HOUSING AND BUILDING ASSOCIATION
COLORADO SPRINGS

IRV HALTER, EXECUTIVE DIRECTOR
DEPARTMENT OF LOCAL AFFAIRS

JUNE 29, 2018
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

- 103,730 more Households than Housing Units
- 119,900 more housing units than households
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
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
DOH Overview

• Who We Are
  • DOH created by statute in 1970 to improve the access of all Coloradans 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
DOH assists developers and local governments in creating more affordable housing through gap funding for acquisition, rehabilitation and new construction projects.
DOH works with community partners to serve vulnerable populations throughout the State.
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-SCHARP
- 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

COLORADO Department of Local Affairs
**HOME MOD: COST COMPARISON**

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Total Cost of Class 1 Nursing Care per FTE (per client/year, with SSI)</td>
<td>$69,809</td>
</tr>
<tr>
<td>Total Cost of Living in the Community (housing subsidy, health care, in home services, food stamps &amp; SSI)</td>
<td>$36,177</td>
</tr>
<tr>
<td>Average Annual Cost Avoided by Moving an Individual into the Community</td>
<td>$33,631</td>
</tr>
<tr>
<td>Savings percentage for moving an individual into the community</td>
<td>48%</td>
</tr>
</tbody>
</table>

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
Monte Vista, CO

Town of 4,300 people
114 vacant, dilapidated homes

Pilot Program
CDBG investment: $625,000
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

- Conventional Financing
  - Private Activity Bonds*
    - Low Income Housing Tax Credits

- Federal Funds
  - HOME
  - CDBG
  - HTF

- State Funds
  - HDG
  - HITF
  - HSP

- Vouchers

- Divisions of Housing:
  - Homeless
  - Transitional Housing
  - Affordable Rental Housing
  - Mixed Income Rental Housing
  - First Time Homeownership

*Division of Housing allocates Private Activity Bonds to local governments and statewide authorities.
June 29, 2018

Irv Halter  Colorado Department of Local Affairs
Alison George  Colorado Department of Local Affairs-Division of Housing
Cris White  Colorado Housing and Finance Authority
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.
We strengthen Colorado by investing in affordable housing and community development.
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)

Prior to, during, and after the Great Recession, home prices declined 2.3% annually for 5 years (2007-Q2 2012)

Home prices started to recover in Q3 2012. For the first 3 years, home prices increased 3.7% annually. The 2016 increase was 8.6% and the 2017 increase was 9.7%.

despite 2 recessions, home prices grew at an annualized rate of 6.1% for 15 years (1991-2006)
affording a home

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

- Colorado Springs Two bed 60% AMI rent (HUD)
- Colorado Springs 2 bed, 2 bath market rate rent
- mortgage payment for median priced home with average yearly interest rate
- Colorado Springs average weekly earnings

this rent is affordable to a 2 person household at 90% AMI

this mortgage is affordable to a 2 person household at 112% AMI
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
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

**El Paso County**
- $1.5 B
- $456 M
- $37 M

**Colorado Springs**
- $1.3 B
- $344 M
- $27 M

Loan categories:
- Loan - resale homes
- Loan - new construction
- Down payment assistance
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

DEANNEMCCANN@ELPASOCO.COM
719.520.6481