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COLORADO

Department of Local Affairs

Division of Housing

Stakeholder Engagement

Engaging Stakeholders on Affordable Housing
Policy in Colorado

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Colorado is a thriving and beautiful state. The secret is out. Demand for housing has continued through down cycles and skyrocketed in up cycles. Despite our income and economic gains, Colorado is experiencing a lack of affordable housing at critical levels. More than 270,000 low-income households pay more than 50% of their income for housing. These are our school teachers, police officers, and baristas, the elderly, and people with disabilities.

2019 was a historic legislative session for affordable housing in Colorado. With the passage of bills diverting funds from Vendor Fees and Unclaimed Assets to the housing needs of Coloradans, the Department of Local Affairs, Division of Housing (DOH), may receive over \$7 million in additional funding for state fiscal years 2020 and 2021, and then starting in July 2021, up to \$77 million more per year for three years to address the state's housing shortage. (It is important to note that distributions may be impacted by TABOR caps.)

To plan for these new resources, DOH engaged with stakeholders statewide through listening and dialogue with more than 860 stakeholders from 54 of Colorado's 64 counties. Regional needs were discussed together with creative financing ideas. The commitment and passion for solutions from Coloradans was humbling.

The Division of Housing (DOH) prepared the following report to share the voices of these participants. As you read this summary document, you will gain a greater regional understanding of Colorado's housing needs, the key concerns of stakeholders and the ideas Coloradans have for moving forward. This information will be used in tandem with housing data analyzed in the coming months to identify how the potential growth of existing resources and the creation of new financing programs may best support Coloradans and their housing needs.

A special thanks to Dana Parke, a graduate student at the University of Denver, for tackling the abundance of information and ideas provided by stakeholders to form this document, to our partners at Housing Colorado and the Colorado Housing and Finance Authority for helping to lead the stakeholder engagement statewide, and thanks to all of DOH's staff in making the engagement meetings a success.

With gratitude,

Alison George
Director



2019 was a historic legislative session for affordable housing in Colorado. With the passage of HB19-1245 and HB19-1322, the Department of Local Affairs, Division of Housing (DOH), will receive over \$7 million in additional funding for state fiscal years 2020 and 2021, and then starting in July 2021, up to \$77 million more per year for three years to address the state's housing shortage.

HB19-1322 added a requirement for stakeholder engagement to help determine how best to utilize this money. Thus, DOH has conducted Outreach & Engagement events across Colorado in collaboration with Housing Colorado and the Colorado Housing and Finance Authority (in Denver, Durango, Fort Collins, Frisco, Grand Junction, and Pueblo), along with smaller events in Bent County, Gunnison, Keystone, Limon, and Ouray. DOH has also received detailed stakeholder input via an online survey.

DOH reached a total of 868 stakeholders in this process, representing numerous constituents. Stakeholders hailed from 54 of Colorado's 64 counties, covering a wide range of urban and rural perspectives. They also represented a variety of organizations, including local governments, non-profits, developers, housing authorities, healthcare, organizations serving vulnerable populations, individuals, and individuals with lived experience.

The following report discusses the key themes and potential solutions heard from stakeholders. Direct quotes from stakeholders are utilized as illustrative examples of sentiments expressed by numerous people. Not all of these findings will fall under the purview of DOH; however, this data helps tell “the story of housing” as seen by Coloradans across our state.

This map displays the distribution of events across Colorado's counties. The color of each county represents the number of events, with a legend on the right indicating the following ranges: 1 (lightest yellow), 2-5 (light green), 6-20 (medium green), 21-50 (dark green), 51+ (darkest green), and 0 (grey). Red stars indicate the location of major events, and blue stars indicate the location of small events. Major events are concentrated in Larimer, Clear Creek, and Pueblo counties. Small events are located in Summit, Lincoln, Gunnison, Ouray, and Bent counties. The map also shows the names of all Colorado counties.

County	Number of Events	Major Events	Small Events
Adams	6-20	0	0
Alamosa	21-50	0	0
Arapahoe	6-20	0	0
Archuleta	21-50	0	0
Baca	0	0	0
Bent	21-50	0	1
Boulder	6-20	0	0
Broomfield	21-50	0	0
Chaffee	21-50	0	0
Cherokee	21-50	0	0
Cheyenne	21-50	0	0
Citrus	21-50	0	0
Clear Creek	51+	1	0
Clear Fork	21-50	0	0
Conejos	21-50	0	0
Costilla	21-50	0	0
Crowley	21-50	0	0
Custer	21-50	0	0
Delta	21-50	0	0
Dolores	21-50	0	0
Douglas	21-50	0	0
Durango	21-50	0	0
Eagle	21-50	0	0
El Paso	21-50	0	0
Elbert	21-50	0	0
Fremont	21-50	0	0
Gunnison	21-50	0	1
Hinsdale	21-50	0	0
Huerfano	21-50	0	0
Itasca	21-50	0	0
Jackson	21-50	0	0
Jefferson	21-50	0	0
Kit Carson	21-50	0	0
Kiowa	21-50	0	0
Kranz	21-50	0	0
Larimer	51+	1	0
Las Animas	21-50	0	0
La Plata	21-50	1	0
Lincoln	21-50	0	1
Logan	21-50	0	0
Montezuma	21-50	0	0
Montrose	21-50	0	0
Morgan	21-50	0	0
Moffat	21-50	0	0
Ouray	21-50	0	1
Park	21-50	0	0
Pitkin	21-50	0	0
Prowers	21-50	0	0
Pueblo	51+	1	0
Rio Grande	21-50	0	0
Rio Blanco	21-50	0	0
Routt	21-50	0	0
Saguache	21-50	0	0
San Juan	21-50	0	0
San Miguel	21-50	0	0
Sedgwick	21-50	0	0
Summit	21-50	0	1
Teller	21-50	0	0
Tierra	21-50	0	0
Weld	21-50	0	0
Washington	21-50	0	0
Yuma	21-50	0	0

Note: The data in this map represent unique stakeholders who attended the following 2019 Outreach & Engagement events: Denver (Day 1 & 2); Durango; Fort Collins; Grand Junction; Pueblo; and Summit County - plus those who attended smaller events held in Bent County, Limon, and Ouray - as well as survey respondents.



Key Themes

Overall Situation

Stakeholders were extremely vocal on the overall housing situation in Colorado, with many referring to it as a “crisis.” In general, there is a housing shortage, with very limited housing stock across the state, and much of existing housing stock is aging or otherwise of poor quality, especially mobile homes. Stakeholders were also vocal that the price of housing has “skyrocketed” and is “astronomical.” The high costs of land, labor, and construction materials makes new development very difficult, especially in remote rural regions where contractors are far away and developing infrastructure is costly. Stakeholders demonstrated need for a diverse housing stock - including single family, multifamily, town home, duplex, 4-plex, supportive housing, accessory dwelling units, and more. As one stakeholder shared, “We need it all.” Numerous stakeholders also expressed that housing needs cover a wide spectrum of individuals - from those experiencing homeless to households at 200% of the Area Median Income (or AMI; the median income for a household of 3 ranges from roughly \$50,000 to \$100,000 depending upon the county of residency). Finally, many stakeholders discussed that limited staff capacity, especially in rural areas, makes it difficult to adequately respond to the situation.

This section explores the concerns of stakeholders which have been grouped into the following categories of key themes by DOH:

- Qualifying for Assistance
- Employment
- Understanding Affordability
- Housing for Local Residents
- Mobile & Manufactured Homes
- NIMBYism/Zoning
- Vulnerable Populations



Key Themes...

Qualifying for Assistance

Many communities have cited the challenges that moderate and above median income households (also referred to as the “missing middle”) face in finding affordable housing, particularly in the Resort region. Respondents highlighted how AMI limits and other mechanisms prevent households from qualifying for assistance:

“People earning around \$30,000 who are just over the line for eligible programs such as healthcare and other programs. With that “extra” money they earn, they have to spend it on those benefits, so they actually end up with less money than if they earned less and received the benefits.” - Front Range

“People have to quit their jobs, lose their homes, and take pay cuts in order to seek out any affordable housing options. There is no assistance for those that want to better themselves because the system is built to keep them utilizing services that do not build them up or help them grow financially.... These people are working pay check to pay check to afford child care so that they can continue to work and there is no help for them because they ‘make too much money’” - Front Range

Additionally, several stakeholders reported that tenant selection criteria often exclude very vulnerable populations from accessing housing, particularly mentioning those who are justice-involved and those with bad or no credit resulting from domestic violence situations. A respondent from the Western Slope explained, “Persons reentering from prison and registered sex offenders have nowhere to go and are among the harshest excluded from housing and employment.”



Key Themes...

Employment

Housing and employment share a symbiotic relationship at many levels, with both employers and employees negatively impacted by lack of affordable housing.

Stakeholders discussed that employers face significant challenges in recruiting and retaining employees when housing is unavailable or too costly in their area. This impacts an employer's ability to grow or even to remain open as well as deters potential new employers from opening in such areas, which negatively impacts the broader economy, particularly in rural areas. For example, a stakeholder from the Resort region shared that there is **"no one to fill employment at minimum wages (gas station, restaurants, grocery store) because there is no place to live that is affordable."**

Numerous stakeholders described the impacts of the lack of affordable housing on employees. For example, a stakeholder from the Central Mountains explained, **"No available housing stock means low-wage workers, the base of our local economy, cannot find housing, and if they do, cannot afford housing, or are forced to commute or camp or cram into overcrowded homes."** Many discussed the significant disparity between income and the cost of housing, particularly for those in minimum wage or part-time positions. **"Costs skyrocket, while incomes remain stagnant."**



Distance to employment is thus a resulting prominent challenge, particularly for service workers in the Resort region. One mountain town cited 62-mile one-way commutes for service staff; another stakeholder works at **"the other end of the Valley"**; yet another referred to **"'drive until you can afford it' communities."** In urban areas, the distance between home and employment significantly contributes to traffic congestion.

On a related employment topic, many stakeholders described that, despite misconceptions, many persons experiencing homelessness are **"working homeless."** Often, these individuals **"make enough to afford a motel room for the night but don't have the ability to earn/save enough to pay for first/last month rent and deposits required to obtain stable housing."** Indeed, some people who stay in motels in the Denver area end up paying **"\$80/day or \$2400/month, much more than the cost of a typical apartment rental."**

Key Themes...

Understanding Affordability

DOH utilized the following definition of affordable housing with stakeholders: when a household pays no more than 30% of their income for all housing costs.

However, several stakeholders highlighted that “affordable housing” may not always be “affordable” when one considers additional costs of living and access to services. Notably, the distance of the housing unit to necessary services - such as employment, grocery stores, transportation, healthcare, childcare, religious institutions, and more - also plays a role in defining affordability to individuals.

One stakeholder succinctly shared:

“The cost of your home doesn’t exist in a vacuum. A cheap home that is so far from your work you must spend thousands of dollars a year on car ownership, maintenance, and gas just to get to work is not affordable housing. A cheap house nowhere near daycare or grocery stores is not affordable housing.”

Consequently, several stakeholders noted that they are using the term “attainable” housing instead.



Support Housing for Local Residents

Stakeholders throughout Colorado expressed support for prioritizing housing options for people living and working in their communities. In urban areas, concern over displacement due to rising costs was raised.

In rural areas (particularly the Resort and Western Slope regions), second homeowners are occupying the limited housing stock and driving up housing costs for locals. Many of these units sit vacant for much of the year, which poses a paradox considering the number of people who need housing.



Key Themes...

Mobile & Manufactured Homes

A significant number of survey respondents represented residents or owners of mobile or manufactured home parks. Mobile homes have historically served as a naturally affordable housing option, particularly for lower-income households; however, their affordability is quickly changing. One resident of a manufactured home shared, “What was once affordable for me is quickly becoming a road to homelessness.”

Numerous stakeholders commented on the significant increases in rents. For example, one mobile home park resident shared, “Lot rents have almost doubled in the ten years I have lived here.” This poses a significant cost burden to residents, and their alternative options are limited. For example, as shared by a Front Range stakeholder: “When lot rent becomes too high, selling homes is more difficult (buyers turned away by high lot rent), and moving anywhere in the area is prohibitively expensive for current mobile home owners. Because of this, they feel trapped.” Further, numerous stakeholders commented on the poor quality of mobile homes - some date from the 1950s and are in desperate need of repair.



Many mobile home parks across the state are disappearing due to redevelopment, or they have been bought out by corporate owners, and these phenomena are negatively viewed by many stakeholders. Several reported that mobile home park residents tend to have a strong sense of community (“Residents of mobile home parks take care of one another”); however, with current conditions, their voice is limited (“We would like a voice in dealing with the park owners.”).

Several detailed anecdotes provide unique perspectives highlighting the many challenges that mobile home residents face:

“Many of the tenants in our mobile home parks don’t know their rights as renters or are afraid of being discovered as undocumented (or having a family member who is undocumented), ...[resulting in] tenants living in unsafe and cruel conditions. The other side of that is these substandard trailers are currently providing some very affordable rentals in comparison to the rest of the market. If we find a way to fix or replace all the trailers, we will be displacing many of our community’s lowest income residents.” - Resort

“Due to another rash of rapidly rising rents, the majority of the current residents of my park will be either forced to move out, forgo upkeep and repairs, become otherwise impoverished, or move far away from the community in which they have lived most of their lives....Outside investors are effectively breaking up my long-established community, one that is dearly loved by its residents.” - Front Range



Key Themes...

NIMBYism/Zoning

Many stakeholders cite NIMBYism (or “Not in My Back Yard[ism]”, characterised as opposition to proposed development in a local area) and vocal resistance to affordable housing within their communities, particularly in the Front Range. In many areas, local zoning and building codes limit density and the development of additional housing stock - such as restrictions on cooperative living, building height, parking limits, and more.

“We need to work on NIMBYism in neighborhoods. I live in an area where there is low-income housing to my left, and \$700k+ homes to my right. People with money “say” they care about people experiencing homelessness and building affordable housing, but when the opportunity [came] to build 2-3 duplexes in the area, the rich people were very upset and ultimately, the land was not zoned for multi-family units. Not only does this continue to strain our housing and rental market, but it also continues to segregate our communities.” - Front Range

Vulnerable Populations

Stakeholders highlighted the diverse needs of many populations who require tailored housing solutions and services. For example: disabled, justice-involved, seniors, survivors of domestic violence and human trafficking, undocumented, veterans, youth (ages 15-24) especially those aging out of foster care, and many more. Several populations are discussed in more detail below.

People Experiencing Homelessness

Stakeholders expressed criticism of the civil and criminal penalties imposed on those experiencing homelessness. Additionally, many communities lack emergency shelters, which results in less than desirable conditions, such as living in tents. Further, where shelters are available, they often have barriers to entry, particularly for families. Stakeholders not only highlighted the need for capital funding to develop supportive housing and vouchers to enable ongoing operations, but also funding for supportive services -- which is needed even at some existing supportive housing sites.

Seniors

Many stakeholders discussed the vulnerability of seniors. Seniors have fixed incomes, and with rising rents, they become increasingly unable to pay and consequently face homelessness. Seniors also have specific housing needs, as they seek to downsize or require assisted living. One stakeholder from the Central Mountains provided an example of a negative impact on seniors: “Our elderly population has to leave the community to access the housing and care they need, many times severing social connections.”

Key Themes...

Vulnerable Populations...

People with Disabilities

Several respondents were parents of adult children with disabilities, expressing significant fear and worry about ensuring continued care for their children. For example, one Front Range stakeholder shared: “As parents of a son with Developmental Disabilities, we are concerned about where he will live safely and in a supported community when we are no longer here.” Further, one Front Range service provider for the disabled highlighted, “The cost to purchase a house is outstanding and not even in the realm of possibilities for [disabled] clients.” Finally, numerous stakeholders expressed that many units do not meet federal accessibility requirements, and there are limited affordable housing options for those with disabilities outside of Denver.

Survivors of Domestic Violence

Several stakeholders shared the specific challenges that survivors of domestic violence face. In addition to mental and physical health needs, survivors have also often suffered financial abuse. Thus, they may lack savings, credit, rental or employment history, which makes it difficult for them to find safe housing. Some stakeholders also pointed out that limiting definitions of domestic violence results in shelters unable to help some individuals.



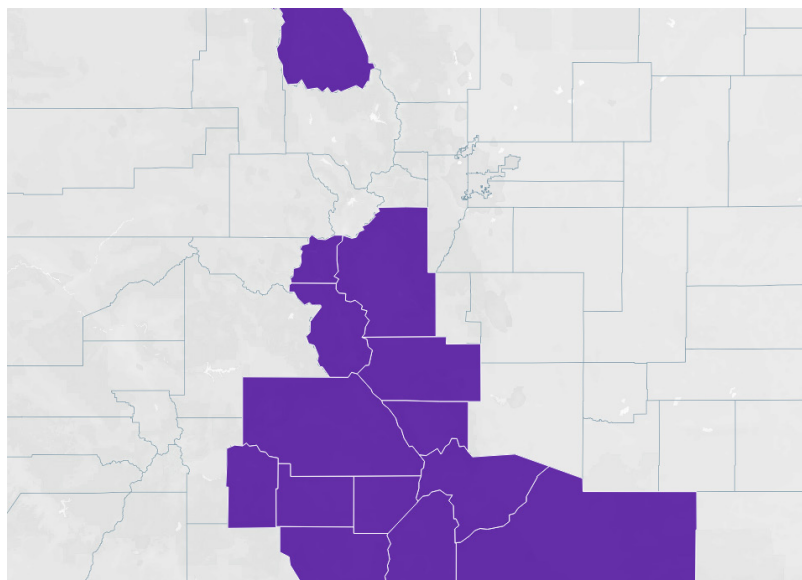
Regional Themes

Many stakeholders stressed the importance of understanding regional themes and differences, particularly between urban and rural areas of Colorado: “The needs and characteristics of rural communities are not the same as Denver.” Some themes specific to Colorado’s five main regions are discussed below.

Central Mountains

- Stakeholders from the Central Mountains felt that affordable housing is a “crisis” in their area, since there is a lack of available homes and rentals in the area. In fact, several survey respondents commented that they wished they could have chosen more than three top needs for their community.
- Stakeholders also discussed that a major gap is addressing households from 31-80% AML. Stakeholders also shared that the lack of affordable housing is making it difficult for employers to remain open.
- The region also has harsh winter weather, which is challenging for residents who live in campers and substandard housing.
- Stakeholders cited important existing programs - such as their local weatherization and blight programs; however, they need support to expand local capacity to conduct this much-needed work.

Central Mountains Map



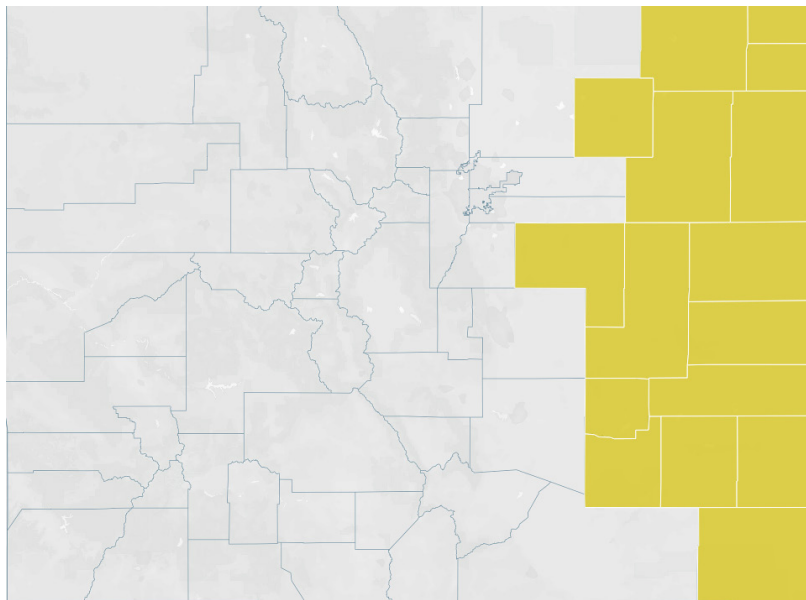
Counties included: Alamosa, Chaffee, Conejos, Costilla, Custer, Fremont, Huerfano, Jackson, Lake, Las Animas, Mineral, Park, Rio Grande, Saguache.

Regional Themes...

Eastern Plains

- The Eastern Plains is particularly categorized by its remote rural location. The distance to construction materials and contractors results in high construction costs, and infrastructure costs can be prohibitive. Several stakeholders shared that it costs more to build a home than its appraisal value.
- Another common theme is the limited capacity of smaller towns - for example, they struggle with matching requirements, are unable to offer financial incentives to developers, and compliance costs for affordable housing or vouchers are too high.
- However, stakeholders were eager to entice people to move to the Eastern Plains, especially seniors and families. And unlike some other areas of Colorado, the Eastern Plains has land. For example, one stakeholder shared: *"We have space and land to develop. We need support in advertising and linking the developers to the community....We welcome the development!"*

Eastern Plains Map



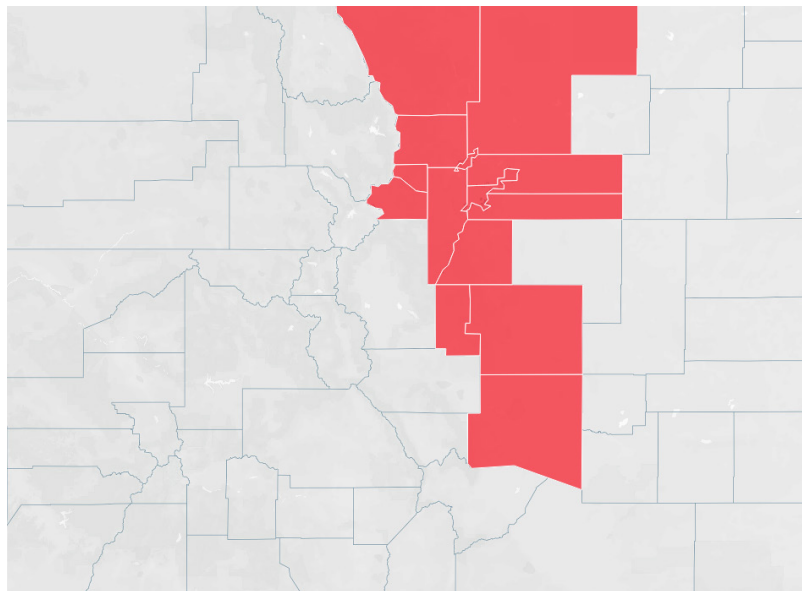
Counties included: Baca, Bent, Cheyenne, Crowley, Elbert, Kiowa, Kit Carson, Lincoln, Logan, Morgan, Otero, Phillips, Prowers, Sedgwick, Washington, Yuma.

Regional Themes...

Front Range

- Stakeholders highlighted a number of unique challenges for the urban Front Range, including the high presence of NIMBYism, gentrification due to new development, and the lack of land.
- The challenge of homelessness featured prominently in this region.
- Transportation and childcare needs were also frequently mentioned.
- Changes to zoning and building codes may be especially helpful in Front Range communities, to allow for unique developments such as agrihoods or tiny homes.
- There remain diverse needs across this urban region - for example, in Pueblo County there is a need for smaller projects (maximum 12 units), and in the northern end of the Front Range, water and tap fees present a large challenge.

Front Range Map



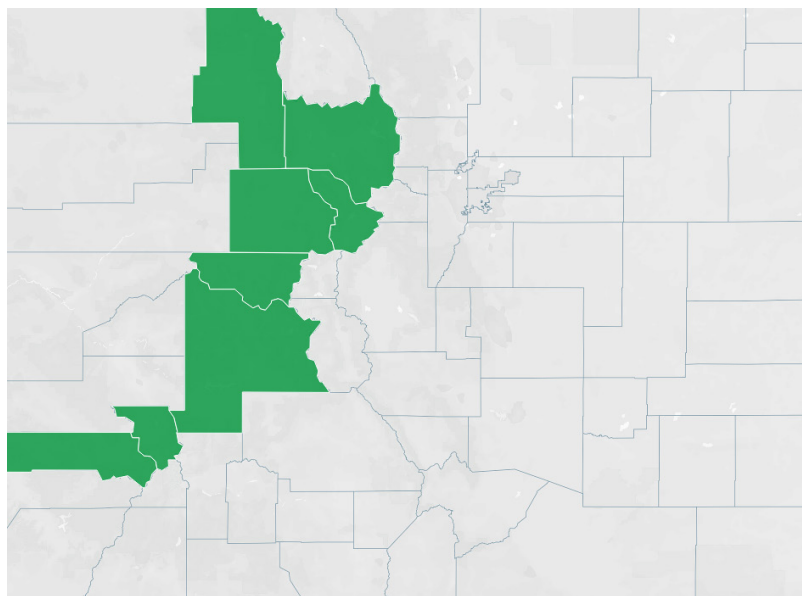
Counties included: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, El Paso, Gilpin, Jefferson, Larimer, Pueblo, Teller, Weld.

Regional Themes...

Resort

- Stakeholders overwhelmingly discussed that the housing gap in the Resort region goes up to 200% AMI.
- Second homeowners are occupying the limited housing stock and driving up costs for locals.
- Service workers are unable to afford to live near their place of employment. One stakeholder cited 62-mile one-way commutes for their community; another referred to “drive until you can afford it” communities.”
- It is also difficult to get contractors to the region due to the distance.
- One stakeholder shared, “We need a variety of housing types and price points to meet the needs of our community. We are a rural community, with rural resources but big city housing issues.”

Resort Map



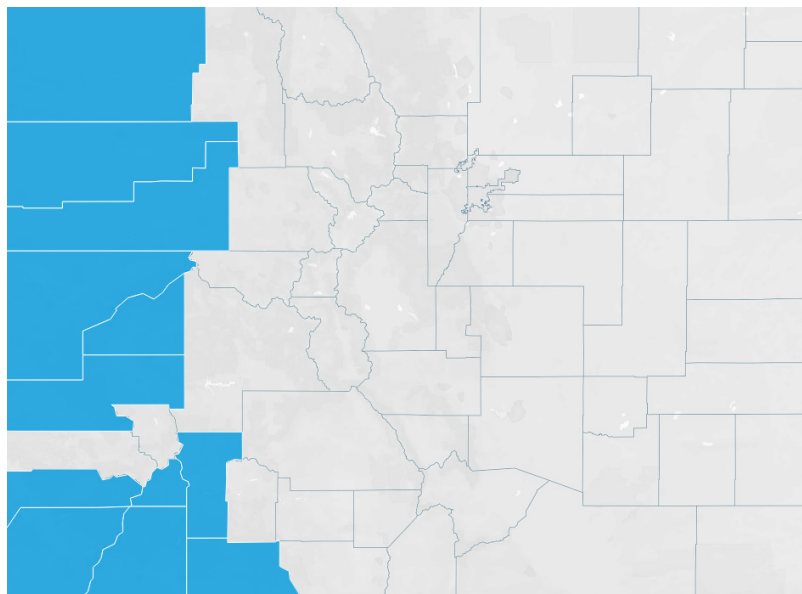
Counties included: Eagle, Grand, Gunnison, Ouray, Pitkin, Routt, San Miguel, Summit.

Regional Themes...

Western Slope

- The Western Slope is also impacted by its remote location and short building season, which makes new development difficult.
- Many stakeholders from the area discussed the challenge of the “missing middle” and workforce housing, with long distances between residents’ homes and places of employment.
- Further, many residents have low paying jobs and the student debt burden makes it difficult for individuals to qualify for loans.
- Several cited outmigration, especially for the 80-120% AMI range, as a challenge.
- A large number of stakeholders also discussed challenges of vouchers - there are very few vouchers in the area because: there is limited capacity to administer new vouchers, vouchers are going unused because there is not enough housing inventory to find a unit within 60 days, and people are moving with the vouchers to the Front Range. Thus, both additional vouchers and housing stock will be important for this region.
- Many stakeholders expressed a desire to tax AirBnb’s or second home owners as a solution.

Western Slope Map



Counties included: Archuleta, Delta, Dolores, Garfield, Hinsdale, La Plata, Mesa, Moffat, Montezuma, Montrose, Rio Blanco, San Juan.

Regional Themes...

Connectivity

While there is certainly variation between communities, it is important to also recognize regional connectivity. Housing needs in one area easily “spill over” to other areas. For example, a workforce housing shortage in one area of the Resort region can result in diminished availability of affordable housing in a neighboring city from which workers commute. A respondent from a smaller Front Range community discussed the community’s perception that those experiencing homelessness should seek services in larger urban areas; however, as the respondent shared, “I feel this kicks the can down the road.” The connectivity highlights the need for regional approaches and collaborations.



Solutions From Stakeholders by Theme

“We need short-term solutions now as well as longer term solutions.”

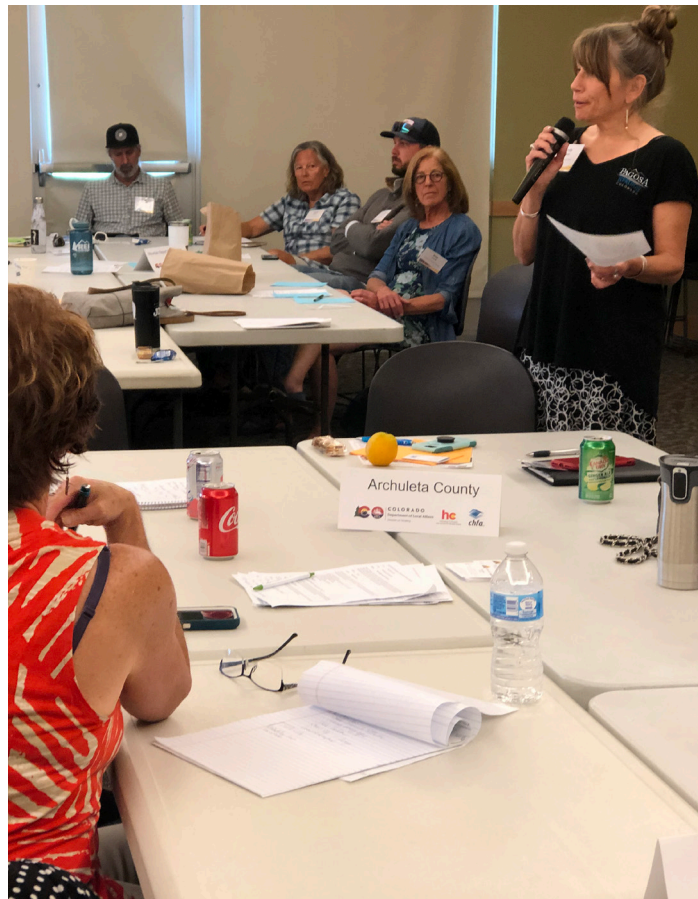
“Get specific: ‘soon’ is not a time and ‘some’ is not a number.”

Local and Regional Solutions

Several stakeholders noted that tailoring housing solutions to the local context is extremely important. Organizations within a community are best placed to understand the context and needs. For example, local housing authorities are particularly well suited to respond since they are trusted by local communities. Stakeholders also recognized the connectivity of housing challenges, so regional approaches and collaborations are also prioritized. A few stakeholders highlighted that collecting regional data and developing a strategic plan aligned across state, county, and city levels is important, since housing challenges and solutions are connected across communities.

This section elaborates on the potential housing solutions offered by stakeholders which have been grouped into the following categories by DOH:

- Local and Regional Solutions
- Partnerships
- Education
- Assistance
- Homeownership
- Increasing and Improving Housing Stock
- Sustainable Development
- Zoning and Housing Design
- Homelessness
- Population-Specific
- Financing
- Other Creative Ideas



Solutions From Stakeholders by Theme...

Capacity Building

There are a wide variety of capacity building opportunities. Technical assistance was requested by numerous stakeholders, especially for rural areas with limited staff and resources, on general topics including: shared best practices and case studies, regulatory processes, planning assistance, policy guidance, and local land use. Technical assistance requests also covered many specific topics including support in: developing supportive housing and accessory dwelling units; administering vouchers and rental assistance; grant writing; creating local partnerships; launching municipal housing authorities; job training; and more.



Many communities throughout Colorado also require assistance in collecting data and conducting housing needs assessments to better understand local needs and resources. As one stakeholder exemplified: **“This is our problem: we don’t know for sure what our areas of greatest needs are.”**

Financial support was also requested by many stakeholders to help build capacity, for example, through the funding of additional staff positions and/or supporting existing housing programs. Support for pre-development costs was also requested, especially in rural areas, such as funding geological surveys and developing infrastructure.



Solutions From Stakeholders by Theme...

Partnerships

Stakeholders overwhelmingly discussed the need for “effective genuine collaboration” at many levels to improve housing affordability in Colorado. Particular emphasis was placed on the need for improved regional coordination among housing stakeholders and particularly between cities and counties. The need for other creative partnerships was also raised. Corporate partnerships to provide employer supported housing were suggested by numerous stakeholders, possibly supported by tax incentives.

A large number of stakeholders suggested partnerships between the health and housing sectors, since housing is such a large determinant of health. Several felt that collaborations with community colleges to design more construction trade programs are important. Faith-based collaborations were also mentioned to help with services and even perhaps hold furnishing drives. Some developers who have access to funding requested connections to agencies that understand community needs and resources. A working group to provide feedback on the implementation of the new funds was also suggested.



Education

Community Outreach

Educating elected officials and city planners on affordability issues was highlighted as an important solution by numerous stakeholders throughout Colorado, as well as community outreach to counter stigma and NIMBY attitudes. For example, one stakeholder expressed: “Above all else, we need education about the need for affordable housing, and the consequences of not providing it.” Others suggested that resistant neighbors may benefit from opportunities to voice their concerns on new developments and to tour successful affordable housing communities.

Landlord Engagement

Many stakeholders expressed the need for increased landlord education and engagement, particularly to encourage landlords to accept vouchers and to lease to certain vulnerable populations (i.e. justice-involved, survivors of domestic violence, etc.). Workshops on landlord/tenant issues may be helpful to understand the rights of both residents and landlords, for example on warranty of habitability and enforcing rental agreements.

Solutions From Stakeholders by Theme...

Assistance

Many stakeholders requested increased assistance for renters and homeowners, expressed in more detail below. Overwhelmingly, stakeholders requested that income limits for subsidized housing units and programs be increased in order to adequately address affordable housing needs in their community.

Rent

Several stakeholders suggested rent stabilization or control will be especially helpful in maintaining affordability. Additional suggested solutions for renters included: encouraging rental shares for community members to split rent costs, promoting rent-to-own models, and designing a program to help low-income renters navigate the legal system. Stakeholders expressed both support and opposition to having more long-term than short-term rentals.



Home Ownership

Many stakeholders suggested the need to incentivize home ownership. Many felt that increased down payment assistance (DPA) will especially help; of which some requested DPA to households earning above 80% AMI. Home buyer education was cited as key in helping individuals prepare and to understand that ownership is possible. Implementing tax credits for home ownership was also mentioned. Others suggested rehabilitation or buy-downs with deed restrictions to preserve housing stock.



Solutions From Stakeholders by Theme...

Increasing and Improving Stock

In general, stakeholders felt that funding and incentives to spur new housing development will be important. Diverse housing stock across the spectrum was requested. Some stakeholders highlighted that the focus on supportive housing is drawing attention away from other housing needs, thus balancing the development of supportive housing and traditional affordable housing will be important.

Many stakeholders, particularly those in rural regions and in mobile home parks, highlighted the need to address aging and poor quality housing through rehabilitation. Increasing funds for home rehabilitation loans, weatherization, or similar programs were suggested, as well as ensuring minimum standards and conditions of rental housing. One stakeholder requested lessening restrictions on removing blighted structures; another suggested initiatives to enhance resident's personal investment in upkeep of affordable housing units. Another stakeholder described a potential process for a rental repair program: "Provide low interest home repair loans to landlords [with properties affordable to households] below 80% AML... under the condition to keep rents [below market rent] for 10, 15, 20 years, or the length of the loan. Property can be sold at [fair market rent] after [the] loan is paid back but City, State, PHA, or nonprofit AH developer must... have rights of first refusal."



Sustainable Development

Many stakeholders proposed suggestions on incorporating sustainable development within affordable housing. Energy efficiency featured prominently among solutions. Incentivizing net-zero building in new development and energy upgrading of existing stock will help lower utility and maintenance costs. As one stakeholder shared, "That feels like a no brainer for me - lowering utility bills makes homes more affordable." Looking into solar and wind as renewable energy sources and promoting US Department of Energy Zero Energy Ready Homes were mentioned. Another stakeholder also raised the importance of designing housing to withstand climate change.



Attention to the location of housing was also expressed by several stakeholders. For example, it is beneficial for new developments to be "in properly designed communities where people have many transportation options and do not need to own a car to get to their basic needs like food, work, healthcare, childcare, and school."

Solutions From Stakeholders by Theme...

Zoning and Housing Design

Many stakeholders suggested creative changes to zoning and building/land use codes in order to enhance density and diverse types of development. For example, encouraging multifamily and co-housing units, subdividing oversized lots, inclusionary zoning, encouraging mixed-use development and mixed-income populations, and other changes will encourage development of affordable housing. Stakeholders also commented on allowing different sized housing and non-traditional construction, such as Accessory Dwelling Units (ADUs), Tiny Homes, and one stakeholder even suggested a creative solution of constructing 3D printed homes or Minka sized homes that can be built onsite - this could be particularly useful in remote rural areas. In general, there was a lot of support for ADUs; though some stakeholders disagreed on whether ADUs should or should not be utilized as short-term rentals. A few stakeholders suggested looking at other cities' experiences with rezoning, such as Minneapolis, for best practices.



Homelessness

Enhanced prevention and wrap-around services are key to addressing homelessness. For example, many stakeholders stressed that: **"It is much easier and less expensive to prevent homelessness before it occurs."** Stakeholders also expressed need for more emergency shelters in many communities across Colorado - especially shelters with low-barriers; however, permanent solutions are preferred. Supportive Housing (utilizing trauma informed design) received much support from numerous stakeholders. However, some cautioned that implementation is more difficult in rural areas with fewer service providers.



Given the various systems and complex regulations, many requested housing navigators to provide support as well as streamlining access to services and referrals. Homeless solutions are challenging because some individuals are not technically homeless according to the U.S. Department of Housing and Urban Development's definition (i.e. couch surfing, living in motels); and further, individuals have varying levels of vulnerability; thus it is important to disaggregate data (i.e. by age, gender, etc.) in order to understand distinct needs. Other best and emerging practices included: integrating behavioral health treatment into 911 response, having on-site social workers in libraries, street outreach, solutions for those with pets, and mobile facilities for showering and laundry.



Solutions From Stakeholders by Theme...

Population-Specific

Stakeholders suggested a variety of tailored housing solutions and services for populations with special needs.

People with Disabilities

Many suggested the creation of communities with supportive services for individuals with disabilities to live, particularly after their parents or caretakers are no longer able to support them. It is also important to ensure that some housing units are accessible, perhaps by requiring or incentivizing universal design. One parent even suggested creating a film to highlight successful housing solutions for those with disabilities to educate and inspire further development.

Youth

Several stakeholders suggested ensuring developmentally appropriate housing options for youth (ages 15-24). Age-appropriate services should also be made available - such as art or animal therapy, education, and employment supports.

Seniors

Some stakeholders suggested providing rental assistance to seniors, perhaps in the form of subsidized utilities and property taxes. Additional assisted living facilities and smaller units should be developed for seniors who are downsizing. Aging in place was prioritized - perhaps through creative solutions such as subdividing homes or utilizing Medicaid funding to support seniors staying in their homes through home improvements such as ramps or grab bars in showers.

Others

Additional solutions to assist other vulnerable populations were suggested. Targeted vouchers can be especially helpful. Job training programs to hire justice-involved individuals and those experiencing homelessness to be part of the housing solution can be explored, perhaps incentivized by employer tax breaks.

Stakeholders also expressed a need for transitional housing with supportive services in addition to sober living options. Specific programs to help undocumented individuals were requested, as well as translating key housing documents for non-native English speakers. Providing storage units can help individuals experiencing homelessness or domestic violence to retain their possessions.

Solutions From Stakeholders by Theme...

Financing

Several stakeholders suggested changes in policy and procedure to existing affordable housing finance programs as a solution. Numerous stakeholders recommended consideration of flexible funding or a preservation fund in order to be able to access funding quickly to preserve affordability of housing stock when properties go on the market. Many stakeholders also discussed the challenge with identifying local matching funds especially for development of new units and suggested that this requirement be waived or non-monetary matching should be accepted for communities with limited resources.



Other suggested solutions included: expediting approval processes, minimizing restrictions on use of funds, waiving fees, considering larger equity investments, timely distribution of funds, rethinking limitations of the tax credit calendar, additional soft funding sources from the state general fund, increases to HOME/CDBG, and setting up a self-sustaining capital fund for affordable 'for-sale' housing. Some stakeholders also indicated that developers in mountain communities may agree to deed restricted units if they are awarded land and infrastructure.

Other Creative Ideas

- Land banking, land trusts, and even water banking were suggested by multiple stakeholders. Seed money to catalyze these initiatives is needed, as well as education on their benefits. "Land banking is vital and underutilized! The land will not get any cheaper, the state must act NOW."
- Creative housing sharing was suggested. For example, one stakeholder asked: "Could all of the scientists at Rocky Mountain Biological Laboratory here in the summer have a shared housing option with the seasonal ski resort workers here in the winter?"
- Several stakeholders suggested converting hotels, motels, or abandoned buildings into affordable housing or emergency shelters.
- A few suggested working with school districts, cities, and counties to see if available land can be donated for the purpose of affordable housing.
- Several stakeholders in areas with high numbers of vacant properties (homes, ADUs, short-term rentals) suggested working with absentee owners to purchase their properties for affordable housing purposes. Others suggested taxing vacancy and AirBnb's to increase revenue for local governments.
- Some stakeholders suggested creating a directory of developer contacts and their capacity (i.e. those that will work with LIHTC, etc.).



Next Steps

The Division of Housing has received an immense amount of input on numerous issues through the stakeholder engagement process. However, this is only the first part of the policymaking process as required by Colorado law. In addition to engaging stakeholders, the Department is required to:

“award funding to meet the needs of local communities that will optimize the return on money invested in a particular program or for a particular use, leverage other available sources of money, address housing needs throughout the state, and serve populations with the greatest unmet need.”

(C.R.S. 24-32-721 (2)(e))

Thus, in order to meet both statutory requirements, the Department will analyze quantitative socioeconomic data on housing supply and demand in the context of the themes and solutions which were raised by stakeholders. This needs analysis will determine which themes concern “populations with the greatest unmet need” from a statewide perspective and “the needs of local communities” from the perspective of municipalities and unincorporated areas. Meanwhile, solutions will be reviewed in the context of whether the Division’s existing programs and financing strategies may meet these needs or if new programs and financing strategies will be needed.

The solutions which will be implemented by the Division must not only address the themes explored through the needs analysis and informed through stakeholder engagement, but also be possible under this existing statute along with related restrictions imposed by the Division’s other administrative laws within title 24, article 32, part 7 of Colorado Revised Statutes.

In light of these statutory restrictions, the Division will prioritize analysis of the following themes in the first half of 2020 in order to inform policy solutions which will improve the wellbeing of families, communities, and the state as a whole:

- The supply of subsidized housing at all income levels, including for moderate and above median income households, along with the demand for affordable housing at these incomes.
- The extent to which transportation costs, along with commute times, impact households with housing cost challenges; and conversely households without housing affordability issues but transportation challenges.
- Research on the best practices of programs and financing strategies which utilize non-federal funding in other states.
- An analysis on unmet needs for populations with special needs.
- A review of the data, reports, and studies provided to the Division by stakeholders.

Next Steps...

In response to recommendations from this wide range of housing stakeholders, DOH will form a Strategic Housing Working Group to work with DOH staff to further analyze research conducted by DOH and others to advance and meet Colorado's diverse affordable housing needs.

The Strategic Housing Working Group will work with and be supported by DOH staff to help create and advise on best strategies that elevate, act on, and maintain momentum for statewide affordable and attainable housing. The charge of the Working Group is to facilitate increased collaboration, informing the strategies and plan for allocating funds, while maintaining a focus on regional and local needs.

The Working Group will discuss and make recommendations to the Colorado State Housing Board on the long-term funding strategy to achieve the state's housing policy as defined in 24-32-721 (2)(e). Recommendations from the Strategic Housing Working Group will be presented to the Colorado State Housing Board for consideration as DOH finalizes the allocation plan for newly appropriated funds.

The Strategic Housing Working Group will be comprised of a balanced group of members, no more than 13 members, that represent a variety of perspectives and backgrounds. DOH will seek representation from:

- Regional or Local Housing Authorities
- Rural Community Residents (Non-resort)
- Rural Resort Community Residents
- Employers
- Homeownership Housing Advocates
- Economic Development Councils
- Developers of innovative housing solutions (e.g ADUs, alternative residences like modular homes, etc)
- Municipalities and Counties (representation should include both large communities and smaller suburban and rural communities)
- Real Estate, Realtors
- Rental Housing Advocates
- Affordable Housing Developers
- Homelessness Advocates
- People with Disabilities
- Seniors
- Youth and/or Families
- Beneficiary of Affordable Housing Programs

A summary of the Working Group activities shall be provided in the annual DOLA presentation to the Local Government Committees of the state legislature.

Some of the proposed solutions are already being implemented by the Division, such as the expansion of DOH's existing Downpayment Assistance Program to homebuyers up to 100% of AMI in rural Colorado, and the Mobile Home Park Oversight Program, which will ameliorate some of the concerns raised by stakeholders pertaining to mobile home parks. Other solutions are still in development, including new training tools which will expand the capacity and knowledge of public officials and other stakeholders.

However, many of the proposed solutions cannot be implemented until the \$50 to \$80 million in funds becomes available to the Division in July 2021. DOH will continue to serve families and individuals with a variety of housing needs while evaluating how our programs, financing strategies, and staff can have a greater impact throughout Colorado.