of their income on housing
 - ❖ *Includes working poor, persons with disabilities and aging adults*

Permanent Supportive Housing for Homeless

- Over 10,000 homeless people in Colorado

Repairs for aging housing stock

- Rural areas limited by dilapidated housing

Attainable Homeownership Options

- Provide housing mobility for working families
- Relieve pressure on tight rental markets



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*ALISON GEORGE, DIRECTOR
DIVISION OF HOUSING, DOLA*

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DOH OVERVIEW

- **Who We Are**

- DOH created by statute in 1970 to improve the access of all Coloradoans to decent, affordable housing

- **What We Do**

- Gap Financing
- **Statewide Housing Authority (Federal and State Programs)**
- Codes and Manufactured Housing

- **Where We Do It**

- Statewide
- Staff in Denver + Four Scattered Site Locations

DOH - 2017 IN REVIEW

- DOH served 32,527 households
- Fostered the creation of 3,561 new affordable housing opportunities
- 83% of vouchers serve people with disabilities



FUNDING SOURCES

GRANT & LOAN PROGRAMS



DOH assists developers and local governments in creating more affordable housing through gap funding for acquisition, rehabilitation and new construction projects.

Community Development Block Grant (CDBG)

Home Investment Partnerships Program (HOME)

National Housing Trust Fund (HTF)

Neighborhood Stabilization Program (NSP)

Colorado Housing Investment Fund (CHIF)

Homeless Solutions Program (HSP)

Housing Development Grant Funds (HDG)

Housing Development Loan Fund (HDLF)



FUNDING SOURCES

RENTAL ASSISTANCE PROGRAMS



DOH works with community partners to serve vulnerable populations throughout the State.

Housing Choice Vouchers (HCV)

- Veterans Affairs Supportive Housing (VASH)
- Family Unification Program (FUP)
- Family Self Sufficiency Program (FSS)

Housing Opportunities for Persons with AIDS (HOPWA)

Permanent Supportive Housing (PSH)

State Housing Vouchers (SHV)

- Mental Health (MH)
- CO Choice Transitions (CCT)
- Homeless Solutions Program

Section 811

HOME TBRA Program



Investing in Colorado

Two key strategies:

1. **Social Savers:** *helping tax payers by helping those in need*
2. **Communities with Greatest Needs:** *responding to market demands and condition of housing stock*



Social Savers

Housing for Colorado's Homeless

Public Cost through jails, emergency rooms and detox

- ✓ *Possible cost avoidance \$31,545 to \$40,474 /person/year*
- ✓ *Key target populations: Veterans, Coloradans coming from institutions, homeless youth - particularly aging out of foster care.*

Housing Modifications: Keep Seniors and Disabled Home

Class 1 nursing home cost approx. \$70,000

- ✓ *Possible savings of \$33,631 to house person in community*



DOH Homeless Programs

Providing leadership on homelessness and housing in partnership with local, state and federal stakeholders to build, promote and support collaborative approaches connecting housing and services for Coloradans in most need.

State Housing
Voucher
(SHV)

C-SHARP

Fort Lyon

PSH (S+C)
Vouchers

VASH

FUP &
OHYS

ESG &
HPAP

TBRA Next
Step

HOPWA



STRENGTHENING COLORADO'S CONTINUUM OF HOUSING INTERVENTIONS

\$15.3 million from the Marijuana Tax Cash Fund now known as the **Homeless Solutions Program**, was added to DOLA/DOH's budget to provide permanent supportive housing and rapid re-housing assistance for individuals with behavioral health needs, and/or for people experiencing or at-risk of homelessness.



1ST YEAR HSP OUTCOMES

- 19 Developments across Colorado awarded: Chaffee, La Plata, Montrose, El Paso, Mesa, Denver, Jefferson, Adams, Alamosa, Larimer, Montezuma and Boulder counties.
- 322 State Housing Vouchers (HSP-SHV)
- Additional Projects: Rapid Re-Housing for Reentry, Services LEAN effort, PSH Toolkit, Housing Navigation, Statewide homeless data system & FUP-Youth Deposits
- Projected Cost Avoidance: \$27 million annually

SPENDING

\$15,356,156
SFY18 fully
obligated



HOME MOD: COST COMPARISON

Individual Living in a Class 1 Nursing Home
Versus an Individual Living in the Community

Annual Total Cost of Class 1 Nursing Care per FTE (per client/year, with SSI)	\$69,809
Total Cost of Living in the Community (housing subsidy, health care, in home services, food stamps & SSI)	\$36,177

Average Annual Cost Avoided by Moving an Individual into the Community	\$33,631
Savings percentage for moving an individual into the community	48%

Health Care Policy and Financing - 2016



Communities with Greatest Needs

Rural Communities with Vacant/Boarded Up Homes

- Central mountains and eastern Colorado are challenged to keep/attract residents due to aging dilapidated housing

>80,000 Manufactured Housing Units in Colorado

- Park conditions vary significantly
- Aging housing stock

Tight Rental Markets and Gentrifying Communities

- Population growth
- Statewide rental rates at historic highs
- Vacancy rates at historic lows



Acquisition/Rehab/Demo

Monte Vista, CO

Town of 4,300 people
114 vacant, dilapidated homes

Pilot Program
CDBG investment: \$625,000



Manufactured Housing

DOH Owner Repair Program Expanded for MHUs

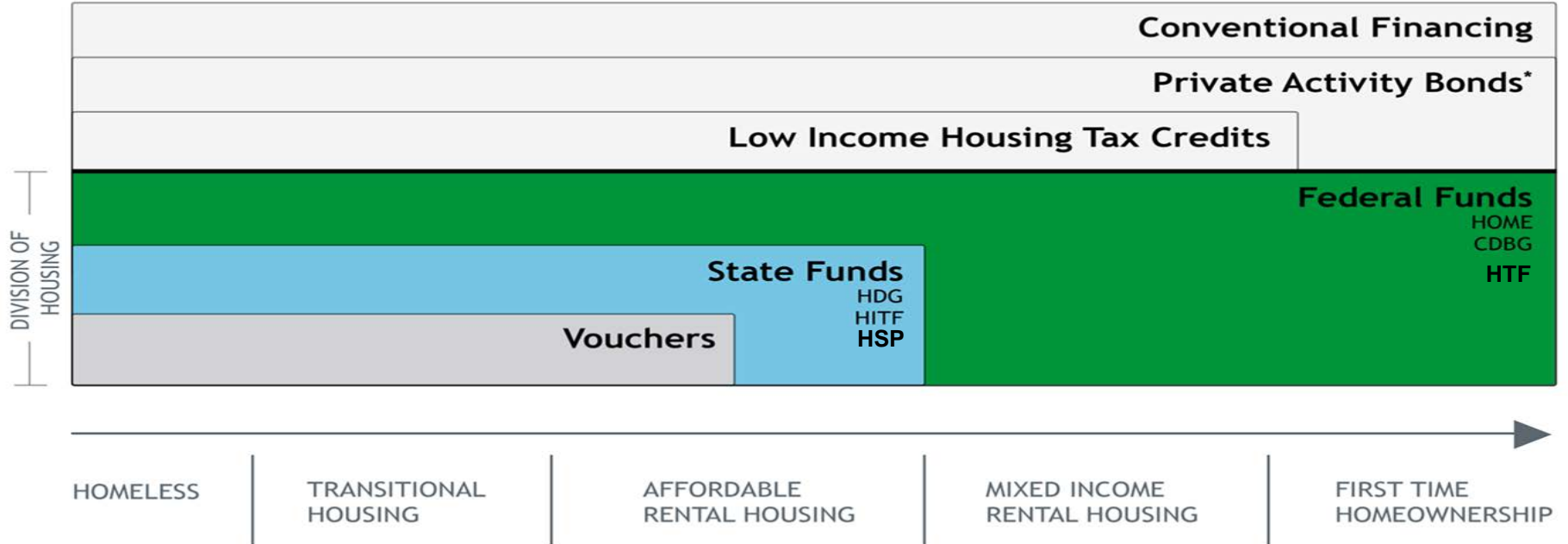
- Pilot program in Larimer County

New InspectThis! Online application: plan review and inspections

- Credit card payments available online
- Streamlines payment and inspection timelines
- Provides consistent communication tool for stakeholders



Funding sources along Colorado's Housing Development Continuum



*Division of Housing allocates Private Activity Bonds to local governments and statewide authorities.





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HOUSING & BUILDING
ASSOCIATION
OF COLORADO SPRINGS

June 29, 2018

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*financing the places where
people live and work*

about CHFA

- CHFA was established in 1973 by the Colorado General Assembly.
- Not a state agency. No direct appropriations.
- CHFA received authority to do commercial loans in 1982.
- To date, approximately \$17 billion has been raised and invested in Colorado.



mission

We strengthen Colorado by investing in affordable housing and community development.



vision

Everyone in Colorado will have the opportunity for housing stability and economic prosperity.



CHFA's work since 1973

as of 12.31.2017

- \$13 billion in home finance production with 103,041 customers served with loans or MCCs
- \$2.4 billion in multifamily loan production, with 902 developments consisting of 62,493 units in portfolio
- 61,275 affordable multifamily units allocated Low Income Housing Tax Credits, totaling \$281.1 million
- \$1.2 billion invested in business lending serving 5,037 businesses and directly supporting 63,296 jobs



CHFA's work since 1973 in El Paso County/Colorado Springs

as of 12.31.2017

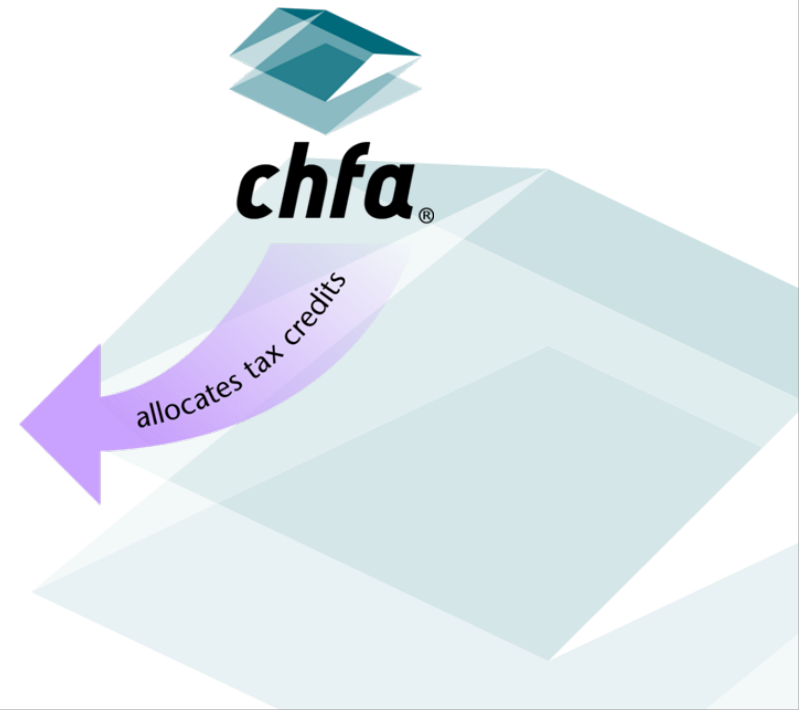
- \$2 billion in home finance production with 15,365 customers served with loans or MCCs. \$37.4 million in down payment assistance
- \$44.2 million in multifamily loan production, with 13 developments consisting of 1,015 units in portfolio
- 3,528 affordable multifamily units allocated Low Income Housing Tax Credits, totaling \$21 million,
- \$43 million invested in business lending serving 239 businesses and directly supporting 3,068 jobs



rental housing



supporting affordable rental housing: State and Federal Tax Credit Programs



innovative approaches

- Income averaging, extension of state AHTC
- Dedicated sales tax – for housing
- Land lease/donation
- Smaller developments/new sources
- Working with social impact investors
 - Peña Station

example area projects

Hatler-May Village



example area projects

Freedom Springs



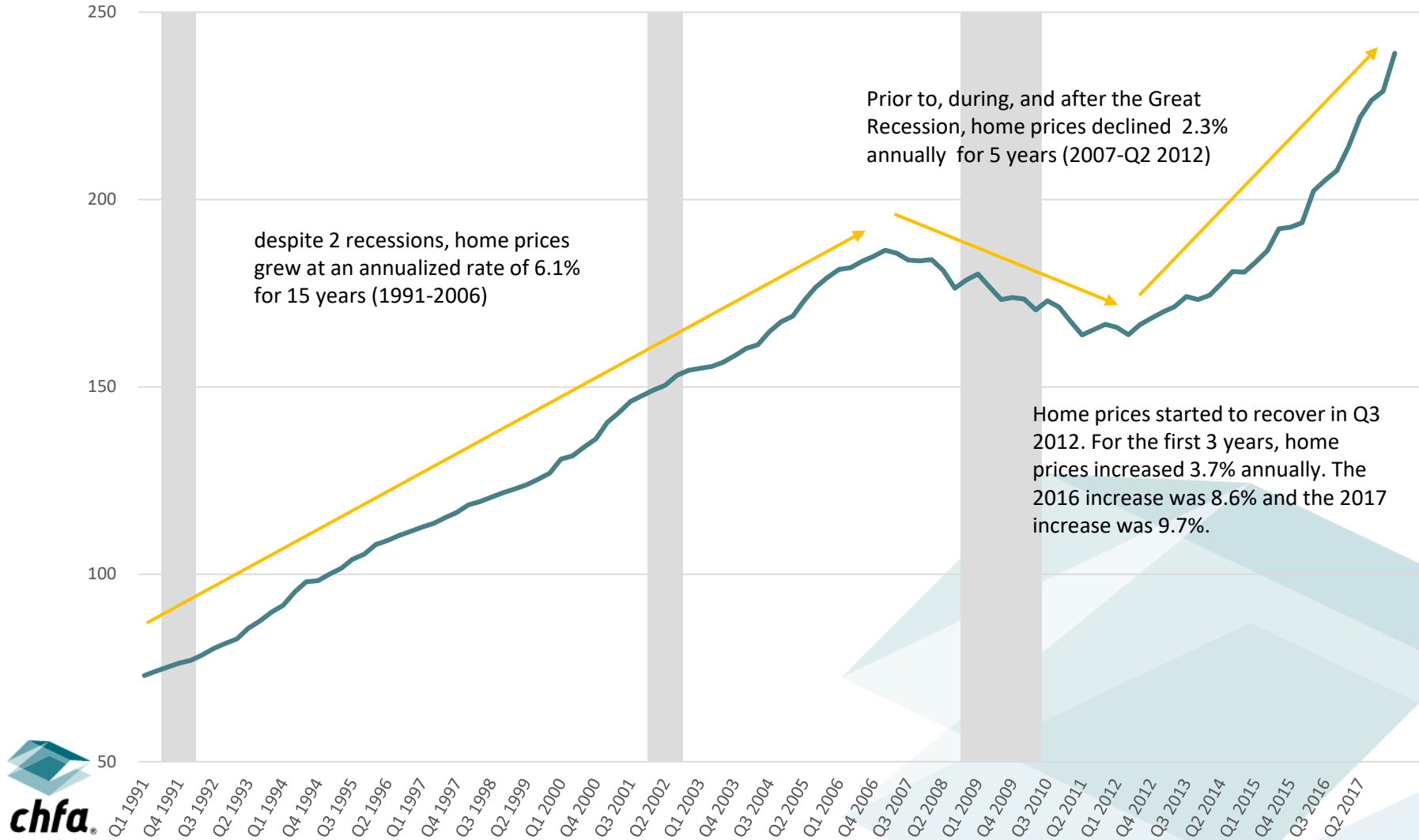
Conceptual rendering courtesy of Vecino Group

single-family housing



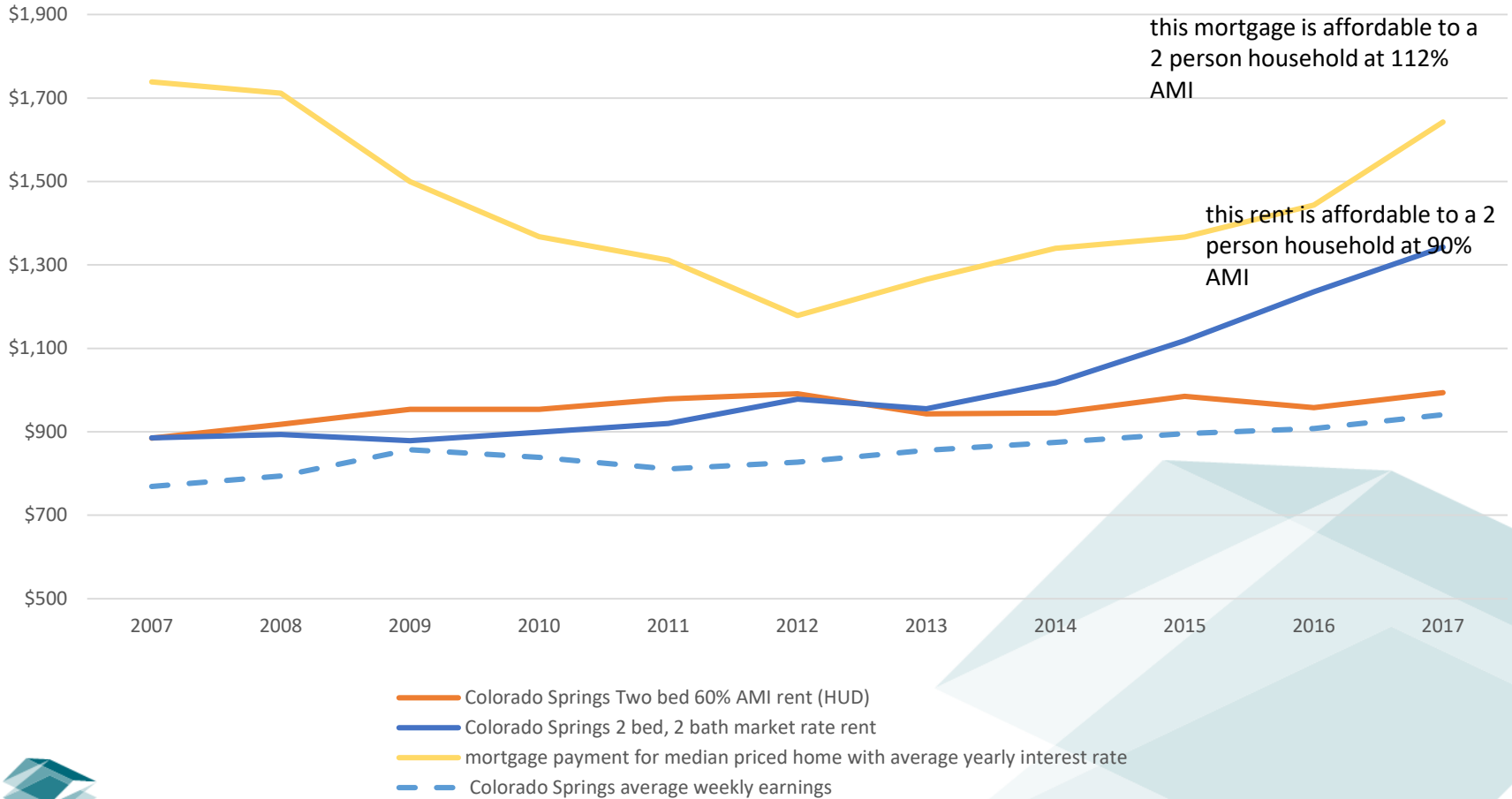
affording a home

Colorado Springs Home Price Index (Federal Housing Finance Agency)



affording a home

Colorado Springs mortgage, rent, and weekly earnings 2007-2017



what CHFA offers

- Homebuyer education
- Down payment assistance
 - 5% second mortgage
 - 4% grant
- Home loans
 - 620 credit score requirement
 - 30-year fixed rate, fully underwritten

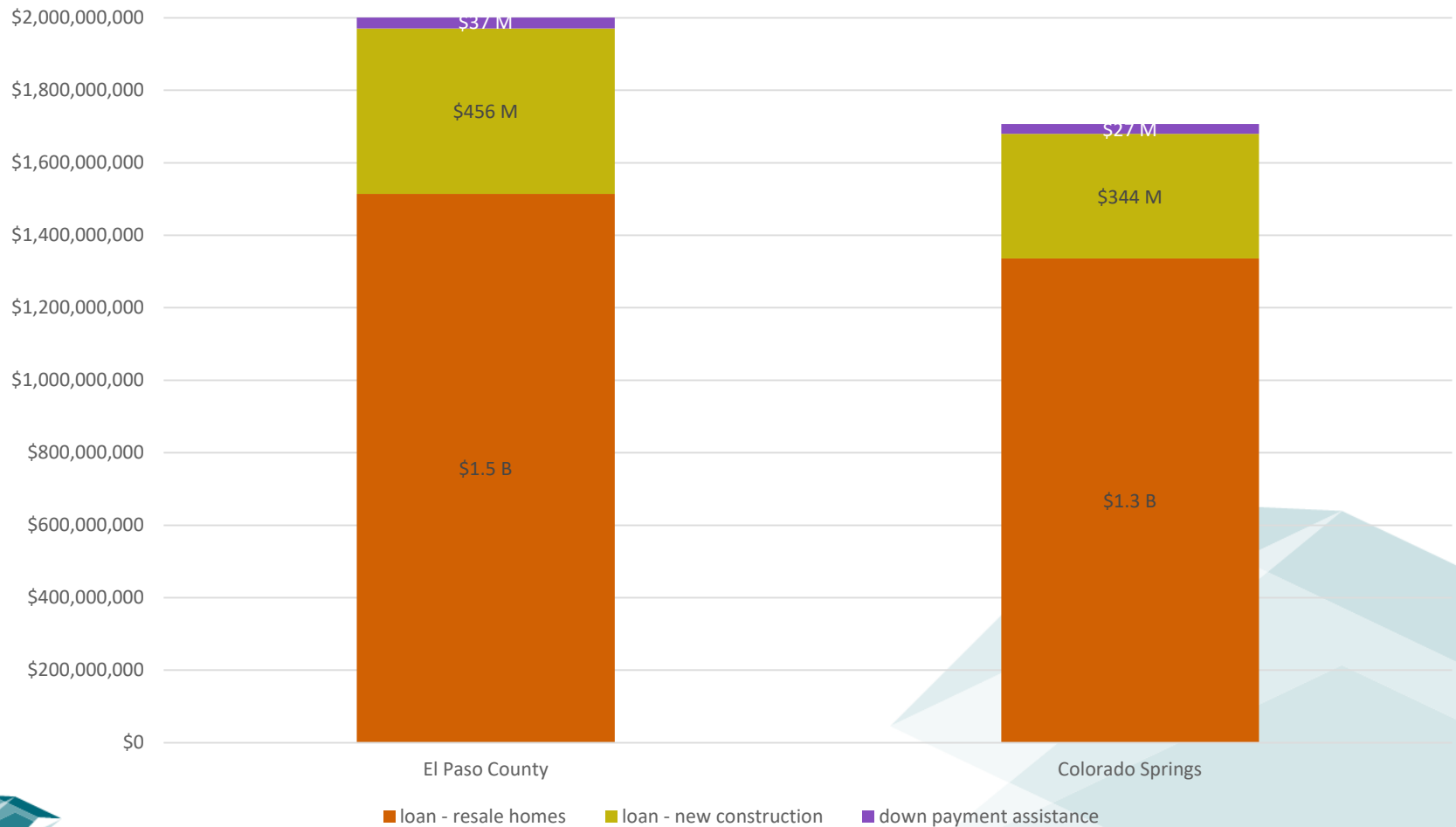


CHFA homeowners: The Harnicks, Fountain, CO

colorado springs focus group

- 100% of non-homeowners expressed wanting to buy a home in the near future (in 1-5 years)
- Owning versus renting was more appealing to non-homeowners and current homeowners were pleased with equity
- Participants were not familiar with homebuyer education opportunities
- Down payment a barrier to buying, and there are misconceptions about eligibility and program requirements
 - Student loan and other debt also a barrier

CHFA's investment: single-family production



CHFA's customers: 2018 single-family borrower

- 90% are first-time homebuyers
- 79% purchase single family detached homes
- 49% are adults with children; 29% are adults without children; 14% are one-person households; 8% are single parents
- 65% of our households have a millennial borrower or co-borrower
- median income = \$77,890
- median loan amount = \$306,972



innovative approaches

- Leveraging down payment assistance
- Land donation/teacher housing
- Manufactured housing investments
- Accessory Dwelling Units (ADUs)



Thank you!



HBA Workforce Housing Finance Panel



**EL PASO COUNTY AND EL
PASO COUNTY HOUSING
AUTHORITY**

El Paso County Housing Authority



- Established by El Paso County in 1993
- Mission: address housing issues of low- and moderate-income residents of El Paso County
- Role:
 - Administer Housing Trust Fund
 - Advise Board of County Commissioners on housing bond issuance

El Paso County Housing Authority



- **Housing Trust Fund**
 - Loans
 - Direct purchase of housing services
 - Turnkey Program - down payment assistance grants
- **Advisory Capacity**
 - Utilization of private activity bond volume cap
 - Delegations to others

El Paso County



- **Mortgage Credit Certificate Program**
 - Federal income tax credit for first-time homebuyers
- **Multifamily Revenue Bonds**
 - Funds loan for affordable development – NO COUNTY OBLIGATION
- **Enterprise Zone – Contribution Projects**
 - State income tax credits for donations to approved workforce housing project

Contact Information



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