



2019 Action Plan

City of Colorado Springs
Community Development Division
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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

Each year the City of Colorado Springs receives federal grant funds from the US Department of Housing and Urban Development (HUD) to invest in local housing and community development activities. The Community Development Division (CDD) prepares an Annual Action Plan (AAP) to guide the use of HUD grant funds for the coming program year. The AAP is the result of consultation with various stakeholders, including agencies responsible for carrying out eligible projects and activities, local government representatives, interested community members, and advocacy groups for disadvantaged populations such as the disabled, individuals and families experiencing homelessness, and low-income seniors. The AAP lays out specific goals that address the community's priority needs. The priority needs identified in the Community Development Division's 2015-2019 Consolidated Plan and AAP are:

- 1) Preservation and Development of Affordable Housing
- 2) Homeless Prevention
- 3) Neighborhood Stabilization

Projects and activities addressing the community's priority needs will primarily benefit low- and moderate-income (LMI) residents of the City by achieving measurable improvements in the lives of households earning less than 80% of the Area Median Income (AMI), and, to the greatest extent possible, measurable improvements in the lives of very low income (less than 50% AMI) and extremely low income (less than 30% AMI) households.

2. Summarize the goals and objectives identified in the Plan

A summary of the goals and objectives included in CDD's Action Plan is as follows:

Affordable Housing Objectives:

Increase the supply of affordable rental and homeownership units.

Outcome: 494 housing units

Preserve affordability of existing rental and homeownership units.

Outcome: 74 housing units

Increase the supply of *affordable and/or accessible* housing units for seniors and the disabled.

Outcome: 60 housing units

Improve housing availability and conditions for Extremely Low-Income (ELI) households.

Outcome: 80 housing units

Homeless Prevention Objectives:

Increase the number of permanent supportive housing units available to ELI individuals struggling with addiction

Outcome: 80 housing units

Increase the number of individuals exiting homelessness

Outcome: 80 of individuals securing PSH or other form of stable housing

Neighborhood Stabilization Objectives:

Improve the condition of one or more key neighborhood facilities in a low- to moderate-income neighborhood.

Outcome: 2 facilities improved

Increase homeownership in one or more of the City's disadvantaged CTs.

Outcome: 8 households assisted

3. Evaluation of past performance

The Community Development Division has made significant progress toward achieving the outcomes described in the 2015-2019 Consolidated Plan. In particular, non-housing community development activities have exceeded both annual and cumulative goals for the number of persons assisted. Following completion of the 2018 program year, CDD expects to report on the following:

- \$500K of CDBG funds used for the modernization and improvement of the Hillside Community Center. The project will benefit approximately 10,000 low- to moderate-income neighborhood residents by completing ADA modifications and replacing substandard exterior components.
- \$1.1M of CDBG funds to increase low-barrier shelter bed capacity in the community. Two projects will benefit chronically homeless individuals by adding 270 low-barrier shelter beds for

individuals and 50 low-barrier shelter beds for families. Approximately \$350K of CDBG funds for public service activities that help prevent and end homelessness.

The 2015-2019 Consolidated Plan included a goal to construct 45 new affordable rental units. 420 new affordable rental units were completed during the 2018 program year. Applications for tax-credit financing for approximately 500 additional new affordable units are in the pipeline with the Colorado Housing Finance Authority (CHFA). CDD has provided letters of support along with conditional awards of federal entitlement funds to all of the applicants. One of the projects is proposed for development on a parcel of land donated by the City of Colorado Springs for affordable senior housing.

Progress has been made toward meeting the goals set out for improvement and preservation of the existing affordable housing stock as well. CDD continues to fund an owner-occupied housing rehabilitation program targeting very low- and extremely low-income households for assistance. CDD expects approximately 60 households to be assisted through this program for a 5 year total of 250.

Other significant accomplishments in 2018 include:

- Meeting CDBG timeliness requirements for expenditures. The Division must show timely expenditure of grant funds by carrying out eligible activities within a two-year timeframe.
- Hiring of a senior level staff position to continue improvements to CDD's internal structure and administrative performance through updated policies and procedures, revised contract templates, technical assistance and subrecipient monitoring plans.

4. Summary of Citizen Participation Process and consultation process

The City is in compliance with a citizen participation plan that satisfies the requirements of 24 CFR 91.105. The City's Citizen Participation Plan details procedures for involving the public to determine its housing and community development needs, to develop strategies for addressing those needs, and to undertake specific actions consistent with those strategies. Citizen participation took place through meetings with the Continuum of Care, targeted groups of vulnerable populations, online surveys, neighborhood meetings to discuss capital improvements projects, local interest group meetings, and an open and competitive Notice of Funding Availability process. In gathering input on community needs for consideration in preparing the 2019 Action Plan, Community Development Division (CDD) staff hosted five public hearings in locations around the City; hosted a community forum with residents experiencing homelessness; and conducted an online survey about affordable housing needs. City Council hosted a public input meeting on the municipal budget on November 13, 2018, which included the estimated budgets for the federal entitlement programs. Public comment and responses are summarized herein as required by HUD.

5. Summary of public comments

Input from public hearings and meetings largely centered on needs for: more affordable housing, especially for persons with disabilities and people experiencing homelessness; expanded transit services; higher paying jobs; housing and resource navigational services; more resources for seniors (housing and “age in place” policies); more information about supportive services to non-English speaking community; better agency collaboration; more accessible housing; better pedestrian infrastructure (accessible sidewalks and complete neighborhood approach); interpreters for hearing impaired people who are looking for housing or have a housing dispute; a more robust family homelessness plan; more training and incentives for landlords to eliminate housing barriers for the homeless; and hearing accessible technology in more community venues.

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted.

7. Summary

The City of Colorado Springs is expecting to receive the following HUD funding for program year 2019:

Community Development Block Grant = \$2,847,512

HOME Investment Partnership = \$1,445,112

Emergency Solutions Grant = \$231,559

In addition, the City conservatively estimates receiving approximately \$100,000 in CDBG Program Income and an estimated \$200,000 in HOME Program Income to be made available for 2019.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Agency Role	Name	Department/Agency
CDBG Administrator	COLORADO SPRINGS	Community Development Division (CDD)
HOME Administrator	COLORADO SPRINGS	Community Development Division (CDD)
ESG Administrator	COLORADO SPRINGS	Community Development Division (CDD)

Table 1 – Responsible Agencies

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

The City of Colorado Springs Community Development Division (CDD) continues to refine its outreach effort to maximize input from a large cross-section of stakeholders. In preparation for program year 2019, in addition to holding public hearings with published meeting notices and stakeholder meetings with partner agencies, the Division coordinated with multiple departments to share and gather public feedback from the general public about many topics, including affordable housing, homelessness, and the built environment. The Division also worked with the Continuum of Care to hold a discussion with local service providers about the system weaknesses, public and private barriers, and measures of success. We are careful to use new feedback and compare it to past feedback, for instance input from all public Fall 2017 sessions alongside information gathered from concurrent planning efforts, as well as past outreach efforts. For instance, staff regarded the input from the previous year's forum for residents experiencing homelessness as relevant and timely as ever, as the region's homeless population did increase, as indicated in the 2018 Point in Time report for the El Paso County area.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

CDD actively consulted with a variety of non-profits, social service providers, community residents, and governmental agencies to determine the needs of the city and better allocate entitlement resources. The CDD staff represents the City in ex-officio status as a member of the Pikes Peak Continuum of Care and meets with the governing board and executive team monthly. The governing board and executive team are made up of private, governmental, mental health and service agency representatives.

The Colorado Springs Housing Authority is also a member of the governing board. The CDD manager met with CHSA regularly over 2018 to discuss joint programs. The CHSA and CDD are still working together in using CDD funds in rehabilitating CHSA units for accessibility.

Lastly, CDD conducts external reviews of CDBG Public Services and ESG applications, wherein people outside of the Division are asked to score and rank eligible applicants. For the 2019 applications (which are still under review), CDD staff extended this invitation to social work and public health professionals to evaluate applications for CDBG and ESG funding. In addition to getting a public health perspective on prospective projects' models and outcomes, the goal is to educate as many people in the public health and social work fields on the availability and impact of these funds and to encourage collaboration among providers to leverage public funding.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Pikes Peak Continuum of Care. CDD remains actively involved in the Pikes Peak Continuum of Care, which exists to plan and support implementation of strategies that will support a collaborative community-based system of housing and services for those experiencing homelessness or those persons at risk of homelessness within the City of Colorado Springs and El Paso County. The CoC adopted a ten-year strategic plan in April 2016 and the City's Action Plan continues to support the priorities identified by the CoC. CoC members are invited to comment on the City's Annual Action Plans. The City's new Homelessness Prevention and Response Coordinator, while also sitting on the CoC Governing Board, works with area service providers to determine local needs and appropriate City response. The Coordinator has been conducting town halls through the fall of 2018 to gather feedback on a draft of 2019 homelessness initiatives. The community feedback process has helped the City better incorporate family homelessness responses.

Low Barrier Emergency Shelter Campus Expansion. In the Fall of 2018, the City Council approved \$500,000 of general fund money to create more low barrier beds in Colorado Springs. It went toward Springs Rescue Mission and the RJ Montgomery Shelter to create 370 low barrier beds for unaccompanied adults and families. CDD also worked closely with SRM in monitoring the progress of their 65-unit permanent supportive housing project, which will open up at the end of program year 2018.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City recognizes that collaboration is an ongoing and evolving process and uses a combination of mechanisms for conducting consultation with the CoC and other key stakeholders. These mechanisms include the following:

- **Governing Board Participation** – Per the CoC Governance Charter, the City appoints a representative from the City Division responsible for administering ESG Program funds to the CoC Governing Board. The representative serves in an ex-officio capacity. The City representative also participates in the meetings of the Executive Committee of the Governing Board to provide technical assistance on ESG requirements, advocate for best practices and coordinate consultation processes. Participation better ensures coordination occurs on an ongoing basis.
- **Stakeholder Meetings** – The City convenes meetings of representatives of the CoC leadership and the Consolidated Plan jurisdiction to set priorities for ESG funding and to provide input in

the development of plans and policies. Priority setting and allocations begins annually with the City's needs assessment process for the Consolidated Plan or Annual Action Plan. CoC staff attends public meetings and the City hosts at least one meeting with CoC members. The meetings may include additional key stakeholders as well, such as leaders from other homeless planning committees or networks.

The City prepares a recommendation for use of funds with the Annual Action Plan and presents it to the CoC for input prior to being submitted for approval to City Council. ESG subrecipients for emergency shelter, street outreach, homeless prevention and rapid rehousing are selected through a competitive application process administered by the City. HMIS is funded through a direct allocation to the HMIS lead, though an application is required.

The new HMIS administrator, Community Health Partnership (CHP), took over duties overseeing the Pikes Peak Continuum of Care on April 1, 2018. CHP staff is reviewing previous CoC processes, such as Coordinated Entry, and making necessary changes for efficiency, inclusion, and overall better outcomes to ensure that the most vulnerable are served first and that there is no wrong door for people seeking services to prevent and end homelessness.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

(see next page)

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	City of Colorado Springs
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	More precise identification of areas in need of more housing units, housing rehabilitation, affordable housing preservation, or other stabilization methods. CDD participates in the Facilities Maintenance, ADA, and Infrastructure Coordinating Committees. Sits on a council member’s Affordable Housing task force Worked with Code Enforcement to share Fair Housing resources and collect locational data on housing complaints Works with the City’s new Homelessness Prevention and Response Coordinator
2	Agency/Group/Organization	El Paso County
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD and the El Paso County Community Development staff meet regularly to discuss ongoing and future projects. It is helpful to see where other funding sources are going to identify where there are gaps and redundancies. We share best practices on CDBG-related issues for jurisdictions, such as outreach, timeliness, and reporting.
3	Agency/Group/Organization	Pikes Peak Continuum of Care
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy

	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>The Continuum of Care encompasses El Paso County, Colorado. The implementing organization for the Homeless Management Information System (HMIS) and for the collaborative CoC application is Community Health Partnership. CDD serves on the board and collaborates with area providers to identify gaps in homeless facilities and services. CHP staff was involved with other state CoC members to choose a new HMIS software platform and communicated service change implications with City staff. CHP and the City have met to discuss City/CoC coordination and roles. CDD also convened CoC member organizations in November 2018 to discuss city and program performance in various areas: outreach, permanent supportive housing, rapid rehousing, and shelter.</p>
4	<p>Agency/Group/Organization</p>	<p>Colorado Springs Housing Authority</p>
	<p>Agency/Group/Organization Type</p>	<p>PHA Services - Housing</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Public Housing Needs</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>CSHA is the local PHA. The head of CDD meets regularly with Executive Director to discuss accessibility challenges in public housing, status of current contracts, permanent supportive housing, prospective LIHTC projects, and debt relief strategies.</p>
5	<p>Agency/Group/Organization</p>	<p>El Paso County Housing Authority</p>
	<p>Agency/Group/Organization Type</p>	<p>County Commission appointed to oversee administration of a local housing trust fund</p>
	<p>What section of the Plan was addressed by Consultation?</p>	<p>Affordable Housing & Homelessness Homeless Needs – Chronically homeless Homeless Needs – Families with children</p>
	<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>El Paso County Housing Authority is a funding source for local affordable housing. They have supported affordable developments and workforce housing. CDD staff and other City staff requested capital fund support in September of 2018 for conversion of the local Salvation Army shelter to low-barrier shelter.</p>
6	<p>Agency/Group/Organization</p>	<p>CHAP Comprehensive Homeless Assistance Providers</p>
	<p>Agency/Group/Organization Type</p>	<p>Services-homeless</p>

	What section of the Plan was addressed by Consultation?	Homelessness Strategy Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CHAP is a community of service providers caring for people experiencing homelessness in the Colorado Springs area and comprises much of the membership of the CoC. CHAP members were invited to attend the November 2018 meeting of the Council-appointed Human Rights Commission to submit comment on affordable housing strategies and fair housing issues.
7	Agency/Group/Organization	Colorado Springs Utilities
	Agency/Group/Organization Type	Publicly funded Institution
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CSU is the City's publicly funded utility. CDD and CSU staff met in October 2018 to explore implementation of an energy efficiency program for multifamily housing. CDD acknowledges that energy and utility bills factor into housing costs – high bills put housing burdened households into deeper instability.
8	Agency/Group/Organization	Homeward Pikes Peak
	Agency/Group/Organization Type	Housing Services-Homelessness
	What section of the Plan was addressed by Consultation?	Homeless needs – Chronically homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The CDD manager participated in discussion on 120-unit permanent supportive housing project involving the Chair of the CoC and other potential funders.
	Agency/Group/Organization	Human Relations Commission
	Agency/Group/Organization Type	Civic leaders

9	What section of the Plan was addressed by Consultation?	Non-homeless special needs Housing need assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD staff serves as the staff liaison for this Council-appointed Commission. The HRC members represent the segments of the veteran, disabled, faith-based, educator, and immigrant communities. The HRC has pledged to advocate for housing issues in the Springs and has looked at potentially supporting code changes, fair housing coordinator, and other strategies. CDD has consulted with the HRC throughout the latter half of 2018 about 2019 entitlement priorities and strategies.
	Agency/Group/Organization	Greccio Housing
10	Agency/Group/Organization Type	Housing Other: CHDO
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD meets regularly with Greccio, one of the city's three certified Community Housing Development Organizations (CHDOs). In August 2018, CDD and Greccio met to discuss 2019 multifamily development plans.
	Agency/Group/Organization	Regional Building Department
11	Agency/Group/Organization Type	Other government - Local

What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-homeless Special Needs
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD staff attended and contributed to the discussion about making excess permit fees available to non-profits for community benefits related to construction.
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD staff attended and contributed to the discussion about making excess permit fees available to non-profits for community benefits related to construction.
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	CDD staff attended and contributed to the discussion about making excess permit fees available to non-profits for community benefits related to construction.

Identify any Agency Types not consulted and provide rationale for not consulting

In addition to regular consultation with the CoC and Colorado Springs Housing Authority, CDD actively consulted throughout the year with a variety of non-profits, social service providers, community residents, neighborhood organizations and governmental agencies to determine the needs of the City and better allocate entitlement resources. CDD also consulted internally with City departments including Parks, Police, Planning, Public Works, and Economic Development.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Our Path Home: A Strategic Shift	Pikes Peak Continuum of Care	The City and the local continuum of care both have a Housing First-centered strategy to prevent and end homelessness in the region.
Colorado Springs 2014 Affordable Needs Analysis	City of Colorado Springs & El Paso County	Affordable housing needs assessment and barriers to affordable housing are extrapolated from the results of this analysis.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Colorado Springs Analysis of Impediments	City of Colorado Springs	Impediments to Fair Housing Choice and the goals & strategies necessary to overcome them are extrapolated from this analysis.
Capital Improvement Program	City of Colorado Springs	The CIP prioritization informed the public facilities goals outlined in this plan, specifically in regards to rehabilitating existing facilities and investing in energy efficiency improvements to reduce long-term operating costs.
2017 CAPER & Annual Action Plan	City of Colorado Springs	These federal documents are considered in order to assess progress, long term strategic planning, and future goals in light of past efforts.
2016-2020 Strategic Plan	City of Colorado Springs	The CDD supports the City's Strategic Plan by funding projects and services that provide emergency shelter and supporting affordable housing for vulnerable populations.
Assessment of Fair Housing 2017-2021	El Paso County	The CDD continues to pursue meaningful actions that eliminate barriers to fair housing in the El Paso county seat.
PlanCOS	City of Colorado Springs	The still-ongoing comprehensive planning process and CDD both prioritize affordable housing and accessible neighborhoods.
Mill Street Neighborhood Plan	City of Colorado Springs	CDD is funding the Mill Street Neighborhood Plan, making the plan itself a means to achieve our goal of stabilizing and improving struggling neighborhoods.
Age Friendly Colorado Springs	Innovations in Aging	The two plans prioritize affordable and accessible housing and public facilities.
Language Accessibility Plan	City of Colorado Springs	The City strives to make all City programs and events accessible to diverse populations, from marketing to customer service to feedback. This plan informed the outreach strategies CDD will use to implement the projects outlined in the Action Plan.

Table 3 – Other local / regional / federal planning efforts

AP-12 Participation – 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

In preparation for the 2019 Action Plan, CDD continued to create targeted public outreach for vulnerable communities.

CDD hosted three listening sessions from October 19-22, 2018 at various locations around the City, including City Hall, a community center, and the local senior center. Staff also visited two more sites to present listening session material and facilitate dialogue – one with disabled citizens at The Independence Center and another with adult English Language Learners at a Southeast charter school.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
1	Public Hearing	Non-targeted/broad community	Action Plan listening sessions on Oct. 17, 19, and 22, 2018 at City Hall, Meadows Park Community Center, and Colorado Springs Senior Center. 34 attendees. Public notice published on September 29, 2018.	There was some discussion about barriers to building types other than single-family homes, the tradeoffs people make in order to stay in their homes, and the struggles shelter case workers have finding affordable housing to move people out of homelessness. The written comments received were about housing issues facing seniors, such as untenable rents (which lead to outmigration, lack of mobility, eviction, and sometimes homelessness) and lack of accessible housing.	All comments were accepted.

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
2	Stakeholder meeting	Persons with disabilities	Listening session open to the public held at The Independence Center on November 28, 2018. Nine attendees.	Affordability is the major issue, but this group highlighted the barriers people with disabilities face while simply looking for housing. There is a lack of awareness about the needs of people with vision and hearing impairments. Interpreters and guides are needed for housing.	No written comments were submitted.
3	Stakeholder Meeting	English as Second Language learners.	Staff coordinated with Catholic Charities in their ESL classes to talk about CDD's funded programs and to ask their students about their housing barriers. Staff dropped into 5 classes in the City's Southeast side (a target area) and spoke with over 30 adult ESL students on December 11, 2018.	Consensus over unaffordable rent. There is a complete lack of information about available low-income support services; most people seek help from family. Information about how to start a business or get professional certifications is hard to get, as well.	All comments were accepted.
5	Stakeholder meeting	Continuum of Care members, public stakeholders	CoC/City Fall Consultation, October 12, 2:30-4:30.	The overall lack of affordable housing remains the overarching issue. The top concerns were coordination between the city and service providers, making client data input and analysis easier and more accessible, getting help funding staff, and having an adequate family homelessness strategy.	All comments were accepted

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons
6	30-Day Public Comment Period	Non-targeted/broad community	<p>The City's CDD is holding its 30-day public comment period from January 2, 2019 to February 1, 2019. Residents are invited to submit comments via phone, email, mail, or in person at the January 16, 2019 public hearing. A notice was advertised through the newspaper, city communications, and through the CDD's community list serve. Public notice published on December 15, 2018.</p>	Ongoing	Ongoing

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

For planning purposes, the Division originally built its programs around an estimate that is 5% lower than the allocation received in 2018. CDD will receive notification of its Program Year 2019 allocation in early 2019, after going through the public review process. CDD expects to receive the following amounts:

Community Development Block Grant = \$2,847,512

HOME Investment Partnership Program = \$1,445,112

Emergency Solutions Grant = \$231,559.00

Because the 2019 allocations may differ by more than 5% from the estimates included in this draft, the following contingency provisions will be applied to the proposed projects/activities that were presented to the public in January 2019:

CDBG: Additional allocations or reductions will be applied on a pro rata basis across all projects and activities.

HOME: Additional allocations or reductions will be applied on a pro rata basis across all projects and activities.

ESG: Additional allocations or reductions will be applied on a pro rata basis across all projects and activities.

24 CFR 200(h) allows grantees and their subrecipients to incur pre-award costs prior to the effective date of the grantee's HUD agreement under certain conditions:

The costs are included in the grantee's consolidated plan;

Citizens are advised of the extent to which pre-award costs will affect future grants.

Pre-award costs will only be incurred for projects and activities included in CDD's Consolidated Plan, and pre-award costs incurred prior to the effective date of CDD's grant agreement with HUD will not affect future grants.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$2,847,512	\$100,000	0	\$2,947,512		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$1,445,112	\$200,000	0	\$1,645,112		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$ 231,559	0	0	\$ 231,559		

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

CDD actively looks for projects and activities that maximize the leveraging of private, state, and local funds to accomplish the objectives outlined in this plan. This is accomplished by coordinating federal investments with other City Departments, maintaining a network of contacts with service organizations and philanthropic institutions, and requiring letters of commitment from other funding sources for applications for federal grant funds.

CDD complies with match requirements for its federal grants. The ESG match requirement of 100% is met by requiring subrecipients to provide non-federal matching funds in an amount greater to or equal than their grant award. A match report is required from each subrecipient prior to disbursement of funds and project close-out. The HOME match requirement is met by carrying over excess HOME matching funds from prior years. Currently, CDD’s excess available match is approximately \$3.4M. All match funds are reported annually in the Consolidated Annual Performance Report.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

In 2018, the City Council approved donation of a parcel of City owned land for the purpose of developing a 54 unit senior housing project. The project is pursuing tax-credit financing. CDD has identified two other parcels that are suitable for the construction of one or two-family dwellings. CDD is having the two parcels appraised in anticipation of issuing an RFP to housing providers to come forward with plans for the development of the parcels it has available.

AP-20 Annual Goals and Objectives

Goal Category	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding Sources	Goal Outcome Indicator
1	Provide for Homeless Prevention Services	2015	2019	Affordable Housing Homeless	CITY WIDE	Facilities/Services that Prevent/End Homelessness	ESG CDBG	Homelessness Prevention: 50 Persons Assisted Homeless Person Overnight Shelter: 5,700 Persons Assisted
2	Provide for Rental Assistance for Homeless Persons	2015	2019	Affordable Housing Homeless	CITY WIDE	Facilities/Services that Prevent/End Homelessness	HOME ESG	Tenant-based rental assistance / Rapid Rehousing: 45 Households Assisted
3	Provide for Affordable Rental Housing	2015	2019	Affordable Housing	CITY WIDE	Increase/Preserve the Supply of Affordable Housing Stabilize and Improve Struggling Neighborhoods	CDBG HOME	Rental units constructed: 494 Households (Housing Unit), including 80 units of permanent supportive housing for the homeless. Homeownership assistance for new homebuyers: 8 households
4	Preserve Existing Affordable Housing	2015	2019	Affordable Housing	CITY WIDE	Increase/Preserve the Supply of Affordable Housing Stabilize and Improve Struggling Neighborhoods	CDBG HOME	Homeowner Housing Rehabilitated: 64 Households (Housing Unit) Tenant-based rental assistance / Displacement Prevention: 10 Households

Goal Category	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding Sources	Goal Outcome Indicator
5	Expand Public Facilities & Infrastructure	2015	2019	Non-Housing Community Development	CITY WIDE	Facilities/Services that Prevent/End Homelessness Increase/Preserve the Supply of Affordable Housing Stabilize and Improve Struggling Neighborhoods	CDBG	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 24,461 Persons Assisted
6	Expand Public Services	2015	2019	Non-Housing Community Development	CITY WIDE	Facilities/Services that Prevent/End Homelessness Increase/Preserve the Supply of Affordable Housing Stabilize and Improve Struggling Neighborhoods	CDBG	Public service activities other than Low/Moderate Income Housing Benefit: 5,000 Persons Assisted

Table 6 – Goals Summary

Goal Descriptions

Goal Category	Name	Promote stable housing outcomes for individuals receiving case management through the shelter system.
1	Description	CDD will continue collaborating with the Pikes Peak COC to facilitate adoption of the Coordinated Entry System for all area providers. CDD's expectation is for all homeless service providers to emphasize case management that guides clients to stable housing. CDD will fund activities related to street outreach, rapid rehousing, and the development of additional permanent supportive housing units with the goal of assisting over 3,500 individuals.
2	Name	Improve collaboration between the public and private sectors to increase rental unit availability for low-income voucher holders.
	Description	The tight rental market in COS is making it difficult for low-income voucher holders to find available and affordable units. CDD will engage with area apartment managers and other private owners of residential property with the goal of increasing unit availability by 20 units.
3,4	Name	Increase the number of affordable and/or accessible housing units for seniors and the disabled.
	Description	The City of Colorado Springs continues to lack an adequate supply of affordable and accessible housing units. Seniors and the disabled are disproportionately affected by the lack of supply. CDD will partner with CSHA to further a Section 504 transition plan that lacks adequate funding. CDD will also pursue partnerships with other advocates for the disabled to carry out accessibility modifications for low- to moderate-income community residents. The outcome of this goal is to increase supply by 206 units. The City will also make more TBRA funds available for non-homeless ELI households to maintain housing stability and prevent displacement.
3,4	Name	Increase the supply of subsidized affordable rental housing.
	Description	CDD will partner with the CSHA and area CHDOs to increase the supply of subsidized affordable rental housing as well as preserve the existing affordable housing stock. Planned activities for 2019 include preservation of units at risk of converting to market rate, acquisition/rehab projects, and new construction of rental housing, with the goal of increasing supply by 494 new rental units.

4	Name	Improve substandard housing conditions for ELI households.
	Description	CDD will fund an owner-occupied housing rehabilitation program designed to eliminate costly repairs that could lead to housing instability. The program will be directed toward ELI households making 30% or less of AMI with the goal of rehabilitating 12 housing units.
3,4	Name	Promote homeownership in older neighborhoods.
	Description	Homeownership has declined in some of the City's older, closer in, neighborhoods. Some census tracts show homeownership rates as low as 35%. Typically, these neighborhoods also contain large numbers of naturally occurring affordable housing units in need of improvement. CDD will partner with RMCLT to encourage the purchase and rehabilitation of single-family dwellings for low- to moderate-income families with the goal of increasing homeownership by 8 units.
5	Name	Improve Key Neighborhood Public Facilities
	Description	Neighborhood community centers are a proven resource for low- to moderate-income households seeking better educational, health, and social outcomes, particularly for children, the disabled, and seniors. CDD will invest in the physical improvement of one or more key public facilities in a low- to moderate-income neighborhood with the goal of improving accessibility, energy efficiency, and long-term sustainability.
New	Name	Encourage revitalization of empty commercial spaces.
	Description	CDD will explore a façade improvement/revitalization program with the goal of rehabilitating at least one empty or underused commercial space within the SE Target Areas where disinvestment of capital has resulted in fewer opportunities for low- to moderate-income residents to meet basic shopping, medical, and cultural needs.

Projects

AP-35 Projects – 91.220(d)

Introduction

The following projects have been identified for funding during the 2019 Program Year.

Projects

#	Project Name
1	CDBG Administration (2019)
2	HOME Administration (2019)
3	HOME CHDO Projects (2019)
4	ESG Projects (2019)
5	CDBG Public Services (2019)
6	CDBG Housing Activities (2019)
7	CDBG Public Facilities and Infrastructure (2019)
8	HOME Affordable Housing Projects (2019)

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

In the 2015-2019 Consolidated Plan, CDD identified special needs individuals including the homeless, the elderly, and persons with disabilities as among those who face disproportionate challenges and who should receive high priority for the expenditure of federal funds. During the 2019 Program Year, CDD will continue to use a portion of its funds to improve accessibility in the existing housing stock. This will be accomplished by offering a residential barrier removal program and by working with the Colorado Springs Housing Authority and other non-profit housing partners to increase the number of *accessible and affordable* units across their portfolios. CDD is also part of the financing mix for a 80 unit permanent supportive housing project that will result in much needed units for homeless individuals struggling with addiction.

HUD's office of Fair Housing and Equal Opportunity (FHEO) commended CDD for its improved reporting of program beneficiaries; however, non-English speaking households continue to be an underserved population. CDD has made all of its application materials available in Spanish and continues to engage Hispanic community organizations with the goal of increasing program beneficiaries from this group. Rents in the Colorado Springs MSA continue to rise, effectively limiting the affordable housing choices for all low- to moderate-income households, particularly, those with special needs. CDD continues to work with a variety of public and private housing partners to increase supply, offering technical assistance, a better funding application process that is aligned with the Colorado Housing Finance

Authority and the Colorado Division of Housing, and scoring criteria for awarding funds to projects and activities that clearly further the Division's Action Plan goals.

AP-38 Project Summary
Project Summary Information

(see next page)

1	Project Name	CDBG Administration
	Target Area	Citywide
	Goals Supported	<p>Increase the number of individuals exiting the shelter system into housing.</p> <p>Improve collaboration between the public and private sector to increase rental unit availability for low-income voucher holders.</p> <p>Increase the number of affordable and accessible housing units for seniors and the disabled.</p> <p>Increase the supply of subsidized affordable rental housing.</p> <p>Improve substandard housing conditions for ELI households.</p> <p>Promote homeownership in older neighborhoods.</p> <p>Improve Key Public Facilities.</p>
	Needs Addressed	<p>Preservation and Development of Affordable Housing</p> <p>Homeless Prevention</p> <p>Neighborhood Stabilization</p>
	Funding	CDBG: \$ 589,502
	Description	Costs associated with administering the CDBG program as well as managing neighborhood planning efforts. Costs are capped at 20% of the estimated CDBG entitlement grant for 2019.
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	Accomplishments will be reported in specific projects and activities.
	Location Description	Citywide
	Planned Activities	<p>Citizen participation – Expenses associated with getting information to and from Colorado Springs residents, such as publishing, printing, promotion, and meeting supplies.</p> <p>Fair housing promotion and education – Colorado Legal Services support for tenant representation CLE program; Renters Rights programming; Fair Housing Analysis of Impediments update</p> <p>Planning studies – Housing Plan; neighborhood plan</p> <p>CDD staff salaries</p> <p>Operating costs</p>
2	Project Name	HOME Administration
	Target Area	Citywide

	Goals Supported	Increase the number of individuals exiting the shelter system into housing. Improve collaboration between the public and private sector to increase rental unit availability for low-income voucher holders. Increase the number of affordable and accessible housing units for seniors and the disabled. Increase the supply of subsidized affordable rental housing. Promote homeownership in older neighborhoods.
	Needs Addressed	Preservation and Development of Affordable Housing Homeless Prevention Neighborhood Stabilization
	Funding	HOME: \$164,511
	Description	HOME administration funds are capped at 10% of the estimated allocation amount. Any additional funds come from program income.
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	CDD expects to create or preserve 447 affordable housing units, affecting at least several extremely low income, senior, and/or disabled households.
	Location Description	Citywide
	Planned Activities	CDD staff salaries Operating costs
3	Project Name	HOME CHDO Projects
	Target Area	Citywide
	Goals Supported	Increase the supply of subsidized affordable rental housing. Promote homeownership in older neighborhoods.
	Needs Addressed	Preservation and Development of Affordable Housing Neighborhood Stabilization
	Funding	HOME: \$ 216,767
	Description	CDD has re-certified (3) Community Housing Development Organizations and is collaborating with each of them on specific local projects related to affordable housing.
	Target Date	3/31/2019

	Estimate the number and type of families that will benefit from the proposed activities	We anticipate serving at least 18 low- to moderate-income households through the acquisition and rehab program and have yet to determine how many low-income homebuyers our partners will be able to assist in PY 2019.
	Location Description	Citywide
	Planned Activities	Planned activities for 2019 include a homeownership program, acquisition/rehab projects, and new construction of rental and owner-occupied housing. CDD anticipates spending the required minimum of 15% of its estimated allocation on specific local projects carried out by CHDOs.
4	Project Name	ESG Projects
	Target Area	Citywide
	Goals Supported	Promote stable housing outcomes for individuals receiving case management through the shelter system. Improve collaboration between the public and private sector to increase rental unit availability for low-income voucher holders.
	Needs Addressed	Homeless Prevention
	Funding	ESG: \$ 231,559
	Description	CDD will fund activities related to administration, rapid rehousing, HMIS, and homeless prevention.
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	All beneficiaries are homeless or at risk of homeless and very low-income. CDD is still reviewing applications for 2019 ESG funds.
	Location Description	Citywide
	Planned Activities	The City is funding all components of the ESG program.
5	Project Name	CDBG Public Services
	Target Area	Citywide
	Goals Supported	Promote stable housing outcomes for individuals receiving case management through the shelter system. Improve collaboration between the public and private sector to increase rental unit availability for low-income voucher holders.
	Needs Addressed	Homeless Prevention
	Funding	CDBG: \$457,127

	Description	Public service funds are used to develop new programming for at-risk populations or expand existing programs.
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	CDD anticipates assisting at least 5,000 very low- and extremely low-income people.
	Location Description	Citywide
	Planned Activities	CDD is still reviewing applications for 2019 CDBG Public Services funds. The priority areas identified in the NOFA were 1) alignment with the CoC strategic plan and 2) programs that meet goals of CoC plan while primarily serving families.
6	Project Name	CDBG Housing Activities
	Target Area	Citywide
	Goals Supported	Increase the number of affordable and/or accessible housing units for seniors and the disabled. Improve substandard housing conditions for ELI households.
	Needs Addressed	Preservation and Development of Affordable Housing Neighborhood Stabilization
	Funding	CDBG: \$ 920,883
	Description	CDD's housing programs contribute to the preservation of the City's existing affordable housing stock by remedying substandard living conditions and improving accessibility for low- and extremely low-income households.
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	CDD is targeting very low and extremely low-income households. CDD anticipates assisting at least 66 households in the 2019 program year.
	Location Description	Citywide housing activities
	Planned Activities	Brothers Redevelopment – CDD will also offer accessibility modifications for homeowners and tenants, as well as a housing rehabilitation program that addresses costly repairs that lead to housing instability. Various housing providers - energy efficiency and ADA upgrades Potential incentives - site improvements for MF new construction
7	Project Name	CDBG Public Facilities & Commercial Revitalization
	Target Area	Citywide

	Goals Supported	Improve key public facilities & rehab one or more empty or unused commercial spaces.
	Needs Addressed	Neighborhood Stabilization
	Funding	CDBG: \$ 980,000
	Description	<p>Neighborhood community centers are a proven resource for low- to moderate-income households seeking better educational, health, and social outcomes, particularly for children, the disabled, and seniors.</p> <p>CDD will explore a façade improvement/revitalization program with the goal of rehabilitating at least one empty or underused commercial space within the SE Target Areas where disinvestment of capital has resulted in fewer opportunities for low- to moderate-income residents to meet basic shopping, medical, and cultural needs.</p>
	Target Date	3/31/2019
	Estimate the number and type of families that will benefit from the proposed activities	CDD will aim to serve approximately 24,000 residents in low and very low income neighborhoods for facility/infrastructure projects.
	Location Description	Citywide
	Planned Activities	CDD will invest in the physical improvement of one or more key public facilities in a low- to moderate-income neighborhood with the goal of improving accessibility, energy efficiency, and long-term sustainability. CDD will continue opening these funds for competitive applications for more facilities and infrastructure projects in PY 2019 to further goals of increasing ADA accessibility and increasing access to services. The facilities and infrastructure projects in queue for PY 2019 are a land acquisition for a local non-profit, transitional housing improvements, domestic violence shelter improvements, a museum hearing loop, and community center accessibility.
8	Project Name	HOME Affordable Housing Projects
	Target Area	Citywide
	Goals Supported	<p>Increase the supply of subsidized affordable rental housing.</p> <p>Promote homeownership in older neighborhoods.</p> <p>Increase the number of affordable and/or accessible housing units for seniors and the disabled.</p>

Needs Addressed	Preservation and Development of Affordable Housing Neighborhood Stabilization Homeless Prevention
Funding	HOME: \$1,263,834
Description	This project combines new construction, acquisition, rehabilitation, and tenant based rental assistance activities.
Target Date	3/31/2019
Estimate the number and type of families that will benefit from the proposed activities	CDD will participate in the development of 305 units of affordable housing funded by HOME.
Location Description	Citywide
Planned Activities	Financing for 320 units of new multifamily construction Acquisition and/or rehabilitation – searching for community partners to continue program Homeownership assistance program for new homebuyers - 8 units Tenant Based Rental Assistance – 25 units (15 units for Housing Authority’s rapid rehousing, 10 units for displacement prevention).

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City generally distributes federal funds city-wide, but identified geographic target areas with high priority needs for the 2015 Consolidated Plan. Geographic target areas were identified using an index that assessed need across a spectrum of six different housing and economic variables. The variables utilized were:

- Unemployment rate (Employment Index)
- Median household income (Prosperity Index)
- Vacancy rate (Occupancy Index)
- Median household value (Housing Value Index)
- Rental rate (Homeownership Index)
- Normalized and aggregated property crimes (Safety Index)

These variables were input into an index of 0 to 100, with 0 being the lowest possible score and 100 being the highest. City staff considered the results of this analysis and information on key community initiatives to identify five target areas encompassing 14 census tracts. All areas are designated as LMI areas by HUD.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100
2015 Neighborhood Target Areas	

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Identification of geographic target areas enables staff to prioritize services and improvements to areas with the highest priority needs and to leverage resources and investments identified in other City initiatives targeted to these areas including City General Funds, Trails Open Space and Parks funds, and Pikes Peak Regional Transportation Authority funds. While CDD is not funding Code Enforcement anymore, the activity most reliant upon target area usage, staff may still use the target areas to prioritize other activities when all other qualifying criteria are met.

Investments in geographic target areas are not pre-determined by dollar amount in the Action Plan phase but are identified in the CAPER.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The following one-year goals have been established based on the indicators and scope of the City of Colorado Springs' projects in 2019. CDD anticipates using its funding toward the following activities:

- HOMELESS: Development is planned for 80 newly constructed Permanent Supportive Housing units on an infill site with access to transit and employment opportunities. We anticipate assisting 15 households through Tenant Based Rental Assistance funds.
- NON-HOMELESS/RENTAL ASSISTANCE: We anticipate assisting 10 households through Tenant Based Rental Assistance funds for displacement prevention.
- SPECIAL NEEDS: Rehabilitate existing properties to create 22 ADA accessible units.
- PRODUCTION OF NEW UNITS: The project pipeline for 2019 includes 494 new affordable rental units. The projects will serve low- to moderate-income seniors, individuals exiting homelessness, and working households.
- REHAB AND ACQUISITION OF EXISTING UNITS: We anticipate rehabilitating 64 units of housing through an owner-occupied housing rehabilitation program and assisting Greccio housing to acquire and rehab a currently vacant building to create 18 additional rental units.

One Year Goals for the Number of Households to be Supported	
Homeless	25
Non-Homeless	526
Special-Needs	60
Total	611

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	35
The Production of New Units	512
Rehab of Existing Units	74
Total	611

Table 10 - One Year Goals for Affordable Housing by Support Type

AP-60 Public Housing – 91.220(h)

Introduction

Colorado Springs Housing Authority (CSHA) is the largest provider of affordable housing in Colorado Springs. CSHA owns 707 units of federally funded public and senior housing, administers approximately 2,290 additional units through the federal Housing Choice Voucher Program, operates about 813 units of locally funded affordable housing not included in its public housing portfolio, is involved in approximately 1,481 units through tax credit partnerships, and administers a HOME-funded Tenant-Based Rental Assistance Program, which serves approximately 40 households. CSHA will continue its housing activities in 2019, utilizing its annual formula grant to implement these activities.

CSHA will continue to manage the Section 8 Housing Choice Voucher Program for all of El Paso County except the City of Fountain. Notably, demand for larger units, as judged by the waiting list unit size preference, suggests that the supply is drastically insufficient to meet current need, especially for two- and three-bedroom units.

Actions planned during the next year to address the needs to public housing

The Colorado Springs Housing Authority (CSHA) owns and manages a portfolio of approximately 700 rental units scattered throughout the city. As federal funding for capital improvements to public housing continues to decline, Community Development is collaborating with CSHA to address the condition of its aging housing stock. CSHA and CDD are working together to modify existing units to increase accessibility, catalyze redevelopment of underused sites by evaluating existing loan obligations and remove obstacles to refinancing, and provide gap financing for tax-credit projects where CSHA is a sponsor. Community Development anticipates using a portion of its CDBG and HOME funds allocated for the preservation of existing affordable housing to advance this effort.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

In prior years, the Housing Authority administered a home buyer program designed to promote home ownership in low- to moderate-income households. The program consisted of required home buyer education and counseling and down payment assistance combined with subsidies from the Colorado Division of Housing and the Federal Home Loan Bank of Topeka, an FHA lender. This program is no longer offered by the Housing Authority, however, CDD is partnering with the Rocky Mountain Community Land Trust (RMCLT) to administer a similar program. RMCLT will include public housing residents in its outreach and marketing efforts.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The CSHA is not designated as troubled.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Preventing and ending homelessness continues to be a top priority in 2019. In 2014, the City launched the Initiative to End Homelessness, an action plan framework designed to bring a fresh focus to the growing and expensive problem of homelessness in Colorado Springs by raising public awareness, building collaboration and investing in urgent needs quickly. In response to the Initiative, the Pikes Peak Continuum of Care (PPCoC) launched a system-wide approach in 2016 focused on service delivery and coordination among all providers throughout the city and county. Though not a direct service provider, the City of Colorado Springs engages with the PPCoC, business leaders, policy-makers, and other service providers to achieve the following goals as outlined in the Pikes Peak Continuum of Care Strategic Plan:

- Stimulate sufficient supportive, affordable, and attainable housing for people inclusive of emergency and temporary housing for those in transition
- Trigger the development of programs and services that are accessible, sufficient and effective in helping people move toward maximum independence
- Build a durable and unified system focused on performance, coordination, and sustainability

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

Expanding outreach programs is a key component of helping homeless persons in making a transition into permanent housing. In Colorado Springs, faith-based organizations provide a significant amount of outreach. However, most outreach is performed by volunteers. There is currently very few professional staff dedicated to outreach. The City of Colorado Springs Police Department (CSPD) Homeless Outreach Team provides specialized outreach activities, but cannot always help homeless persons transition to permanent housing. This year, the focus of the City's outreach strategy is to:

- *Increase outreach efforts that are consistent, frequent, and targeted to chronically homeless*
 - *Improve collaboration between service providers and CSPD Homeless Outreach Team to identify the chronically homeless and move them off the street and into shelter and housing*
 - *Engage local service providers to support increased staff capacity through hiring and retaining clinical outreach workers.*
- Continue working with the City's Homeless Prevention and Response Coordinator to engage more citizens, faith-based groups, and service providers to strengthen the network of responders.
 - Support the Homeless Prevention and Response Coordinator's cold weather shelter planning efforts

Furthermore, a City representative and CDD staff will continue to serve on the CoC Governing Board to

promote better collaboration and ensure the highest priorities are funded first. The CoC has a consumer advisory committee to ensure people experiencing homelessness have a voice in identifying the programs they need to return to stable housing. In addition, a Comprehensive Homeless Assistance Providers (CHAP) committee made up of service providers and interested community members will continue to meet quarterly to discuss homeless issues. Members of this committee work firsthand in reaching out to the homeless population, including unsheltered and chronically homeless persons, delivering services and assessing needs in Colorado Springs.

Lastly, after the last few funding cycles of heavy investment in emergency shelter, CDD will work to build capacity for homeless prevention and housing programs in program year 2019. Staff has begun this by naming prevention programs as priority areas in the ongoing ESG application period.

Addressing the emergency shelter and transitional housing needs of homeless persons

Shelter programs have routinely operated at or above their maximum capacity since November 2013. In 2016, the City awarded \$3million to expand the number of year round shelter beds and build the city's first day center with comprehensive services. In 2017, the City assisted in funding operations for that shelter, which saw its facilities reach capacity every night of the year. In 2018, CDD awarded over \$1 million dollars to increase low-barrier shelter bed capacity within the community. In 2019, CDD seeks to:

- Increase year round shelter capacity, especially for chronically homeless, families with children and persons recovering from illness
- Simplify access requirements to reduce barriers to entry at shelters
- Target investments to move clients out of shelter and into housing quickly, including case management and rental assistance. The City contributes CDBG and ESG dollars to help assist local service agencies in providing these services. Non-profit agencies apply through CDD. Funds are also used to provide supportive services such as case management, counseling, job training, and life skills classes.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Residents remain in shelters from several days to months depending on their needs. Shelters offer supportive services such as counseling and case management to help homeless persons make the transition to permanent housing. The City contributes CDBG, ESG, State ESG and General Fund revenues

to assist local service agencies in providing these services. Non-profit agencies apply through CDD. Through the local Continuum of Care system, the agencies have cooperative arrangements with human service agencies, educational institutions, Pikes Peak United Way, and various non-profit and civic groups to offer supportive services.

In 2019, the CoC will continue to train the local service providers in coordinated entry and assessment process to best identify and better coordinate housing and supportive services to ensure long-term housing stability for people who have experienced homelessness. Competitive CoC funds will be awarded only to agencies that use the coordinated assessment tools. Performance will be evaluated annually as part of the application process.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Increasing access to stable and affordable housing is a key element of the community's strategy to prevent homelessness. Stakeholders interviewed as part of the Consolidated Plan process placed an emphasis on providing wraparound services over the next five years in order to promote long-term housing stability. The current plan to end homelessness largely centers on providing health, social, and employment services in tandem with housing in order to comprehensively address the needs of the extremely low-income individuals and families in Colorado Springs. Construction is underway on Greenway Flats, the first Permanent Supportive Housing (PSH) project of its kind in Colorado Springs. The Greenway Flats project, co-located to the west of the Springs Rescue Mission campus, expects to be leasing up in Spring, 2019, and will provide 65 much-needed units of housing for individuals exiting homelessness. CDD has not awarded any 2019 ESG or CDBG Public Service funds yet to applicants – all applications are still under review, but the Division has prioritized projects that reduce barriers to housing and homeless assistance projects that follow Housing First (low-barrier) principles.

The City uses Coordinated Entry data as benchmarks to assess housing need, fund specific housing type construction, and fund providers with strongest record of successful exits to housing. This year, in response to the ongoing need for units at low and very low-income levels, the City is partnering with a local housing provider (Greccio Housing) and committing funds to the construction of 60 new rental housing units in a high opportunity neighborhood. Residents will have access to a range of support services that ensure long-term housing stability. Groundbreaking was expected in 2017, but development was delayed due to neighborhood opposition. The City Planning Department issued approval to proceed with the project in 2018 and the developer has closed on all required financing. Ground-breaking is now expected for 2019.

Additionally, CDD plans on expanding its TBRA program in preventing displacement of low-income residents in market rate housing. We will partner with community service providers in identifying residents at risk of losing their rental homes (for non-eviction purposes) and provide rental assistance and case management to avert crisis, minimize displacement and disruption, and restore affordability and self-sufficiency for those not covered by traditional subsidized housing assistance.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

We identified the following strategies to remove or ameliorate the barriers to affordable housing in Colorado Springs in the 2014 Affordable Housing Needs Assessment.

- Engage in public education and outreach to help residents understand that there are costs associated with an undersupply of affordable housing such as lower achievement scores among school-age children, increased traffic congestion, increased commuting times and distance, increased need for road maintenance, less time for volunteer and other civic activities, etc.
- Put a human face on workforce housing needs
- Change negative perceptions through quality design that is compatible with existing surrounding neighborhoods
- Conduct workshops with local government planners, developers and builders
- Encourage partnerships between nonprofit and for-profit developers
- Update the City's Comprehensive Plan
- Amend the City's zoning code to address barriers to affordable housing
- Take an active role in the preservation of subsidized units at risk for conversion
- Foster the completion of the restructuring of the CoC
- Focus on the infill redevelopment potential in the City
- Encourage the development of new housing tax credit projects
- Treat nonprofit organizations that specialize in affordable housing as a special class of developer

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The 2019 AP emphasizes the ongoing need for affordable housing in the community. Specific actions CDD plans to take in the coming year include:

- Assignment of a senior staff member to provide input from Community Development in the drafting of the City's newest comprehensive plan: PlanCOS.
- Collaboration with the City's Planning Department on the inclusion of Community Development staff in the land use review process.
- Collaboration with the Planning Department in the revision of its accessory dwelling unit (ADU) ordinance.
- Participation in City Council led discussions on regulatory barriers that discourage the production of affordable housing.

- Continued advocacy for affordable housing through public forums.
- Collaboration with the El Paso County Community Development Department and the Colorado Springs Housing Authority on the implementation of Fair Housing strategies developed through HUD's Affirmatively Furthering Fair Housing tool.
- Collaboration with Colorado Legal Services on providing bilingual workshops for renters around fair housing, eviction, and contract literacy.
- Support for the Eviction Defense Project, a pro bono legal representation program administered by Colorado Legal Services. Wrongful evictions disproportionately affect minorities, families with children, the elderly, and people with disabilities. By supporting this program for low-income residents with a wrongful eviction, we are affirmatively furthering fair housing goals and protecting vulnerable communities from barriers to fair housing.

AP-85 Other Actions – 91.220(k)

Introduction:

In accordance with the goals and objectives outlined in the 2015-2019 Consolidated Plan, CDD will undertake the other actions described below.

Actions planned to address obstacles to meeting underserved needs

CDD staff continues to work with local government and service providers to build community capacity to meet underserved needs. Distribution of federal funds for housing development, public facilities, and public services is dependent upon responses from organizations to City-issued applications and Notices of Funding Availability. A lack of responses can be an obstacle for addressing underserved needs. Some agencies that do apply do not have the necessary financial systems and professional staff to ensure compliance with HUD regulations and either cannot be funded or require significant technical assistance.

To address this obstacle, CDD staff has clarified its priorities, adopted better monitoring procedures, sponsored educational sessions (in cooperation with the State and CoC) and expanded subrecipient training. CDD has also expanded its citizen outreach as documented in the Citizen Participation Plan; continues to work with the Continuum of Care, public and private housing developers, and other community organizations; target populations and the local media to better ensure community awareness of funding opportunities; and specifically seek out and select only those projects that clearly meet the highest priorities. In 2018, staff forged new relationships to educate the community and increase the pool of qualified providers and will continue to do so in 2019. For example, staff will continue to partner with: 1) the Pikes Peak Library District's grants librarian to provide federal grant workshops; 2) the Human Relations Commission to find Fair Housing solutions for the community; 3) the Independence Center, to engage and serve the disabled community.

In accordance with the City's Limited English Proficiency/Language Accessibility policies, CDD has had many HOME and CDBG applications, policies, and other critical documents translated into Spanish and have two bilingual staff to make sure they reach the right communities. CDD works with the City administration to get key documents translated.

Actions planned to foster and maintain affordable housing

Developing and maintaining an adequate supply of affordable housing is a high priority need in the community. Addressing substandard conditions in the existing affordable housing stock is critical to achieving this goal. In 2019, CDD plans to take the following actions:

- Administer housing rehabilitation programs for very-low and extremely-low income households that address the service life of key building components such as sewer and water lines, hot

water heaters, furnaces, and electrical systems. Failure of these building systems is often costly and can lead to housing instability.

- Provide funding for the Colorado Springs Housing Authority to move forward with its Section 504 Transition Plan. The plan requires CSHA to carry out ADA modifications to units in its inventory, however, federal funding for this effort has been reduced each year.
- Explore creation of a below-market rate financing tool for the owners and property managers of multi-family housing to access funds to carry out improvements in exchange for ongoing inspections and guaranteed periods of affordability.
- Increase collaboration with the City Planning Department to provide private developers with information intended to minimize involuntary displacement of low- to moderate-income households.
- Explore landlord engagement strategies to increase unit availability for low- to moderate-income voucher holders.
- Recertify Community Housing Development Organizations and provide funding for acquisition/rehabilitation projects to increase the number of affordable rental units.

There still remain many barriers to increasing supply of affordable housing, including but not limited to increased material and labor costs, permitting costs, land costs, financing hurdles, tightened competition for tax credits, and NIMBYism throughout the city. In 2019, CDD will undertake an affordable housing plan that will address many of these concerns while mainly focusing on increasing housing stock for lower income households. Staff hopes that with a solid blueprint with buy-in from city leadership and the general public, City agencies and private developers will be better positioned to create the needed housing units in the next few years.

Actions planned to reduce lead-based paint hazards

The elimination of lead-based paint hazards in existing housing is an important part of CDD's strategy for addressing potential health conditions faced by at-risk low- to moderate-income families, particularly those with young children in target housing. All CDBG and HOME funded housing rehabilitation and affordable housing preservation projects include testing for lead-based paint and related hazard elimination activities when needed. In order to ensure compliance with HUD's Lead Safe Housing Rule, a senior staff person with extensive construction experience and HUD/EPA training in the identification and elimination of lead-based paint hazards oversees this effort. The Division's goal is to increase the number of hazard-free, affordable housing units available in the community.

Actions planned to reduce the number of poverty-level families

Increasing household income through access to jobs aligns well with the City of Colorado Springs 2016-2020 Strategic Plan. A platform goal of the City's Strategic Plan is to promote alignment of educational

institutions, training facilities, the local workforce, and job opportunities. CDD's ongoing investments in key neighborhood facilities have led to contracting and employment opportunities for Section 3 businesses and community residents, as well as renewed vitality in parts of the City with high concentrations of poverty-level households. In 2019, CDD plans to carry out improvements to one or more key neighborhood facilities, as well as explore the expansion of a façade improvement program.

Actions planned to develop institutional structure

CDD is committed to developing institutional structure by improving collaboration between City Departments, providing annual training opportunities for staff, and by developing and offering technical assistance to its partner agencies in the community. In 2019, CDD plans to take the following actions:

- Participate in land use review related to affordable housing projects.
- Assign staff to key internal City committees charged with budgeting for capital improvements and ADA compliance.
- Offer at least one HUD approved training opportunity to each CDD staff member.
- Develop guidance for subrecipient staff on compliance with HUD regulations and reporting requirements.
- Use monitoring as a means to engage subrecipients on improvements to program delivery, policy documents, and best practices.
- Utilize new software and mapping tools to enhance staff coordination on planning and policy documents
- Encourage cooperation between the Economic Development, Public Works, and Parks, Recreation, and Cultural Services Departments
- Create process for applicant organizations in need of emergency assistance outside of NOFA cycles.

Actions planned to enhance coordination between public and private housing and social service agencies

A CDD staff member continues to serve as an ex officio board member of the Pikes Peak Continuum of Care. This representation ensures efficient use of resources to address high priority needs related to homelessness that were identified in the Consolidated Plan. CDD anticipates being able to recertify three Community Housing Development Organizations and make funding available to specific local projects. CDD and the El Paso County Community Development Department have initiated a quarterly meeting to review and coordinate the use of federal funds in the region.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	100,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	100,000

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)**

1. **A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:**

Not applicable.

2. **A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:**

Prior to program year 2016, CDD applied resale provisions to home ownership programs assisted with HOME funds. The resale provision was included in the Deed of Trust recorded for each property transaction. CDD recently completed a thorough review of all of its prior year investments in order to update its loan database, and to review affordability periods, inspection procedures, and underwriting criteria for low- to moderate-income homebuyers. As properties have changed hands, CDD has worked with its subrecipients to preserve existing affordable housing by ensuring resale provisions and affordability periods consistent with HOME program regulations remain in effect.

CDD is entering into a funding agreement with the Rocky Mountain Community Land Trust (RMCLT) that will enable RMCLT to offer a homebuyer program to low- to moderate-income households and expand its portfolio of approximately 200 affordable homes using a land trust model. The program will be funded by retained program income generated by ground lease fees and new HOME funds provided by CDD. The following guidelines outline the resale provisions attached by Deed of Trust to each property.

The Community Development Division defines Fair Return on Investment as:

The base values used for calculating Fair Return on Investment are derived from the Lessee's Beginning Equity and Added Value of Work, as defined in the Lease agreement. The referenced index for the RMCLT Homebuyer program shall be represented by the combined total percentage change per month of median sales prices, stated on the Pikes Peak Association of Realtors website, relative to the purchase and resale dates. The multiplier used to calculate the return on investment is based on an objective, local real estate index, which is publically accessible and can be easily measured for market appreciation and depreciation at the time of original purchase and at resale.

This definition is consistent with HUD CPD Notice 12-003 *Guidance on Resale and Recapture Provision Requirements under the HOME Program* at the link below:

An example of Fair Return on Investment for a hypothetical homebuyer scenario is seen in Table 1, represented by a homeowner's down payment (\$5,000) and added value of work (\$5,000). The Return on Investment is based on a local real estate index, calculated at 23.37% for the period of homeownership seen in Table 2.

Homeowner/Lessee's Current Equity		
Lessee's Beginning Equity	\$ 5,000.00	Homeowner Down Payment INVESTMENT
Fair Return on Investment	\$ 1,168.50	$5,000 \times 23.37\%$
Principal Payments (Reduction)	\$ 1,500.00	
Added Value of Work	\$ 5,000.00	Homeowner Hardwood Flooring INVESTMENT
Fair Return on Investment	\$ 1,168.50	$5,000 \times 23.37\%$
Lessee's share of appreciation or depreciation	\$ <u>6,059.70</u>	30% After 2nd and through 3rd Anniversary Date 20% of \$35,000
Total Credits	\$ 19,896.70	

Table 1

Pikes Peak Association of Realtors - Median Sales Prices			
Year	Month	Median Sales Prices	Percent Change
2016	March	\$ 239,500.00	<i>purchase month/year</i>
2018	March	\$ 300,000.00	<i>sale month/year</i>
Fair Return Index			23.37%
23.37% is the total combined median sales price appreciation and depreciation between the purchase and sale dates above			

<u>Avg % Increase per Month</u>	<u>Avg \$ Increase per Month</u>
0.97%	\$1,460.45

Source: <https://ppar.com/Documents/stats/MarketTrends/Prices.jpg>

Table 2

RESALE PROVISION: TRANSFER, SALE OR DISPOSITION OF LESSEE'S INTEREST

10.1 Intent and Effect.

It is the express understanding and intent of the parties that the terms and conditions hereof, and in particular of this Article 10, are intended in part to enhance the marketability of any Lessee's Interest on the Leased Premises by making them affordable to persons who qualify as members of Low or Moderate Income Households who, absent such provisions, would be unable to afford them.

10.2 Transfers to Income-Qualified Residents.

Lessee may sell, transfer, or otherwise dispose of its interest in the Leased Premises or the Lessee's Interest only to persons who are members of Low to Moderate Income Households. Such transfers shall be subject to Lessor's review and purchase option rights set forth in this Article 10. Any purported sale, transfer or other disposition to any other person or entity done without following the procedures set forth below or except in the case of a sale, transfer or other disposition to a Permitted Mortgagee in lieu of foreclosure or a disposition to heirs under Section 10.3 below in accordance with the terms hereof, shall be null and void.

10.3 Transfers to Lessee's Heirs.

Upon receipt of notice from the executor of the decedent's estate given within ninety (90) days of the death of a Lessee (or the last surviving co-owner of the Lessee's Interest) Lessor shall, unless for good cause shown, consent to a transfer of the Lessee's Interest and an assumption of this Lease to and by one or more of the following possible heirs at law of Lessee:

- (a) The spouse of the Lessee; or
- (b) The child or children of the Lessee; or
- (c) Member(s) of the Lessee's household named in Lessee's last will and testament who have resided upon the Premises for at least one year prior to the Lessee's death.

Any other person or persons who are heirs, legatees or devisees of the Lessee must constitute a member of a Low or Moderate Income Household and must execute and deliver a Lease Assumption Agreement. If any such person is not a member of a Low or Moderate Income Household or fails to assume this Lease, then the Lessor shall have a continuing right to purchase the Lessee's Interest in the Property from the decedent's estate or any heir or successor at the Purchase Option Price set forth in this Article 10.

10.4 Information to Lessor on Proposed Sale.

Except in the case of a sale, transfer or other disposition to a Permitted Mortgagee in lieu of foreclosure, in each event that Lessee contemplates an assignment of its interest herein or a sale, transfer or Disposition of the Lessee's Interest in the Property, then not less than sixty (60) days prior to such transfer, the Lessee shall give Lessor notice thereof. Such notice shall include the following or comparable items:

- (a) The tax return of the proposed assignee or buyer for the immediately preceding year and a current verification of assignee's or buyer's employment and household income;
- (b) A Letter of Stipulation from such proposed assignee or buyer and a Letter of Acknowledgment in form and substance similar to that of Exhibits A and B hereto;
- (c) a copy of the contract for sale of the Lessee's Interest in the Property to the proposed assignee or buyer, which contract shall provide for a purchase price for the Lessee's Interest in an amount not in excess of the Lessor's Purchase Option Price, as set forth herein; and
- (d) a statement from the proposed assignee or buyer representing (i) that the transferee and the members of transferee's household are members of a Low or Moderate Income Household; (ii) that the transferee acknowledges that on transfer the Lessor may adjust the amount of the Lease Fee as set forth in Article 5 and (iii) that the proposed assignee or buyer will execute a Lease Assumption Agreement.

10.5 Lessor's Purchase Option Right.

Upon receipt of any notice given in accordance with Section 10.4, above (an "Intent to Sell Notice"), Lessor shall have the option to purchase said Lessee's Interest at the Actual Purchase Option Price calculated as set forth in Sections 10.7 and 10.8 below. Such price is designed to further the goals and purposes set forth herein by helping to preserve the affordability of the Lessee's Interest to succeeding low or moderate income resident households while taking fair account of the investment of labor and capital by the Lessee.

10.6 Period for Exercise.

If Lessor shall elect to exercise the purchase option set forth in Section 10.5, Lessor shall: (a) notify Lessee of its election to purchase within forty-five (45) days of the receipt of the Intent to Sell Notice, and (b) exercise the foregoing option to purchase within sixty (60) days, of Lessor's notice of election to purchase or its option will expire.

10.7 Procedures for Determination of Lessor's Purchase Option Price.

In the event that (i) Lessee submits a written request for a determination of the Lessor's Purchase Option Price or (ii) Lessor otherwise has a right to purchase the Lessee's Interest in the Property, Lessor shall deliver to Lessee a good faith estimate of the Lessor's actual Purchase Option Price.

- (a) If Lessee fails to object in writing to the Lessor's determination of the Lessor's actual Purchase Option Price within ten business days of delivery of such estimate to Lessee, such amount shall constitute the actual Purchase Option Price.
- (b) If Lessee does object in writing to such determination by Lessor within ten business days of delivery of such estimate, Lessor shall submit to Lessee, an appraisal (the "Appraisal") and a determination of the actual {Purchase Option Price on the basis of such Appraisal. The cost of the Appraisal shall be borne by the Lessee. The appraiser shall be selected by the Lessor, but must be an appraiser whose appraisals are accepted by Fannie Mae approved lenders.

10.8 Purchase Option Price.

The Purchase Option Price shall be equal to the sum of:

- (a) The outstanding principal balance of any Permitted Mortgage; plus
- (b) The amount of Lessee's Current Equity, which shall be calculated as set forth in Section 10.9.

10.9 Lessee's Current Equity.

The Lessee's Current Equity shall include the sum of:

- (a) Lessee's Beginning Equity, as set forth in the Specific Terms at the Commencement of this Lease, or, in the case of any successor Lessee, as set forth in a Lease Assumption Agreement, plus
- (b) The amount of principal payments made by Lessee on any Permitted Mortgage during the period of Lessee's ownership of the Lessee's Interest in the Property; plus
- (c) The Added Value of Work, as defined in Section 10.12; plus or minus
- (d) The Lessee's share of Appreciation or Depreciation of the Property, as set forth in Sections 10.10 and 10.11.

10.10 Lessee's Share of Appreciation of Property.

For the first calendar year after the Lease Commencement Date and all later years, Lessee's Equity shall be further increased by a percentage of the excess of (i) the fair market value of the Property (reduced by the Added Value of Work) as of the Valuation Date over (ii) the fair market value of the entire property as of the Lease Commencement Date, as set forth in the Specific Terms or in a Lease Assumption Agreement. The percentage of the increase in Appraised Value shall be determined by (1) multiplying (x) the increase in appraised value by (y) the Lessee's Percentage and (2) multiplying such resulting amount by the following Term of Ownership Percentage:

<u>Period of Lease</u>	<u>Term of Ownership Percentage</u>
Through First Anniversary of Lease Commencement Date	10%
After First and through Second Anniversary	20%
After Second and Through Third Anniversary Date	30%
After Third and Through Fourth Anniversary Date	40%
After Fourth Anniversary Date	50%

10.11 Lessee's Share of Depreciation of Property.

In determining Lessor's Purchase Option Price Lessee's Equity shall be decreased by a percentage of the excess of (i) the fair market value of the entire property as of the Lease Commencement Date over (ii) the fair market value of the Property (exclusive of the Added Value of Work) as of the Valuation Date. The percentage of the decreased in fair market value shall be determined by (1) multiplying (x) the decrease in appraised value by (y) the Lessee's Percentage and (2) multiplying such resulting amount by the following Term of Ownership Percentage:

<u>Period of Lease</u>	<u>Term of Ownership Percentage</u>
Through First Anniversary of Lease Commencement Date	90%
After First and through Second Anniversary	80%
After Second and Through Third Anniversary Date	70%
After Third and Through Fourth Anniversary Date	60%
After Fourth Anniversary Date	50%

10.12 Purchase Price and Added Value.

In determining the value of Lessee's Equity in the Property, Lessee shall be credited with the Agreed Added Value of Work. The Agreed Added Value of Work shall be determined as set forth in this Section 10.12.

- (a) Work for Which Credit is Given. Subject to subparagraphs (b), (c) and (d), in general, improvements and repairs qualified for consideration in the Purchase Option Price calculation both ones that increase the usefulness of the Land or Improvements, or increase the useful lifetime of the Improvements (the "Work"). As an example, such Work may include buildings, structures and improvements, replacement of carpeting flooring with wood flooring, foundations, footings, driveways, roads, utilities, pavings, fixtures, and permanently installed equipment in, upon, under or over the land, including all furnaces, piping, wiring, connections, conduits, ducts, equipment, partitions, windows, and doors. Improvements may qualify as Work, and yet entitled to limited or no reimbursement.
- (b) In any event, the Agreed Value of Work shall not exceed the excess of the fair market value of the completion of the Work over the sum of (i) the fair market value of the entire property at the commencement of this Lease plus (ii) the Agreed Added Value of any prior Work.
- (c) The following items shall not constitute Work for which credit is given:
- (i) Repairs of improvements resulting from depreciation of or damage to the Property during the term of the Lease, including, for example, replacement of carpeting worn during the of the Lease or repainting of the exterior of the Property.
 - (ii) If a particular item is of a luxury quality, Lessor may allow only for the usual cost of the non-luxury version of the item.
 - (iii) Housecleaning, yard work, maintenance of improvements (including maintenance of furnace, water heating and similar units) and painting and covering of walls.
 - (iv) Repairs for which reimbursement was, could be, or could have been obtained from insurance or other third party.
 - (v) Work done without Lessor and Lessee reaching agreement with respect to its value prior to its commencement.
 - (vi) The Value of Work, to the extent not taken into account, under subparagraph (b).
- (d) Determining Value of Work. Prior to commencement of any Work, the Lessee shall obtain from the Lessor a pre-valuation of the increase in the Purchase Option Price which will result from the Work. The Lessee shall submit to the Lessor detailed plans for the Work. Within 20 days of receiving the plans, the Lessor shall notify the Lessee of its determination of the Added Value which Lessor agrees would result from the Work. Such valuation may include a depreciation schedule which may apply to reduce the Agreed Value of the Work once the Work is complete. In the event Lessee fails to object to Lessor's determination of the Added Value of Work within ten days of Lessor's notice to Lessee, Lessor's determination shall constitute the Added Value of Work. If Lessee timely objects to Lessor's determination of the Added Value of Work, Lessee and Lessor shall select a mutually agreeable real estate professional who shall determine the

Added Value of Work, and any applicable depreciation schedule. The cost of such determination shall be split evenly between the Lessee and Lessor.

- (e) Review of Work. The Lessor may perform a site visit to verify the quality and state of completion of Work. If the Work is not completed in a workmanlike manner, the Added Value of the Work shall be adjusted agreed by Lessee and Lessor, or, in the absence of agreement, by a mutually agreeable real estate professional

10.13 Maximum Purchase Option Price in All Events.

Notwithstanding any other provisions of this Article 10, the maximum purchase option price payable to the Lessee shall not exceed a price which would result in monthly housing costs (including debt service, lease payment to the Lessor, property taxes and insurance) which are not affordable to a household of four with total household income equal to 80% of area median income (at the time of sale) for the City of Colorado Springs. "Affordability" shall be determined by the Lessor in accordance with guidelines published by the United States Department of Housing and Urban Development, the Colorado Division of Housing and the City of Colorado Springs. Monthly housing costs at the time of sale shall be determined by taking into consideration thirty year permanent financing commercially available at the time of sale and assuming the prospective home-buyer will make a down payment equal to 5% of the purchase option price.

10.14 Lessor's Power of Attorney to Conduct Sale.

In the event Lessor does not exercise its option to purchase as set forth above, the Lessee (a) is not then residing in the Lessee's Interest and (b) continues to hold the Lessee's Interest out for sale but is unable to locate a buyer and execute a binding purchase and sale agreement within one (1) year of the giving of the Intent to Sell Notice, Lessee does hereby appoint Lessor as its attorney-in-fact to seek a buyer, negotiate a reasonable price which furthers the goals set forth herein, sell the property, and distribute proceeds of sale, minus Lessor's costs of sale and reletting and any other sums owed Lessor by Lessee.

10.15 Right of First Refusal in Lieu of Option.

If the provisions of the option set forth in the Article X shall, for any reason, become unenforceable, Lessor shall nevertheless have a right of first refusal to purchase the Lessee's Interest in the Property at the highest documented bona fide purchase price offer made to Lessee. In such event, Lessee shall provide a copy of any bona fide contract to purchase Lessee's Interest in the Property. Lessor shall, within thirty days of receipt of such contract, notify Lessee that it has elected to acquire Lessee's Interest in the Property on the same terms and conditions as set forth in such Contract, in which case Lessor shall complete the purchase of Lessee's interest in the Property within sixty days of the date of delivery of such notice by Lessor. If Lessor fails to deliver such notice, Lessee shall be entitled to transfer Lessee's Interest in the Property to the proposed transferee on the terms and conditions set forth in such Contract, provided that such transferee enters into a Lease Assumption Agreement with the Lessor

which shall include a Lease fee equal to the Fair Rental Value of the Lessee's Interest in the Property. Any sale or transfer contrary to this section, when applicable, shall be null and void.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

In order to ensure that HOME-assisted housing is modest and non-luxury, CDD will use the following method to determine that the purchase price or after-rehab value of each unit does not exceed 95% of the area median purchase price for the Colorado Springs MSA:

Reference data from the FHA single family mortgage program for existing housing to determine the median sales price for the Colorado Springs MSA. Multiply that figure by 95% to determine the maximum purchase price for units acquired through homebuyer programs. For CY 2019, the median sales price listed on the FHA mortgage limits webpage is \$295,000. Multiplying the median sales price by 95% results in a maximum purchase price of \$280,250.

For each property proposed for acquisition and rehab, CDD will reference the current market value established by the El Paso County Assessor's website. The current market value will be compared to 95% of the median sales price established for 2019, or \$280,250. Because CDD's homebuyer's down payment assistance and housing rehabilitation programs address health and safety issues directly related to substandard housing conditions, the current market value and the after-rehab value are considered the same.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable.

Emergency Solutions Grant (ESG)
Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

CDD has updated the written standards for providing ESG assistance and has completed the first program year under the new guidelines.

If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The CoC established a centralized coordinated assessment system that meets HUD requirements. Currently, the PPCoC operates a Coordinated Entry System for clients who meet the definition of literally homeless. The process goes as follows:

- Client entry begins with the subrecipient service provider.
 - Providers administer the Housing Survey. (VI-SPDAT is the common assessment tool).
 - Survey data entered into HMIS and vulnerability score is generated.
 - Case conferencing is scheduled weekly (if a housing resource is available).
 - Client lists pulled from HMIS based upon available housing resources. (Different vulnerability scores are tied to different levels of housing resources. Housing resources are submitted by providers with the resource along with the eligibility for the specific resource.)
 - Client is matched with appropriate available resource.
 - Client is located and further eligibility for available resource is verified by the subrecipient agency.
 - If client remains eligible for resource, client referred to housing resource.
2. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

CDD consults with the CoC to determine priorities. In 2019, ESG will be allocated as follows:

Emergency Shelter Operations: No more than 60% of the entitlement award will be allocated for emergency shelter operations. CDD continues to conduct an open and competitive process for funding. Respondents are currently being evaluated based on consistency with the written standards for ESG assistance, past performance, and planned outcomes.

HMIS: HMIS funds will be directly allocated to the new HMIS administrator – the sole source manager of the CoC HMIS as designated by the CoC Governing Board – following CoC Governing Board approval of a HMIS operating budget.

Rapid Rehousing/Homeless Prevention: The balance of funds will be allocated for Rapid Rehousing and/or Homeless Prevention activities. CDD will conduct an open and competitive process for funding. Respondents will be evaluated based on consistency with the written standards for ESG assistance and past performance.

- 3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.**

CDD consults with the Pikes Peak Continuum of Care when considering policies and funding decisions regarding facilities and services funded under ESG. Per the CoC Governance Charter, the CoC governing board composition must include at least one homeless or formerly homeless person. In addition, the CoC has established a Consumer Advisory Council comprised of currently or formerly homeless consumers. The committee identifies consumer priorities, reviews matters requested by the Governing Board, provides inputs to processes and program requirements, assists in identification of barriers and potential solutions, and generally provides consumer-oriented recommendations to the Governing Board. The committee meets at least monthly.

- 4. Describe performance standards for evaluating ESG.**

Now that the written standards are complete, the CDD will continue to work with the CoC to monitor performance metrics and evaluate outcomes across all funding sources/agencies. CDD will continue to monitor agencies receiving ESG funds to ensure that program guidelines are being followed and ensure that all agencies actively participate in Coordinated Entry when applicable. Monitoring procedure will be conducted as outlined in the ESG Monitoring Plan. All agreements require quarterly reimbursement requests and timely expenditure of funds. In addition, before reimbursement can be made, verification of expenditures is required.