



# COLORADO

## Department of Local Affairs

# Performance Plan for FY2015-16

*June 25, 2015*

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## *Departmental Introduction*

The Department of Local Affairs (DOLA) serves as the primary interface between the State and local communities. The Department provides financial support to local communities and professional and technical services (including training and technical assistance) to community leaders in the areas of governance, housing, and property tax administration. While all state governments provide such services through various Departmental structures, Colorado's approach is unique in that these local community services are gathered into one Department of "Local Affairs" which has a central focus on strengthening those communities and enhancing livability.

DOLA makes financial resources available to support community infrastructure (e.g. water, sewer, road and bridge projects) and services (e.g. housing) either through statutory formula distributions of state and federal funds (e.g. energy impact direct distribution, Community Service Block Grants, Conservation Trust Fund) or through state and federal grants (e.g. Energy Impact, Limited Gaming Impact, Community Development Block Grants).

In addition to providing assistance and services to local governments and communities, DOLA provides technical assistance and services for individual citizens. DOLA assists property owners to ensure their property taxes have been determined in a fair, accurate and consistent manner in accordance with property tax laws. DOLA also helps citizens obtain Section 8 rental assistance through local housing authorities and non-profit service organizations. Additionally, DOLA channels federal aid for disaster recovery. In these ways, DOLA is a direct point of contact for many Coloradoans and other Colorado property owners.

Further, all four Divisions of DOLA perform a variety of regulatory functions as assigned by the Constitution and statutes. These range from ensuring proper implementation of state property tax laws, implementing safety and related policies regarding manufactured housing, enforcing requirements on local governments regarding public access to key government documents, and many others.

DOLA has established a culture within the Department that encourages collaboration and efficiency, both internally and in relationships with our customers (communities, community leaders and other partners) in advancing the interests and capabilities of local governments.

## *Constitutional and Statutory Authority*

**Department of Local Affairs (DOLA)** - Title 24, Article 32, C.R.S.

**Division of Property Taxation (DPT)** - Article X, Sections 3 and 15, of the Colorado Constitution and Title 39, Articles 1-14, C.R.S.

**Board of Assessment Appeals (BAA)** - Article X, Section 3 and Article XII, Section 13 of the Colorado Constitution and Title 39, Article 2, C.R.S.

**Division of Housing (DOH)** - Title 24, Article 32, Section 702, C.R.S.

**Division of Local Government (DLG)** - Title 24, Article 32, Part 1, C.R.S.

*[C.R.S. refers to Colorado Revised Statutes, 2013]*

# DOLA Organizational Chart

## Executive Director's Office

Executive Director: Irv Halter

14.2 FTE | \$7,113,554 \*

**Division of Property Taxation**  
Property Tax Administrator: JoAnn Groff  
36.7 FTE | \$3,149,606

**Board of Assessment Appeals**  
Director: Mike Beery  
13.2 FTE | \$624,314

**Division of Housing**  
Director: Alison George  
52.3 FTE | \$75,635,729

**Division of Local Government**  
Director: Chantal Unfug  
52.0 FTE | \$233,223,450

## FY 2015-16 Appropriation

Division	GF	GFX	CF	RF	FF	Total	FTE
<b>Exec Director Office</b>	\$1,635,544	\$0	\$659,430	\$3,749,620	\$1,068,960	<b>\$7,113,554</b>	14.2
<b>Board of Assessment Appeals</b>	\$394,380	\$0	\$168,000	\$61,934	\$0	<b>\$624,314</b>	13.2
<b>Div. of Property Tax</b>	\$985,901	\$0	\$1,096,404	\$1,067,301	\$0	<b>\$3,149,606</b>	36.7
<b>Div. of Housing</b>	\$13,456,241	\$0	\$1,144,256	\$452,504	\$60,582,728	<b>\$75,635,729</b>	52.8
<b>Div. of Local Gov't</b>	\$2,533,907	\$4,251,065	\$206,090,742	\$5,123,379	\$15,224,357	<b>\$233,223,450</b>	52.8
<b>Total</b>	<b>\$19,005,973</b>	<b>\$4,251,065</b>	<b>\$209,158,832</b>	<b>\$10,454,738</b>	<b>\$76,876,045</b>	<b>\$319,746,653</b>	<b>169.7</b>

\* Budget values reflect the DOLA Long Bill appropriations only.  
They do not include CDBG-DR Disaster Relief Fund or other legislative appropriations.

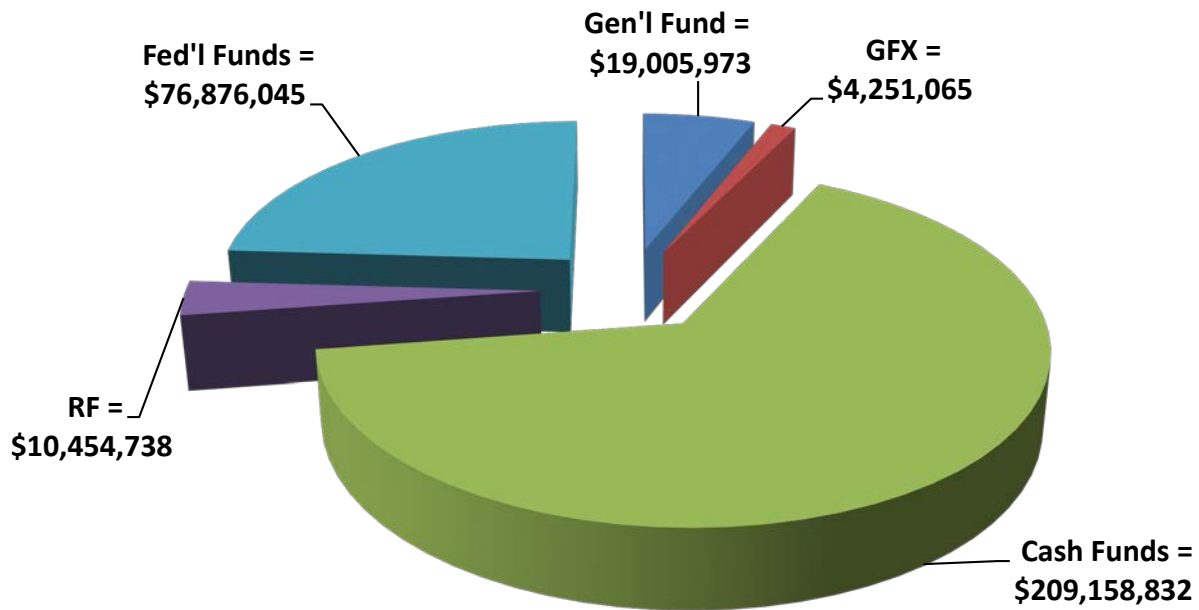
### FY 2015-16 DOLA Legislation and Long Bill Add-on Appropriations (exclusive of transfers)

Division	Bill Number	Topic	General Funds	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	FTE
Local Government	SB 15-234	Long Bill Add-on: Other Local Government Grants (1)	\$ 95,000	-	-	-	\$ 95,000	0.0
Local Government	SB 15-029	Volunteer Firefighter Pension Plan Study	\$4,271	-	-	-	\$ 4,271	0.0
Local Government	HB 15-1033	Strategic Planning Group on Aging	\$ 364,915	-	-	-	\$ 364,915	0.3
Local Government	HB 15-1225	Federal Land Coordination	-	-	\$ 32,369	-	\$ 32,369	0.5
Local Government	HB 15-1367	Retail Marijuana Taxes (2)	-	\$ 71,342	-	-	\$ 71,342	1.0
<b>Total Additional Appropriations from Legislation and LB Add-ons</b>			<b>\$ 464,186</b>	<b>\$ 71,342</b>	<b>\$ 32,369</b>	<b>-</b>	<b>\$ 567,897</b>	<b>1.8</b>

Notes: (1) Add-on appropriation a supplemental to FY 2014-15 but continues through FY 2017.

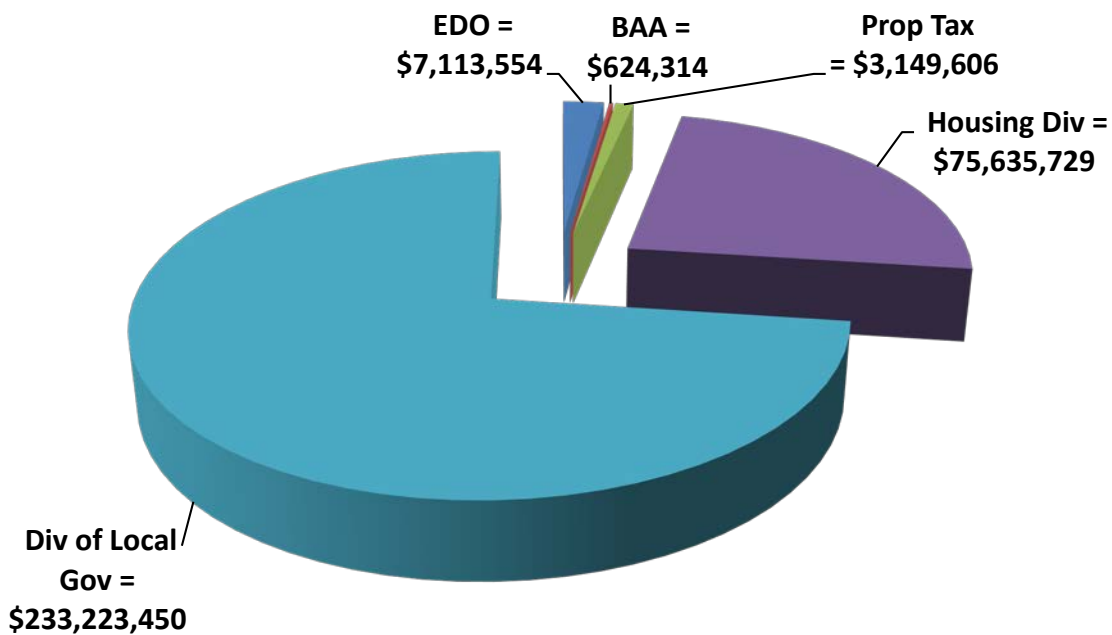
(2) HB 15-1367 includes only non contingent portion of the appropriation.

## DOLA 2015-16 Appropriation by Fund Source (Total = \$319,746,653)



\* Budget values reflect the DOLA Long Bill appropriations only. They do not include CDBG-DR Disaster Relief Fund or other legislative appropriations.

## DOLA 2015-16 Appropriation by Division (Total = \$319,746,653\*)



\* Budget values reflect the DOLA Long Bill appropriations only. They do not include CDBG-DR Disaster Relief Fund or other legislative appropriations.

# *DOLA Strategic Framework Summary*

## **DOLA Mission**

*DOLA strengthens communities and enhances livability in Colorado by providing accessible assistance in the following areas:*

- 1. Equitable and consistent implementation of property tax laws;*
- 2. Community development that is revitalizing and sustainable;*
- 3. Financial support for community needs; and*
- 4. Safe, affordable housing.*

*DOLA strives to be responsive, attentive, solutions-oriented and respectful, within and beyond our departmental boundaries.*

DOLA distills its mission to be: “*Strengthening Colorado’s Communities*” and is committed to this motto.

## **DOLA Vision**

*The Department of Local Affairs is responsible. for strengthening Colorado's local communities and building capacity by providing strategic training, research, technical assistance, and funding to localities.*

## **DOLA Tenets**

### **1. Assist customers in solving problems**

- Respond to customers in a timely, effective and efficient manner.
- Listen respectfully and strive to understand each problem or issue.
- Facilitate dialogue to encourage collaborative and cooperative solutions.
- Provide appropriate financial and technical assistance.
- Connect each customer to the correct person in state government to assist in addressing each issue.

### **2. Fulfill regulatory responsibilities**

- Be knowledgeable of the statutory and regulatory requirements for which we are responsible.
- Provide expertise to customers to help each comply with these requirements.
- Educate customers regarding the intent and application of these requirements.
- Ensure compliance with all requirements.
- Be consistent, fair and timely in the application of these requirements.

### **3. Cultivate DOLA employees**

- Develop DOLA employees professionally so that they can continue to improve service to customers as we encourage retention of effective employees.
- Recognize and reward employee performance.
- Engage employees to continually enhance the department’s ability to deliver effective and efficient service to customers.

### **4. Improve internal business systems**

- Maintain an environment of continuous improvement.
- Collaborate across divisions and departments as well as with other stakeholders to improve business systems.
- Ensure use of appropriate and effective technology.
- Advocate for technological capabilities in alignment with customers' needs.

## *DOLA Customers by Division*

DOLA Division	Division Clients
<b>Division of Property Taxation:</b>	County assessors Assessment staff Exempt property owners Property taxpayers Property taxing authorities State-assessed companies County treasurers Boards of County Commissioners State Board of Equalization Colorado General Assembly
<b>Board of Assessment Appeals:</b>	Property taxpayers Taxpayer representatives County assessors and attorneys County Boards of Equalization Boards of county commissioners State Property Tax Administrator
<b>Division of Housing:</b>	Private for-profit and nonprofit housing organizations Housing authorities Colorado renters and homeowners Housing manufacturers Owners and potential owners of factory-built residential and non-residential structures Nonprofit independent living agencies Mental health agencies Chronically homeless individuals
<b>Division of Local Government:</b>	Local governments <sup>1</sup> State agencies Universities Private firms Nonprofit organizations Consultants General public
<b>EDO Disaster Recovery (CDBG-DR):</b>	Colorado renters and owners Local governments <sup>1</sup> Business owners Public and nonprofit organizations

<sup>1</sup> Local governments include municipalities, counties, and special districts

## *Fund Sources by Division*

<b>Fund Sources by Division</b>	<b>Executive Director (incl. Disaster Recovery)</b>	<b>Division of Property Taxation</b>	<b>Board of Assessment Appeals</b>	<b>Division of Housing</b>	<b>Division of Local Government</b>
<b><u>State</u></b>					
General Fund	●	●	●	●	●
General Fund Exempt (associated with Volunteer Firefighter Pension Plans)					●
Moffat Tunnel Cash Funds	●				
Property Tax Exemption Cash Funds	●	●			
Board of Assessment Cash Funds	●		●		
Private Activity Bond Allocation Cash Funds	●			●	
Homeless Prevention Activities Program Cash Funds	●			●	
Building Regulation Cash Funds	●			●	
Local Government Energy & Mineral Impact Funds	●	●		●	●
Local Government Severance Tax Funds	●	●		●	●
Conservation Trust Funds	●				●
Local Government Limited Gaming Impact Funds	●				●
Colorado Search & Rescue Funds	●				●
Colorado Heritage Communities Grants					●
Departmental or State Indirect Cost Recoveries (State and Federal)	●	●	●		●
Water Pollution Control & Drinking Water Revolving Funds	●				●
<b><u>Federal</u></b>					
Community Development Block Grant Funds (CDBG)				●	●
Disaster Recovery / CDBG-DR	●				
Community Service Block Grant Funds					●
Environmental Protection Agency Funds	●				●
Departmental Indirect Cost Recoveries (various Federal)	●			●	●
Dept of Justice Grant Funds				●	
Department of Housing and Urban Development Grant Funds				●	●
HUD-VA Grant Funds				●	●
Various Federal Funds	●				

## *Strategic Policy Initiatives*

The Department of Local Affairs, through its divisions, engages in numerous services to the State, many of which are spelled out in the State constitution or statutes. Yet there are certain functions which are so fundamental that they warrant specific initiatives to advance the work of the Department in the coming year and three years into the future. These have been selected from a set of outcomes identified by the respective Divisions in the course of annual strategic planning.

The strategic policy initiatives have changed since the FY14/15 plan. The new Executive Director reviewed the former initiatives and directed a reprioritization. This revised list includes two new initiatives and some restructuring of the three which are carrying forward. The Department believes that this new set is more reflective of the priorities for the coming years.

### **Major Program Area: Division of Housing**

#### ***Strategic Policy Initiative: Increase affordable housing supply***

Metrics	FY2014-15	FY2015-16	FY 2017-18	Cross Reference
<b>Increased affordable housing supply (from previous year)</b>	<b>3,168</b>	<b>3,700</b>	<b>4,200</b>	<b>DOH Process #1</b> <i>[Tenet #1]</i>
<u>Strategy for improvement:</u> Increase financial resources for housing production, given our ability to efficiently deploy these and any additional funds which become available.				

#### ***Strategic Policy Initiative: Improving quality of life for Fort Lyon residents in a cost-effective manner***

Metrics	FY2014-15	FY2015-16	FY 2017-18	Cross Reference
<b>Percent of Fort Lyon residents obtaining employment</b>	<b>65%</b>	<b>65%</b>	<b>TBA <sup>1</sup></b>	<b>DOH Process #4</b> <i>[Tenet #1]</i>
<b>Percent of Fort Lyon residents returning to permanent housing</b>	<b>75%</b>	<b>75%</b>	<b>TBA <sup>1</sup></b>	
<b>Amount of public cost savings</b>	<b>\$3,127,218</b>	<b>\$6,238,800</b>	<b>TBA <sup>1</sup></b>	
<u>Strategy for improvement:</u> Create a statewide referral system to identify vulnerable homeless individuals, provide permanent housing, offer medical care, job training, mental health and substance abuse treatment.				

<sup>1</sup> The Fort Lyon program is the first of its kind. Consequently, it is not possible to estimate long-range results until Colorado has more time and experience with this program.



## Major Program Area: Division of Local Government

### *Strategic Policy Initiative: Expand broadband service in rural communities*

Metrics	FY2014-15	FY2015-16	FY 2017-18	Cross Reference
<b>Complete 14 regional broadband plans to identify key infrastructure needs and projects</b>	<b>3</b>	<b>TBA<sup>2</sup></b>	<b>TBA<sup>2</sup></b>	<b>DLG Process #10</b> <i>[Tenet #1]</i>
<b>Fund 14 critical broadband infrastructure “middle-mile” projects to create increased connectivity in at least 28 communities</b>	<b>2</b>	<b>TBA<sup>2</sup></b>	<b>TBA<sup>2</sup></b>	
<p><u>Strategy for improvement:</u> In partnership with the Office of Economic Development and International Trade and the Office of Information Technology, promote expanded broadband coverage in needed rural communities statewide by leading essential technical support and strategically investing \$30 million in essential regional planning efforts and critical “middle-mile” infrastructure.</p>				

<sup>2</sup> This collaboration between multiple agencies is underway and may impact these future metrics.

### *Strategic Policy Initiative: Additional Main Street Projects*

Metrics	FY2014-15	FY2015-16	FY 2017-18	Cross Reference
<b>Add 20 new communities into the National Main Street program by 2020.</b>	<b>2</b>	<b>4</b>	<b>6</b>	<b>DLG Process #3</b> <i>[Tenet #1]</i>
<b>Produce 2,155 net new direct, indirect and induced jobs by 2020 (self-reported)</b>	<b>215</b>	<b>603</b>	<b>866</b>	
<b>Net 450 new businesses by 2020 (self-reported)</b>	<b>45</b>	<b>57</b>	<b>81</b>	
<p><u>Strategy for improvement:</u> Bring the total number of communities to 34 by adding 20 new communities into the National Main Street program to produce 2,155 net new direct, indirect and induced jobs; 450 new businesses; and leverage over \$37.5 million in public and private investment by June 30, 2020.</p>				

## Major Program Area: Disaster Recovery - CDBG

***Strategic Policy Initiative: Provide recovery resources through strategic partnerships***

Metrics	FY2014-15	FY2015-16	FY 2017-18	Cross Reference
<b>CDBG Disaster recovery funds successfully invested in impacted communities</b>	<b>\$9.1 million</b>	<b>\$54.0 million</b>	<b>Not Available <sup>3</sup></b>	<b>DR Process #1</b> <i>[Tenet #1]</i>
<u>Strategy for improvement:</u> Provide recovery resources to households, businesses, and local governments to foster the long-term recovery of disaster-impacted communities through the effective implementation of programs funded under the HUD allocation of CDBG-DR. Key traits of this effort are timeliness, quality, and administrative efficiency, while fully utilizing available funds.				

<sup>3</sup> Long-range forecasts depend upon future Federal funding. Data for FY17/18 is not currently available.

# Division of Property Taxation (DPT)

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Under the general laws of Colorado, the Property Tax Administrator heads the Division of Property Taxation.

The Division's charge is to coordinate and administer the implementation of property tax law throughout the sixty-four counties of Colorado to ensure that valuations are uniform and that each property class is responsible for only its fair share of the total property tax obligation. This includes the granting of exemptions, valuation of public utilities for ad valorem taxation, providing technical assessment assistance, and promoting the equalization of property valuation.

To fulfill these responsibilities, the Division is divided into four sections:

**Appraisal Standards Section:** Appraisal Standards prepares and publishes appraisal manuals, procedures and instructions. It holds schools and seminars regarding all areas of appraisal. It conducts field studies and provides statewide assistance in agricultural land classification, natural resources and personal property valuation, as well as assistance in the valuation of residential, commercial and industrial properties. The section assists in reappraisal efforts, reviews internal appraisal forms used by assessors, and investigates and responds to taxpayer complaints.

The Appraisal Standards section conducts four tested qualifying education courses to enable assessment appraisers to obtain an Ad Valorem Appraisal License. These classes are: Introduction to Ad Valorem Mass Appraisal, Basic Appraisal Principles, Basic Appraisal Procedures, and Uniform Standards of Professional Appraisal Practice (USPAP). This section currently offers five additional tested courses: Valuation of Vacant Land Present Worth, Advanced Income Approach to Value, Agricultural Land and Rural Structural Valuation, Possessory Interest (Distance Education), and Vacant Land (Distance Education). The section also offers several non-tested courses and workshops throughout the year.

**Administrative Resources Section:** Administrative Resources prepares and publishes administrative manuals, procedures and instructions. It conducts a number of classes and seminars regarding the administrative functions of the assessors' offices, including one tested course: Introduction to Assessment. It performs field studies and provides statewide assistance with issues such as tax increment financing, the administration and valuation of manufactured homes, senior and disabled veteran exemptions, classification of property, title conveyance, mapping, production of the Abstract of Assessment, certification of values to taxing entities, and the tax warrant. The section also investigates taxpayer complaints. It is responsible for various studies and reports such as fiscal impacts for Legislative Council, the residential assessment rate study and the Property Tax Administrator's *Annual Report to the General Assembly and State Board of Equalization*. It also coordinates with agencies having an interest in property taxation. In addition, the field staff works closely with assessors in all areas of property taxation. Administrative Resources is also responsible for approving or disapproving all petitions for refund or abatement of taxes in excess of \$10,000.

**Exemptions Section:** The Exemptions section is responsible for determining qualification for exemption from property taxation for properties that are owned and used for religious, charitable and private school purposes. This section also reviews reports filed annually by exempt property owners to determine if the property's exempt status is still warranted. It also provides assistance to counties and taxpayers with inquiries about exempt properties, helps taxpayers with petitions to the State Board of Equalization, conducts hearings on exemption applications and revocations of exemptions, and defends appeals of its final decisions.

**State Assessed Section:** The State Assessed section is the only area of the Division which regularly performs original valuation of property on an annual basis. The section values all public utilities doing business in Colorado as defined by statute, including: rail transportation companies, airlines, non-renewable and renewable energy companies, telephone companies, and pipelines. The company valuations are then apportioned to the counties for collection of local property tax. Both county commissioners and public utilities may protest the value assigned to state assessed property, and may appeal to the Board of Assessment Appeals (BAA) or Denver District Court if the protest is not resolved at the Division level.

## ***Processes***

- DPT Process #1:** Monitor customer satisfaction by developing and conducting a survey of customer satisfaction
- DPT Process #2:** Employee development
- DPT Process #3:** Education program for assessment staff
- DPT Process #4:** Determine qualification for initial and continued property tax exemption for religious, charitable and private school properties
- DPT Process #5:** Perform property valuation for public utilities as defined by statute, apportion to respective counties as well as defend those values when appealed at the Board of Assessment Appeals or district court

# Board of Assessment Appeals

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The Board of Assessment Appeals (BAA) hears appeals filed by real and personal property owners regarding the valuation placed on their property for property tax purposes.

County Assessors are responsible for valuing all property in their county except for exempt property and state assessed properties. Taxpayers may appeal the assigned values to the Assessor and the County Board of Equalization (valuation appeal) or to the Board of County Commissioners (abatement). These cases may then be appealed to the BAA.

State assessed properties and exemptions are appealed to the property tax administrator. These cases may then be appealed to the BAA.

Appeals may also be filed with the BAA when a County Board of Commissioners or a County Board of Equalization has failed to make a timely decision on a matter properly presented.

Such appeals must be made in writing to the Board within 30 days from the date of the decision that is being appealed. After the appeal is docketed, a receipt of appeal is sent to the Petitioner. A notice of hearing is mailed to all parties at least 30 days prior to the scheduled hearing. The Board's decision is transmitted in a written order and mailed to all parties. Board decisions are also posted on the Board's website. Board decisions may be appealed to the Colorado Court of Appeals.

Members of the Board are appointed by the Governor and confirmed by the State Senate. By statute, the Governor may appoint from three to nine appraisers to the Board. At this writing, there are eight (8) members of the Board to allow cases to be heard on a timely basis.

## *Processes*

BAA Process #1: Board of Assessment Appeals hearings process

# Division of Housing

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## *Introduction*

The Department of Local Affairs, Division of Housing (DOLA Housing Division) works with a variety of partners to increase the availability of affordable housing to residents of Colorado. DOLA Housing Division provides grants, loans, rental subsidies and bond authority to local governments, housing authorities, non-profit organizations, for-profit and non-profit developers, private landlords and other organizations to create, preserve and rehabilitate housing for Colorado's workers, families, seniors and those with special needs. DOLA Housing Division also certifies all factory/ manufactured structures built in or shipped to Colorado and approves multifamily construction in counties with no construction codes.

To assist in meeting the affordable housing needs within the State of Colorado, DOLA Housing Division administers the following grant, loan, and bond authority as well as manufactured housing programs:

- HOME Investment Partnership Grant/Loan Program
- Community Development Block Grant Program
- Emergency Solutions Grant Program
- Housing Opportunities for People with AIDS Grant Program
- Housing Development Grant (HDG) Program
- Housing Development Loan Fund (HDLF)
- Shelter Plus Care Housing Program
- Private Activity Bonds (balance of State) Program
- Housing Choice Voucher, Homeownership and Family Self-Sufficiency Program
- Manufactured Housing Dealer Registration Program
- Inspection and certification programs for all factory-built (modular) housing, commercial structures, and manufactured homes
- Consumer complaint service program for factory/manufactured structures
- Manufactured Home Installation Program
- Homeless Prevention Tax Check Off Program
- Fort Lyon Supportive Housing Program

**Colorado State Housing Board:** The Colorado State Housing Board (the Board) was created in 1970 to advise the General Assembly, the Governor, and the DOLA Housing Division on Colorado housing needs. The seven member Board reviews financing requests and adopts policies to assist in the development of affordable housing. The Board also adopts regulations governing factory built structures and multifamily housing in counties with no codes.

**Preparation of the DOLA Housing Division Strategic Plan:** DOLA Housing Division develops two housing plans annually that assist in setting the strategic plan for the Division. The State Consolidated Plan and the Housing Choice Voucher Agency Plan identify DOLA Housing Division strategies and goals to address affordable housing needs in Colorado communities. DOLA Housing Division relies on a number of resources and publications to identify the greatest needs for affordable housing in Colorado. These sources include a quarterly vacancy survey report, foreclosure report, household

income report, housing needs assessments, US census building permits, unemployment reports, economic growth report, public housing waiting lists and the homeless vulnerability index. Information from these reports is supplemented by data from the DOLA demography section and outside sources. All the information referenced above is utilized in preparing the DOLA Housing Division Strategic Plan.

DOLA Housing Division also has a Community Housing Assistance Team, or "CHATS" staff that works one-on-one with local communities throughout Colorado to identify housing needs, prepare housing strategies, identify potential housing projects and create financing packages for new housing and to preserve existing housing. The team has staff in Denver and in three field offices in Colorado. The CHATS work with other affordable housing funders (Colorado Housing Finance Authority, Department of Housing and Urban Development, Rural Development, Mercy Housing, Enterprise Foundation, etc.) to identify and maintain a pipeline of potential affordable housing projects.

***Livability Focus:*** DOLA, in partnership with local governments and the public and private sector, is strategically linking each of its programs to improve people's lives in five areas: jobs, housing, transportation, education and environment. This is accomplished by leveraging program dollars and staff consultation within DOLA for our partners and stakeholders as well as strengthening coordination of services and funding resources from other state agencies. DOLA Housing Division's leadership and participation in this effort is essential.

Because safe and affordable housing is fundamental to the ultimate success of all Colorado communities, DOLA Housing Division will target a number of key objectives with the greatest emphasis on providing housing to those earning less than 50% of the Area Median Income.

## ***Processes***

- DOH Process #1: Creation of additional affordable housing options for renters and homeowners, especially households in greatest need
- DOH Process #2: Perform required building-department functions
- DOH Process #3: Perform required housing authority functions
- DOH Process #4: Perform required oversight of Fort Lyon's operations

# Division of Local Government (DLG)

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The Division of Local Government (DLG) provides long-term, high quality professional strategic services along with well administered financial assistance to over 3,000 local governments. By providing this unique blend of services, DLG strives to strengthen Colorado's communities by supporting Colorado's local governments and the continuum of good government from the ground up.

Division staff members partner with local, state, and federal financial resources to support communities at all times and have provided essential guidance during the recent financial downturn. Recent reductions in severance tax and federal mineral lease cash funds have had a significant negative impact on local governments' abilities to fund key capital improvement projects such as water and waste water projects. Restoration of grant funds has permitted some communities to meet the backlog of deferred capital improvements at the local level.

In order to integrate the delivery of technical, financial, and information services to local governments, the Division of Local Government (DLG) includes several organizational or functional areas:

**Financial Assistance:** Local governments can obtain grants and loans for capital improvements and for operations. Supported projects include, but are not limited to, local water and wastewater improvements, local road improvements, municipal and county facilities and public libraries. DLG also administers several formula-based distributions.

**Professional Strategic Services:**

- **Technical Assistance:** Local government officials receive training, individual support and professional assistance. Topics include, but are not limited to, conduct of local elections, land use planning, downtown revitalization, budgeting, community visioning, financial management, property tax revenue limits, hands-on project development from conception to completion, and compliance with state statutes pertaining to local governments.
- **Regional Services:** Experts on statewide issues, who live and work in the respective regions, provide on-the-ground professional services and assistance. This staff is able to provide more timely and relevant assistance to the local communities from their offices located outside the Denver metro area. They also broker services and act as ombudsmen on behalf of DOLA and other agencies.
- **Disaster Recovery:** (In partnership with the Office of Emergency Management within the Department of Public Safety). In the event of a disaster, DLG's role, in partnership with OEM, is to assist local governments impacted by disaster. DLG's role in such recovery efforts includes working with the local government(s) to establish, open and staff the Disaster Assistance Center (DAC). Additional roles include consultation with the community and economic and community development assistance in rebuilding.

**State Demography Office:** This office creates, organizes and analyzes population and demographic information for the state. Its data are used by State agencies to forecast demand for facilities and services. Demographic data are also used by local governments and non-profit organizations in the state to anticipate growth or decline and to plan and develop programs and community resources. The office makes the data publicly available on DOLA's website, answers requests for economic and demographic data, and provides training workshops on accessing and using the data.



## *Processes*

- DLG Process #1: Monitor customer satisfaction by developing and conducting a survey of customer satisfaction
- DLG Process #2: Create, organize, analyze and publish population, economic and demographic information for the State of Colorado
- DLG Process #3: Analyze and respond to local governments' operational needs
- DLG Process #4: Administer competitive and formula-based grant programs
- DLG Process #5: Maintain an effective and efficient system for ensuring public access to local government documents required to be submitted to DLG
- DLG Process #6: Ensure local governments' compliance with filing of annual budget report
- DLG Process #7: Enforce statutory 5.5% property tax limit
- DLG Process #8: Enforce special district elections compliance
- DLG Process #9: Employee support and development
- DLG Process #10: Expanded broadband service in rural communities

# Executive Director's Office (EDO)

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In general, the Executive Director's Office provides support to all Divisions to enable them to accomplish their strategic goals. This support includes but is not limited to:

- *Assisting in developing program budgets and securing funding for program implementation*
- *Ensuring appropriate financial controls*
- *Advancing DOLA's legislative agenda*
- *Providing personnel management and opportunity for individual growth*
- *Coordinating external messaging*
- *Integrating Administration priorities*
- *Coordinating support from the Administration and other agencies.*

The primary role of the Executive Director's Office (EDO) is to support and coordinate the Divisions within the Department. EDO also provides several key "back office" roles, thereby avoiding unnecessary duplication of effort within the Divisions. Among the activities provided by staff of the Executive Director's Office are:

## **External Relations:**

- **Cabinet Representation:** The executive director is a member of the Governor's Cabinet and supports the work of the Divisions by facilitating necessary partnerships with other departments of State government.
- **Legislative Relations:** The Department is an executive branch agency and provides legislative services both internally and externally. Internally, the Department reviews draft legislation for potential fiscal impacts to the Department or local governments. The Department also reviews introduced legislation in terms of the public policy that is addressed in the bill. The Department needs to closely coordinate this review with representatives of the Governor's policy staff. The Department may also propose that legislation be introduced to change the public policy or procedural issues contained in law. Externally, the Department may help to coordinate stakeholder meetings to evaluate the impact of draft legislation. The Department, in conjunction with the Governor's Office, may testify on State legislative bills as well as lobby state legislators on various bills.
- **Public Information:** the Department's Communications Director coordinates communications activities on behalf of the entire Department. Internally, the position helps develop guidelines for disseminating information and outlining procedures to follow. Externally, this function guides strategy for responding to media inquiries, implementing use of social media, managing website content, coordinating outreach activities to stakeholder groups such as citizens, local, state and federal officials and their staffs, government associations and fellow state agencies.

## **Financial Services:**

- **Budget:** The primary role of the Department's Budgeting Office is to provide timely and complete financial information and recommendations to support and to enable the Divisions and programs to make sound public policy and budget decisions. This role is carried out through eight core functions:

- Collaborate with Divisions and programs to develop reliable revenue estimates for the Cash Funds of the Department;
  - Team with programs to develop an accurate and defensible budget request;
  - Collaborate with programs to develop fiscal notes that accompany new legislation;
  - Liaise with OSPB and JBC to facilitate and monitor the legislative budget process;
  - Advocate for the Department’s budget priorities and addressing issues of concern in that regard;
  - Monitor the execution of Department budget priorities, anticipate funding issues, and assist Divisions and programs with developing solutions; and
  - Provide accurate and concise budget information.
- **Accounting:** The Accounting Office accounts for, reports on, and safeguards the financial resources of the Department in a manner consistent with professional standards and federal and state statutory requirements. Specifically, the Office:
    - Issues accurate and timely financial information;
    - Issues timely and accurate payments to employees, vendors and other grant recipient reimbursements and service providers;
    - Ensures efficient procurement of goods and services in compliance with applicable laws, rules and regulations; and
    - Seeks to improve Department fiscal operations by the adoption and implementation of best practices, policies and procedures.

**Human Resources:**

The Human Resources Office (HR) of the Department provides services to build a qualified and engaged workforce. HR provides a full-range of professional human resources services to the 150 employees, supervisors and managers. These services include, for example:

- recruitment and selection,
- salary administration,
- job evaluation,
- organizational and staff development,
- personnel rule and statute interpretation,
- performance management,
- workers’ compensation and short-term disability claim management, and
- maintaining personnel records.
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The services provided by the Human Resources Office help to ensure that the Department complies with requisite law while also retaining a qualified and motivated workforce. The HR Office works closely with the Department of Personnel & Administration, representing the Department’s interests, to build a personnel system that provides an appropriate personnel system structure.

**Disaster Recovery:**

While disaster recovery is always a focus area for the Department, especially through the Housing and Local Government Divisions, this has taken on new meaning with the recovery resources granted through the Federal Community Development Block Grant. This is addressed in greater detail in the subsequent chapter.

# Disaster Recovery Program (CDBG-DR)

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The Disaster Recovery Unit under the Executive Director's Office is charged with coordinating the effective investment of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds in response to the devastating floods of September 2013 and any subsequent disasters as identified through the appropriation of recovery funding through the U.S. Department of Housing and Urban Development (HUD). This unit will assist in the prioritization and eligible uses of funds, establish appropriate protocols to ensure compliance with federal regulations, coordinate with other agency partners in the implementation process, and provide progress reports to local, state and federal partners in the recovery. The three primary recovery areas include both temporary and permanent housing, economic revitalization and the repair of damaged infrastructure with a focus on mitigating damages from future disasters. Additional emphasis is placed on smart growth and resiliency planning for a long-term, sustainable recovery.

## *Processes*

DR Process #1: Provide recovery resources to households, businesses, and local governments to foster the long-term recovery of disaster-impacted communities



## Department of Local Affairs April 2015 Performance Evaluation

### Strategic Policy Initiatives

The Department of Local Affairs has identified several strategic policy initiatives for FY 2014-15 and beyond. For this performance evaluation, the Department has updated progress on the selected initiatives used in the November 3, 2014 Annual Performance Report that best capture some of the Department's strategic and operational priorities, and reflect the overall direction as identified by Department leadership. The updates reflect data as of March 31, 2015.

Additional detail for these, and other, strategic policy initiatives is available in the Department's Performance Plan, which may be accessed [here](#).

#### Assessor satisfaction with educational program

The Division of Property Taxation (DPT) must actively market and deliver training which meets the needs of each assessment office, especially in light of staff turnover and assumption of new responsibilities, thereby ensuring statewide understanding of property tax law and procedures. A correct base of value from which mill levy decisions are made is crucial to all local government taxing jurisdictions and the state. Assessor and student satisfaction with the education program is critical to its success. The one- and three-year goal (FY 2014-15 and FY 2016-17) for this initiative is a satisfaction rate of 85 percent.

#### Board of Assessment Appeals – Percent of resolved appeals resolved within one year of receipt

The Board of Assessment Appeals seeks to expand the use of facilitator services and mediation for appeal resolution in order to improve taxpayer satisfaction while reducing the average time for appeals to be resolved. The failure to quickly resolve taxpayer appeals can create financial hardship to taxpayers who must pay their property taxes pending their appeal. Delays in appeal resolution may also result in significant interest payments by county governments to taxpayers who overpaid their property taxes. The goal for FY 2014-15 is for 84 percent of resolved appeals to be resolved within one year. For FY 2016-17, the goal is 88 percent.

#### Community Development Block Grant - Disaster Recovery (CDBG-DR) funds successfully invested in impacted communities

The Executive Director's Office Disaster Recovery unit provides recovery resources to households, businesses, and local governments to foster the long-term recovery for disaster-impacted communities through the effective implementation of programs funded under the HUD allocation of CDBG-DR. The principal customers of this initiative are those whose homes, businesses and infrastructure were damaged or destroyed in the 2013 flooding. Were it not for these grants, some owners would be unable to rebuild or would have to undertake large-scale private borrowing. The one-year goal for funding provision is \$32.0 million; the three-year goal is \$60.0 million.

#### Estimated new jobs generated by competitive grants (including leveraged funds)

With the increase in competitive grant dollars leveraged and reported on by grantees, new jobs generated by competitive grants will increase for each grant dollar invested. The Division of Local Government (DLG) provides professional strategic consulting and technical assistance to communities to help them



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achieve their goals. Community development priorities are often achieved through grant funding. These grant funds, in turn, create jobs in communities thereby achieving community and economic development goals. The one-year goal for job growth is 3,093; the three-year goal is 2,968, reflecting variability in revenues.

**Increased affordable housing supply**

The Department works to increase financial resources for housing production. One of the primary roles of the Division of Housing (DOH) is collaboration with a variety of partners to increase the availability of affordable housing to residents of Colorado. This includes creating, preserving and rehabilitating housing for Colorado’s workers, families, seniors and those with special needs. The one-year goal for this initiative is to increase affordable housing units by 3,620 in FY 2014-15, and by 4,120 in FY 2016-17.

**Operational Measures**

**Major Program Area – Division of Property Taxation**  
**Process - Review petitions for refund or abatement of greater than \$10,000**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/30/2015	1-Year Goal	3-Year Goal
Assessor satisfaction with educational program provided to assessment staff	88%	89%	89%	89%	85%	90%

Assessor satisfaction with the actual application of skills taught to county assessment staff, through the efforts of DPT, helps ensure statewide understanding of property tax law and procedures, resulting in better valuations.

**Major Program Area – Board of Assessment Appeals**  
**Process - Board of Assessment Appeals hearings process**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/22/2015	1-Year Goal	3-Year Goal
Number of resolved appeals resolved within one year of receipt	2,055	1,874	1,798	1,997	1,617	1,633

The percent of BAA appeals resolved within one year has consistently improved from 33 percent (FY 2007-08) to 96 percent (FY 2013-14) despite increases in appeal volume. The decrease in the number of resolved appeals shown above reflects the successful elimination of a backlog of appeals from previous years.

**Major Program Area – Division of Housing**  
**Process - Perform required building-department functions**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	03/31/2015*	1-Year Goal	3-Year Goal
Percentage of residential plan reviews completed within 10 days	38.0%	58.0%	75.0%	90.0%	80.0%	80.0%

The Division of Housing has the statutory responsibility to serve as the building department in areas not served by local building regulators. In addition to improving turnaround time, the division expects a steady rise in the number of requests. \*No new data available. Target expected to be achieved.



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**Process - Perform required housing authority functions**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/22/2015	1-Year Goal	3-Year Goal
Percentage of housing vouchers leased annually	97.73%	97.0%	92.0%	92.0%	95.0%	95.0%

The Division of Housing has the statutory responsibility to serve as a housing authority in areas not served by a local authority. The number of households and individuals continues to increase, so efficient use of this limited resource is vital to the division’s mission.

The percentage of housing vouchers leased annually is 95 percent, but voucher expenditures are 100 percent due to increase in rents for 2015. \*No new data available. Target expected to be achieved.

**Process - Perform required oversight of Ft. Lyon operations**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/22/2015	1-Year Goal	3-Year Goal
Number of graduates relocating to permanent housing	New program, no actuals	New program, no actuals	New program, no actuals	56	75	125

Enrollment at the Fort Lyon supportive residential community for chronically homeless continues to grow. Graduation/relocation estimates are based on a projected 65 percent success rate. The Division reports that 28 (or 70 percent of graduates) Ft Lyon residents will be reintegrated into permanent housing in next 90 days.

**Process - Creation of additional affordable housing options for renters and homeowners, especially households in greatest need**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/01/2015	1-Year Goal	3-Year Goal
Total number of affordable housing units developed	1,052	1,003	3,129	3,168	3,620	4,120

Continuing increases in the numbers of low-income renters, homeless individuals, those with special needs, and those on Section 8 housing waiting lists necessitate ongoing development of new affordable housing units. The measure is an annual measure collected mid-year and end of the year.

**Major Program Area – Division of Local Government (DLG)**

**Process - Maintain an effective and efficient system for ensuring public access to local government documents required to be submitted to the DLG**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/23/2015	1-Year Goal	3-Year Goal
Cumulative number of local govt. docs digitized and available to view	N/A	28,000	45,870	61,427	52,000	69,000

Local governments, including special districts, are required to post certain documents with DOLA in order to make them readily accessible to public officials and the general public.



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**Major Program Area – CDBG-Disaster Recovery**  
**Process - Administer competitive and formula-based grant programs**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/24/2015	1-Year Goal	3-Year Goal
Competitive grant dollars awarded in compliance with Federal and State standards	\$10.5 million	\$34.8 million	\$70.0 million	\$116,677,000	\$90.0 million	\$90.0 million

The one- and three-year goals for the administration of competitive grant dollars are estimated based on projected revenues.

**Process - Provide recovery resources to households, businesses and local governments to foster the long-term recovery of disaster-impacted communities**

Measure	FY12 Actual	FY13 Actual	FY14 Actual	06/24/2015	1-Year Goal	3-Year Goal
Dollars invested in housing recovery projects	New program, no actuals	New program, no actuals	New program, no actuals	\$4.1 million	\$10.0 million	\$10.0 million
Number of households receiving down-payment or rental assistance plus number of housing units created or rehabilitated	New program, no actuals	New program, no actuals	New program, no actuals	96	725	345
Number of businesses served	New program, no actuals	New program, no actuals	New program, no actuals	128	210	115
Number of infrastructure projects funded	New program, no actuals	New program, no actuals	New program, no actuals	0	40	40
Number of local plans completed	New program, no actuals	New program, no actuals	New program, no actuals	2	6	6

The Disaster Recovery / Community Development Block Grant program directs federal financial resources to the recovery of areas damaged by the 2013 floods. This is a new program, and therefore does not have actual outputs for the previous fiscal years. Any downward trends between the one- and three-year targets reflect the life cycle of federal disaster recovery grants.

The following information provides context for the data for the following measures:

**Dollars invested in housing recovery projects:** Original Performance Measures were provided prior to program launch and not based upon any historical data.

**Number of households receiving down-payment or rental assistance plus number of housing units created or rehabilitated:** Original Performance Measures were provided prior to program launch and without historical data. There was significantly less demand than anticipated and local housing agencies will probably shift funds from this program for other priorities. The initial numbers assumed a shorter timeframe for the multi-family rental programs.

**Number of businesses served:** Original Performance Measures were provided prior to program launch and without historical data. This category includes business, tourism and agricultural grants. Note that due to diminished demand, the State will be reducing funding for business grants and increasing funding to infrastructure projects.

**Number of infrastructure projects funded:** 52 projects have been awarded, but these will not be counted until reimbursements proceed. Currently 16 contracts have been fully executed. This program is approximately 6 months behind expectations, but projects should complete fairly quickly due to the number of federal cost share projects

**Number of local plans completed:** 11 projects have been awarded, 6 of those have drawn down funds and 3 are complete. These are generally two year planning processes that will be completed by April of 2016.