



SMART Act Report on CRS 24-32-721 Section 2 (Development and Vouchers) in FY 2021-2022

Section 24-32-721(4)(f), C.R.S., reads that the “Department of Local Affairs shall report to the senate committee on health and human services and the house of representatives committees on health and insurance and public health care and human services, or any successor committees, under the “State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act”, part 2 of article 7 of title 2, on:

- I. The number of projects funded under this section
- II. The number of units in each project funded under this section
- III. The number of qualified individuals housed as a result of this subsection (4); and
- IV. To the extent practicable, the number of individuals who, after receiving a voucher under subsection (4)(b) of this section, returned to the facilities from which the individuals were transitioning.

Section 721 concerns 1) construction grants and loans for affordable housing and 2) housing vouchers, rental assistance, and other support services for housing assistance. It includes several programs including:

- Housing Development Grant and Loan (HDG) program: General Fund
- Homeless Solutions Program (HSP): Marijuana Tax Cash Fund
- Homeless Solutions Program - Justice Involved (HSP-JI): Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice Cash Fund, and
- Recovery-Oriented Housing (House Bill 19-1009)

I. The number of projects funded under this section

In FY 2021-2022, the number of affordable housing development projects funded under CRS 24-32-721 was 45. Details about each of these projects is provided in the Department of Local Affairs (DOLA), Division of Housing (DOH) Annual Public Report on Funding of Affordable Housing Preservation and Production, which will be provided for consideration at the SMART Act Hearing scheduled on January 17th before the Department of Local Affairs’ Joint Committees of Reference and will be available on the DOH website.

II. The number of units in each project under this section

In FY 2021-2022, the total number of units funded under section 721 was 3,836. In addition to these units, DOH funded 1 project with a total of 10 shelter/recuperative beds. Details about each of these projects is provided in DOH’s Annual Public Report on Funding of Affordable Housing Preservation and Production, which will be provided for consideration at the SMART Act Hearing scheduled on January 17th before the Department of Local Affairs’ Joint Committees of Reference and will be available on the DOH website.



III. The number of qualified individuals housed as a result of this subsection (4)
 CRS 24-32-721, subsection 4, includes vouchers, rental assistance and other support services for housing assistance.

Housing Vouchers: DOH's State Housing Voucher programs are funded through the Marijuana Tax Cash Fund (MTCF) and the General Fund. Funding allocations have been informed by DOH's ongoing efforts to create a continuum of housing options that combine affordable housing with supportive services to make homelessness rare and brief. Those served with State Housing Vouchers are low- to extremely low-income, have a disabling condition and/or disability, and have complex barriers to housing stability.

This population is typically the least likely to self-resolve and at increased risk of incarceration, institutionalization, and the frequent utilization of emergency services. Many have long lengths of homelessness and are transitioning from or have recently transitioned from institutional or correctional settings.

Households participating in DOH's State Housing Voucher program have access to non-time-limited rental assistance and supportive services so long as they remain program eligible. Participating households pay 30% of their monthly adjusted income in rent directly to the property owner. The rental assistance or voucher provided by DOH pays the owner the difference between 30% of the participant's monthly adjusted income and the fair market-rate for units in the community. Each population is described in further detail in the table below.

Population Served	Legislative Authority	Source
Individuals who are transitioning from mental health institutes back to the community, or who need more intensive services in the community to help avoid institutional placement.	Section 25.5-6-1501, C.R.S.	General Fund
Individuals who are utilizing Medicaid-funded Transition Services to exit from nursing homes or other institutional settings, or who need affordable housing to help avoid institutional placement.	Section 25.5-6-1501, C.R.S.	General Fund
Individuals with a disabling condition, long lengths of homelessness, and complex barriers to housing stability, including behavioral health needs and justice system involvement who are frequent or high-cost consumers of public systems.	Section 39-28.8-501 (2)(b)(IV)(N), C.R.S. & Section 24-32-721, C.R.S	MTCF
An individual with a mental health disorder, substance use disorder, or co-occurring behavioral health disorder who is transitioning from the Department of Corrections, the Division of Youth Services in the Department of Human Services, a mental health institute, a psychiatric hospital, or a county jail into the community; or An individual who is homeless or in an unstable housing environment and is transitioning from a residential treatment program or is engaged in the community Transition Specialist Program created pursuant to Section 27-66.5-103, C.R.S.	Section 24-32-721 4(b)(II), C.R.S.	MTCF HB19-1009



In FY 2021-2022, 1,255 households were housed with State Housing Vouchers at a total cost of \$12,766,967.18. Approximately 42% of these funds (\$5,419,298.66) were MTCF as per CRS 24-32-721, which includes the funds from HB19-1009 as well as the Homeless Solutions Program. These vouchers housed 498 households.

Starting in FY 2019-2020, HB19-1009 added \$1M per year for five consecutive fiscal years to this subsection for vouchers and support services for population 4 listed in the table above (plus some administrative funds). The aim of HB19-1009 is to improve housing stability and reduce returns to homelessness, the justice system, and hospitalization. Aligning with this intent, DOH has used the funding to support a spectrum of recovery-oriented housing models which address the complex needs of individuals transitioning from a variety of institutional and community-based settings at various stages of recovery.

After collecting public comments and stakeholder feedback, DOH selected several partner organizations across the state to serve clients designated by HB19-1009. These organizations were selected through the Recovery-Oriented Housing Request for Applications (RFA), as well as through the incorporation of resources with existing programs that meet the intent of the legislation in regards to housing model, referral sources, and populations served. These agreements were put in place in FY 2019-2020 and were extended into FY 2021-2022. Areas served include Larimer, Weld, Pueblo, El Paso, and Mesa counties, as well as counties in the Metro Denver area (Adams, Arapahoe, Denver, Jefferson), Northeastern Plains (Logan, Sedgwick, Phillips, Yuma, Kit Carson, Cheyenne, Lincoln, Elbert, Washington, Morgan), and Southwest Colorado (San Juan, Montezuma, Dolores, Archuleta, La Plata).

Additionally, in FY 2021-2022, DOH formed a new partnership with the 18th Judicial District to serve households participating in the Wellness or Recovery Courts and/or transitioning from recovery residences. These households are served through an existing agreement with reentry services provider Second Chance Center.

Across these partnerships, a total of 67 households were housed in FY 2021-2022 with funds from HB19-1009.

Rapid Re-Housing: Rapid re-housing provides time-limited rental assistance and tailored supportive services in order to quickly solve the practical and immediate challenges that households face in obtaining permanent housing. Rapid re-housing programs help reduce the amount of time households experience homelessness, avoid a near-term return to homelessness, and link to community resources that enable participants to achieve housing stability in the long-term. Tenants pay a share of the monthly rent that gradually increases as their income increases. At the end of the rapid re-housing assistance, tenancy continues for participating households according to the terms of the initial lease agreement and the household is responsible for monthly rental payments.

The Colorado Rapid Re-Housing for Re-Entry (COR3) program connects individuals with behavioral health conditions, who would be exiting or have already exited incarceration into homelessness, to affordable, supportive housing. COR3 accepts referrals from U.S. Department



of Housing and Urban Development (HUD) Continuum of Care-based Coordinated Entry Systems, and from the Colorado Department of Corrections. In FY 2021-2022, approximately 260 households were served in the COR3 program.

The Next Step 2-Gen Rapid Re-Housing program provides move-in assistance, temporary rent subsidies, and case management services to families with school-aged children and unaccompanied students 18 years of age or older who are experiencing homelessness. The Division of Housing contracts with community partnerships made up of school districts, housing providers, and supportive service providers to help participants quickly exit homelessness, return to housing, and remain stably housed. 170 public school students and their families were provided with rapid re-housing assistance through DOH in FY 2021-2022.

The Office of Homeless Youth Services Rapid Re-Housing program partnered with two organizations to provide rapid re-housing solutions to youth aged 18-24 who are homeless or would become homeless. Combined, these partners served 96 households in FY 2021-2022.

Host Homes: Host Homes provide short-term, safe, housing for young people experiencing homelessness. This model helps ensure the immediate safety of youth while providing support to help repair relationships and reunify with family (when possible) or identify other permanent housing options. Private households who provide Host Home opportunities receive a small stipend but do not become foster parents. This approach allows youth to make decisions about their living arrangements, remain connected to the community where they are staying, attend school, and learn daily living skills. DOH served 26 youth through Host Homes in FY 2021-2022. DOH's Host Homes programs serve Larimer, Mesa, Alamosa, Fremont, Garfield, Morgan, Pueblo, Dolores, Montezuma, San Juan, La Plata, and Archuleta counties.

Other Uses: DOH includes Homeless Solutions Funding (HSP) in the competitive application process for HUD's Emergency Solutions Grants (ESG) Funding in order to increase the scale and reach of the program in Colorado. Eligible uses for ESG funding include street outreach, rapid-re-housing, emergency shelter operations, and other activities. In FY 2021-2022, HSP granted \$228,089.15 to four rapid re-housing programs, which collectively served 112 households comprised of 217 individuals. DOH does not include information on outcomes that are not associated with permanent housing (street outreach and emergency shelter) in this report.

The number of qualified individuals served as a result of this subsection (4)

Housing Strategy	Number Served
State Housing Vouchers	498
Rapid Re-Housing	526

A total of 67 households were housed in FY 2021-2022 with funds specifically from HB19-1009.



IV. To the extent practicable, the number of individuals who, after receiving a voucher under subsection (4)(b) of this section, returned to the facilities from which the individuals were transitioning.

Subsection (4)(b) refers to the program developed through HB19-1009, which we refer to as the Recovery-Oriented Housing Program. Of the 67 households housed by this program in FY 2021-2022, three (3) returned to facilities from which they transitioned. Eight (8) individuals exited the program with unknown destinations because they either were no longer receiving services from their original service provider at the time they exited the program, or because they lost contact with the service provider. Therefore, it is unknown whether they returned to the facilities from which they transitioned.

Excluding the eight (8) individuals for whom their destination is unknown, the program currently reports that 95% (56) of households served are either still active in the program or did not return to the facility from which they transitioned at the time that they exited the program.