Hearing Components

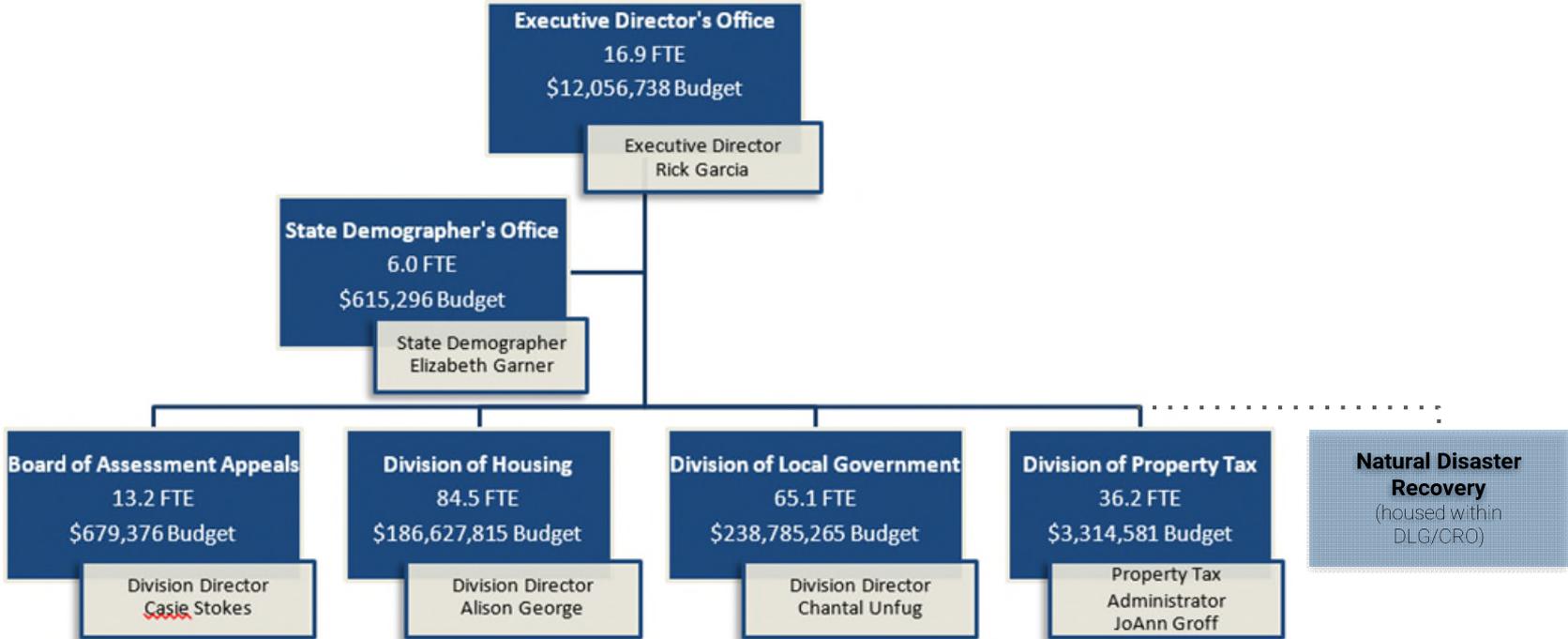| Element	Description	Required or recommended
Mission/Vision statement	Mission: Why department exists & identify customers served Vision: Desired future state	Strongly Recommended
Org chart	Organizational chart of department and division leadership including FTE and budget breakdown.	Strongly Recommended
WIGs	3-5 priorities expressed as outcome measures in the form of from X to Y by when.	SMART ACT 2-7-203(2)(a)(I)
Governor's Dashboard	Make note of department measures, activities, and support of the Governor's Dashboard	Strongly Recommended
Performance Management	Provide an overview of how the Department internally uses performance management to guide its programming, resource allocation decisions, and budget and legislative requests.	Strongly Recommended
Budget Request	An overview of the Department's budget request under consideration in the current legislative session	SMART ACT 2-7-203(2)(a)(III)
Legislative Agenda	An overview of the Department's legislative agenda under consideration in the current legislative session	SMART ACT 2-7-203(2)(a)(III)
Regulatory Agenda	An overview of the Department's regulatory agenda submitted on November 1st	SMART ACT 2-7-203(2)(a)(II)
Equity, Diversity, and Inclusion	Present specific efforts and progress in addressing equity, diversity, and inclusion within the Department	Executive Order 2020 175 (II.G)
Stimulus Implementation Update	Provide an overview of your agency's implementation of state stimulus or federal stimulus funds, if applicable.	Required

Department of Local Affairs SMART Act Hearing

SMART Act Hearing
January 17, 2022

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DOLA's Mission & Vision

Mission Statement: The Department of Local Affairs is responsible for strengthening Colorado's local communities through accessible, affordable and secure housing; implementation of property tax law; and increasing capacity building, strategic training, research, technical assistance and funding to localities.

DOLA's vision is to strengthen Colorado communities.

DOLA FY 2022-23

Executive Director's Office
16.9 FTE
$12,056,738 Budget

Executive Director
Rick Garcia

State Demographer's Office
6.0 FTE
$615,296 Budget

State Demographer
Elizabeth Garner

Board of Assessment Appeals
13.2 FTE
$679,376 Budget

Division Director
Casie Stokes

Division of Housing
84.5 FTE
$186,627,815 Budget

Division Director
Alison George

Division of Local Government
65.1 FTE
$238,785,265 Budget

Division Director
Chantal Unfug

Division of Property Tax
36.2 FTE
$3,314,581 Budget

Property Tax
Administrator
JoAnn Groff

Natural Disaster Recovery
(housed within DLG/CRO)

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DOLA's FY 2022-23 Wildly Important Goals (WIGs)

Reduce Cost Burdened Households

Wildly Important Goal:

DOLA's Division of Housing will support the creation of at least 10,000 additional new or preserved affordable housing opportunities by June 30, 2023.

Target: 10,000

10,000

5,000

4,530

0

Jul 22   Oct 22   Dec 22   Feb 23   Apr 23   Jun 23

Successful completion of this goal will reduce the number of Coloradans who are severely housing cost burdened and provide more Coloradans with affordable, safe and stable housing. A housing opportunity is created when financial support provided to a housing development enables rents or sale prices at that development to be affordable.

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How DOLA will accomplish the WIGs:

The Department of Local Affairs will achieve this goal through the following lead indicators:

Increase the number of affordable housing units, supported by State funds, in high opportunity areas to 2,000 by June 30, 2023.

Target: 2,000
1,597
Comparison: 1,638

Generate 500 supportive housing units and services for persons experiencing homelessness by June 30, 2023.

801
Target: 500

DOLA's FY 2022-23 Wildly Important Goals (WIGs)

Resilient Communities

Wildly Important Goal:

The Division of Local Government will implement 18 resiliency actions in accordance with locally-driven resiliency roadmaps by June 30, 2023.

ⓘ

Target: 18

20

15

10 — 9

5 — 3

0

Sep 2022   Dec 2022   Mar 2023   Jun 2023

Successful completion of this goal will indicate that local communities are implementing their plans to foster long-term economic resiliency in accordance with their regional recovery planning process.

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How DOLA will accomplish the WIGs:

The Department of Local Affairs will achieve this goal through the following lead indicators:

Conduct 6 workshops to help local governments develop 16 regional economic resiliency plans by March 30, 2023 that include resilience-related metrics, baselines, and goals to be tracked by local governments.

Develop 16 regional economic Resilience Roadmaps by March 30, 2023 that include resilience-related metrics, baselines, and goals to be tracked by regional teams.

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DOLA's FY 2022-23 Wildly Important Goals (WIGs)

Planning for Innovative Affordable Housing
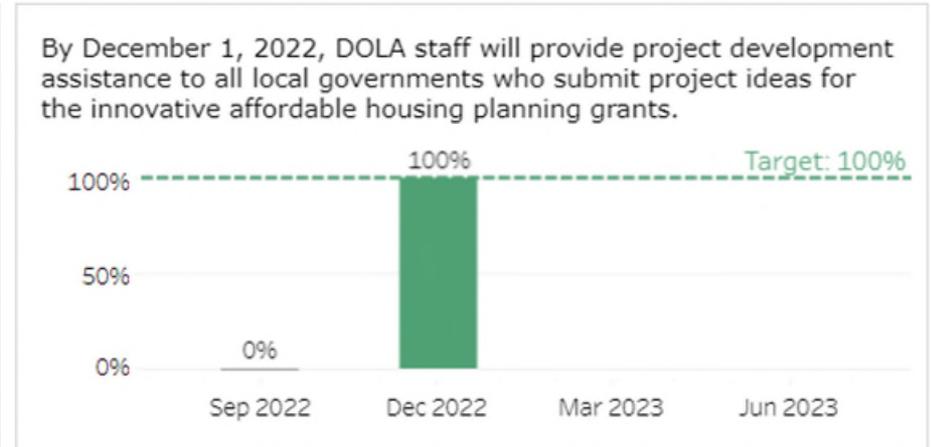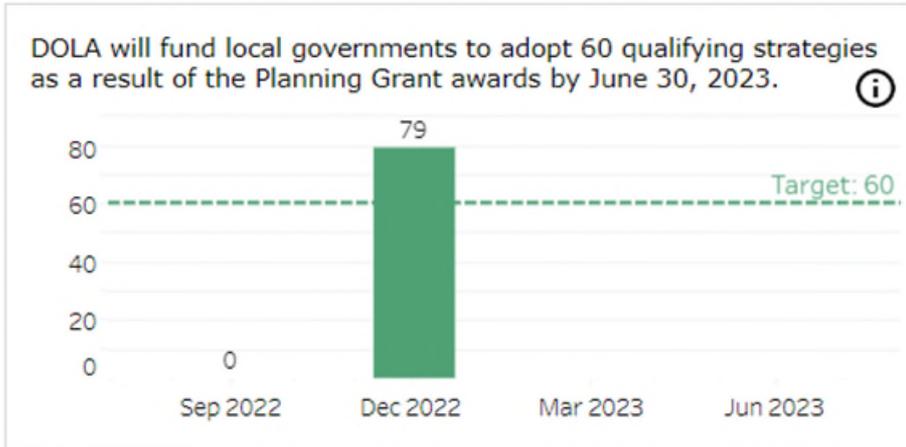
Wildly Important Goal:

Provide funding to support development of 800 units of affordable housing in fiscal year 2022-23 in communities that adopt qualifying innovative housing and land use strategies by June 30, 2023.

Successful completion of this goal will mean communities that have made the commitment to changing their approach to affordable housing policies and processes will see greater investments in long term affordable housing projects.

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How DOLA will accomplish the WIGs:

The Department of Local Affairs will achieve this goal through the following lead indicators:

DOLA will fund local governments to adopt 60 qualifying strategies as a result of the Planning Grant awards by June 30, 2023. ⓘ

	Sep 2022	Dec 2022	Mar 2023	Jun 2023
	0	79		

Target: 60

By December 1, 2022, DOLA staff will provide project development assistance to all local governments who submit project ideas for the innovative affordable housing planning grants.

	Sep 2022	Dec 2022	Mar 2023	Jun 2023
	0%	100%		

Target: 100%

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More information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the Governor's Dashboard.

For more information on additional DOLA goals, view our FY 2022-23 Performance Plan at: operations.colorado.gov/performance-management/department-performance-plans
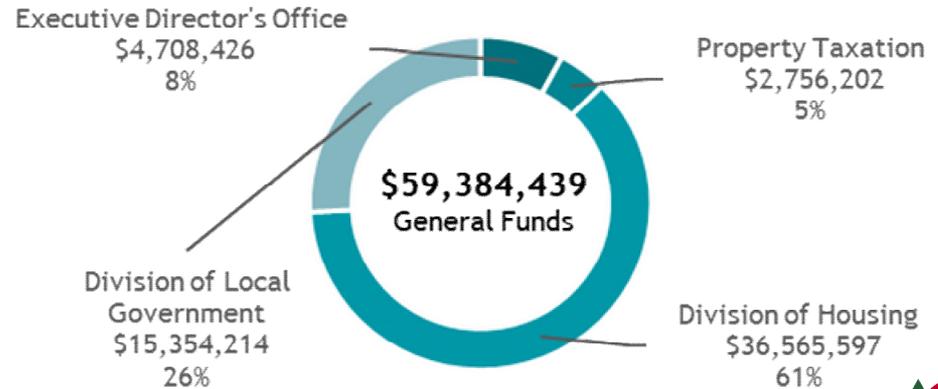
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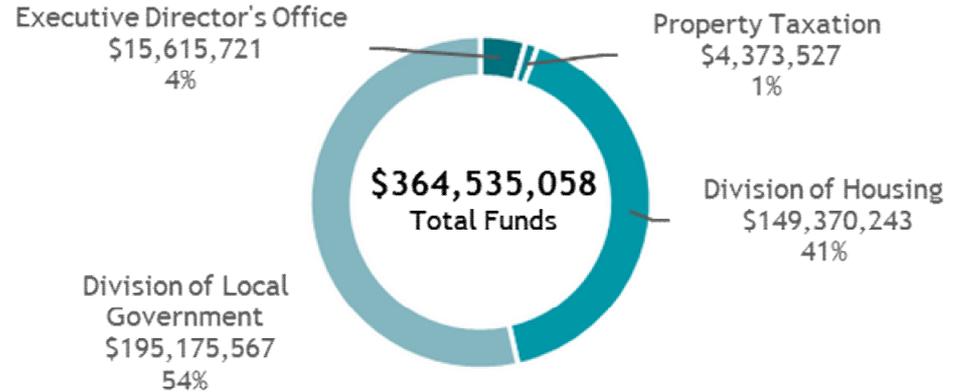COLORADO

DOLA Performance Management

DOLA's performance management philosophy is develop measurable goals and objectives that are data driven, mission focused, customer informed, and focused on outcomes.

- WIGs aligned with strategic program goals and community need
  - Employee performance goals are tied to department WIGs at the division level
  - DOLA has a WIG dashboard and monthly meetings with metric owners to ensure progress on WIGs
- DOLA is on a 2-3 year continuum to effect change and produce successful outcomes
  - Budget proposals were developed to support long term department goals, strengthen departmental capacity to deliver programs, or improve operations

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DOLA FY 2023-24 Budget Request

FY 2023-24 Budget Snapshot

FY 2023-24 Total Funds: $364.5M
FY 2023-24 General Fund: $59.4M
FY 2023-24 FTE: 235.5

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Executive Director's Office
$15,615,721
4%

Property Taxation
$4,373,527
1%

$364,535,058
Total Funds

Division of Housing
$149,370,243
41%

Division of Local
Government
$195,175,567
54%

Executive Director's Office
$4,708,426
8%

Property Taxation
$2,756,202
5%

$59,384,439
General Funds

Division of Housing
$36,565,597
61%

Division of Local
Government
$15,354,214
26%

DOLA Select FY 2023-24 Budget Requests

DOLA's FY 2023-24 Budget Request includes the following:

- R-01 Additional Resources For DOLA-HCPF Voucher Program
- R-02 Fort Lyon Supportive Residential Community (SRC)
- R-03 Resiliency and Disaster Recovery Capacity Increase
- R-04 Property Valuation Database and Forecast Staff FTE Calcs
- R-05 Accelerate Production of Manufactured Buildings (FY 2023-24)
- S-01 Accelerate Production of Manufactured Buildings (FY 2022-23)
- R-06 EDO Capacity Expansion
- R-07 Moffat Tunnel District - 2025 Rail Lease Renewal
- R-08 Architectural Support for Rural Main Streets

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Legislative Agenda

The Department respectfully requests the General Assembly consider legislation on the following:

- Housing Toolkit Timeline Extension (HB21-1271); and
- Law Enforcement Community Service Grant Committee; and
- Extension of the Home Modification Tax Credit program.

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2023 Regulatory Agenda

The Department of Local Affairs plans to undertake the following regulatory activities:

- Factory Built Structure program revisions; and
- Mobile Home Park Oversight program revisions

View DOLA's Regulatory Report: https://cdola.colorado.gov/strategic-legislative-planning

2022 Regulatory Agenda Report

The Department of Local Affairs undertook the following regulatory activities:

- Revisions to the Factory Built Structures program; and
- Revisions to the Mobile Home Park Oversight program.

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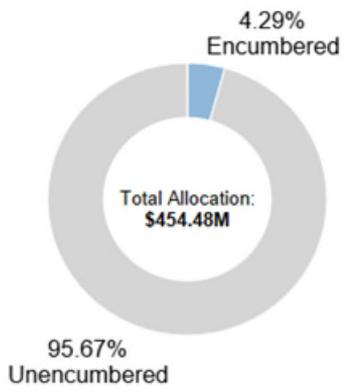Department of Local Affairs

Equity, Diversity, and Inclusion

In accordance with the Governor's Executive Order 2020 175, the DOLA has implemented the following efforts in accordance with its equity, diversity, and inclusion plan:

- As of May 2022, 100% of DOLA employees met the goal of completing EDI training outside of the DPA modules.
- DOLA has engaged the services of an EDI consulting group, The Equity Project, to complete an internal assessment and strategic planning process. More than 85% of DOLA staff participated in the assessment, and the strategic planning "Blueprint" for DOLA will be complete by March, 2023.
- Through an Interagency Agreement with the Governor's Office, DOLA successfully created a new position within the Executive Director's Office to coordinate EDI activities throughout the agency. The EDI Coordinator was hired in April 2022.
- DOLA is in the process of developing equity assessment tools and resources to ensure compliance with ARPA requirements to employ equity strategies in the delivery of recovery programs and services.
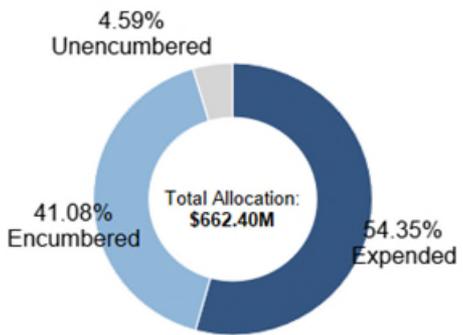
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Stimulus Funding Implementation

Overall Spending Status - *DOLA*

ARPA State & Local Fiscal Recovery Funds (SLFRF)

4.29% Encumbered

Total Allocation: **$454.48M**

95.67% Unencumbered

ARPA Direct to Agency Awards (DAA)

4.59% Unencumbered

Total Allocation: **$662.40M**

41.08% Encumbered

54.35% Expended

State Stimulus

5.24% Encumbered

Total Allocation: **$385.29M**

88.34% Unencumbered

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For ongoing updates to Stimulus programs, please visit *coforward.colorado.gov*

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Stimulus Funding Implementation

Direct Distribution
$662.4M

- $255M ERA 1
- $201.1M ERA 2
- $175.1M HAF
- $24.7M Homelessness Assistance
- $6.5 Emergency Housing Vouchers

SLFRF
$453.1M

- $30M Rental Assistance and Supportive Services
- $5M Local Government Planning Grant Program
- $5M Broadband Investments
- $0.1M HDG Hotel Tenancy Support Program
- $138M Local Investments in Transformational Affordable Housing
- $105M Homelessness Response Grant Program
- $50M Denver Navigation Campus Grant
- $45M Repurpose Ridgeview
- $40M Infrastructure Strong Communities Grant
- $35M Small Community-Based Nonprofit Grant

State Stimulus
$46.9M

- $15M Direct Assistance to Undocumented Individuals
- $11.4M Affordable Housing Incentive Program
- $7M Innovative Housing and Community Revitalization
- $5M REDI Grants
- $5M Renew Grants
- $3.5M Expansion of Justice Crime Prevention

GF Swap
$378.4M

- $98.5M Affordable Housing Investments
- $29.9 Housing Development Grants
- $150M Affordable Housing Revolving Loan Fund
- $35M Mobile Home Park Empowerment Loan and Grant
- $40M Innovative Housing Incentive Grants and Loans
- $25M Middle Income Access

- 2021
- 2022

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Stimulus Funding Implementation

- ● 46.5% of funds encumbered or expended as of 9/30/22
  - ○ Majority of unencumbered funds are affordable housing and homelessness reduction programs established during the 2022 session
  - ○ More than $630M distributed to DOLA for emergency rental and mortgage assistance, which has benefitted almost 40,000 Colorado households.

DOLA Spending Status

100%	
	Unencumbered
50%	
	Encumbered
	Expended
0%	

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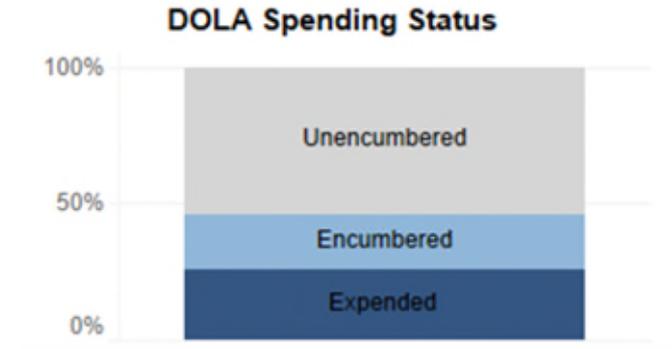
Required Reports

a. Mobile Home Park Dispute Resolution and Enforcement Report
b. Division of Housing Annual Reporting
c. Law Enforcement Community Service Grant Report
d. Gray and Black Market Enforcement Grant
e. Defense Council Grant
f. Census Grant Report
g. Expand Peace Officer Mental Health
h. Historically Underutilized Business in Local Government
i. Renewable and Clean Energy Initiative

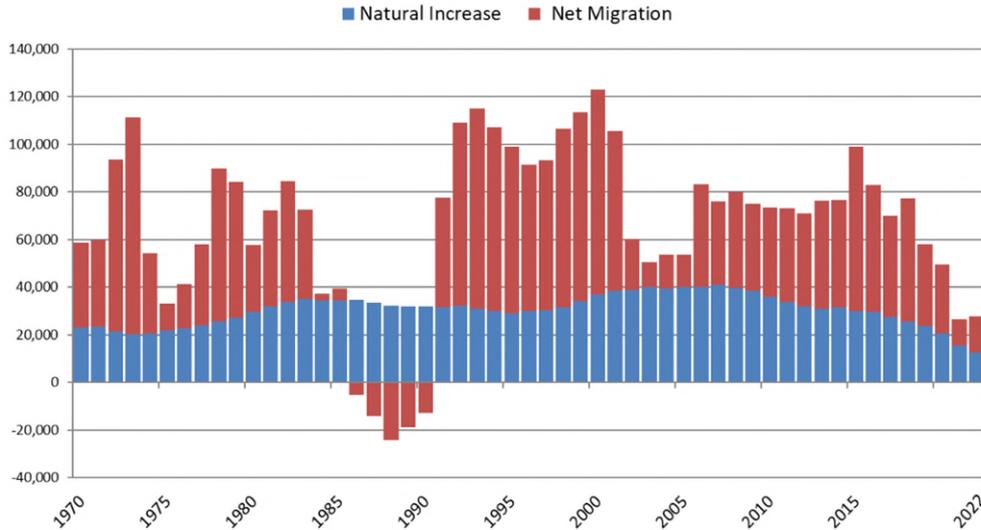The items highlighted in yellow will be read by title only

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State Demography Office

- Produces population estimates, forecasts, and characteristics for state agency and local government program planning.
- Hosts an extensive website with data sheets, data lookups, webmaps, tools, and visualizations.
- Supports state agencies and local governments with data analysis, funding allocation analysis and mapping tools (as time permits).
- Speaks with groups and gives tailored presentations to connect the demographic and economic trends with specific areas of interest like housing, education, workforce, healthcare. etc.

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State Demography Office - Key Trends

- Population growing at a slowing rate – births down, deaths up
- Migration and mobility slowing
  - Harder to attract and retain the best and brightest.
  - Labor tight – very competitive in US
- Concentrated growth on Front Range - 95% between 2010-2020
- Aging – impacts everything… including the economy, labor force, housing, and public finance.
 - Largest future growth is the 65+ age group
- Increase racial and ethnic diversity - fastest growth

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State Demography Office

Components of Colorado Population Change 1970-2022
■ Natural Increase   ■ Net Migration

Colorado Annual Housing Units and Household Growth
■ Housing Units   — Households

Shows the components of population growth slowing.
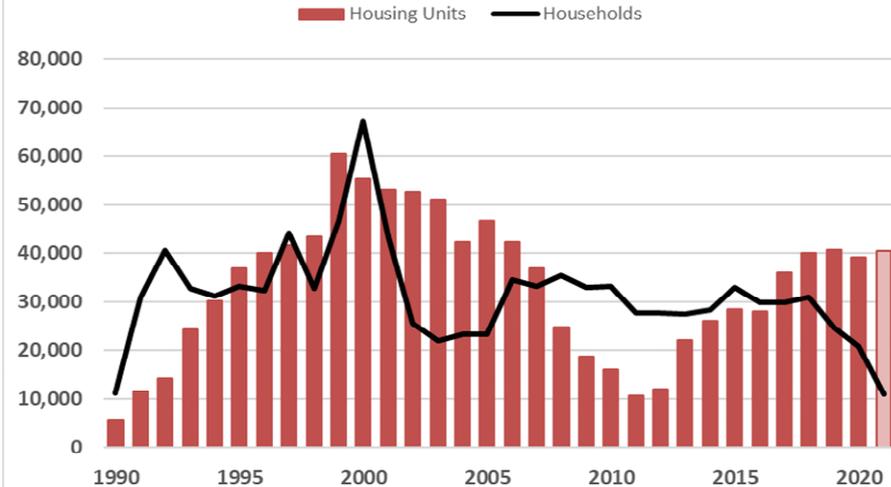
Shows the low housing production from 2007 to 2016 and the recent return to "normal" housing growth from 2017 to current. Shows slow down in household formation since 2019.

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Proposition 123 - Division of Housing

The Division of Housing (DOH) receives 40% of funds from Proposition 123. The portion transferred to Affordable Housing Support Fund for DOH is estimated to be:

- *$58 million from 2022-23 budget year (transferred July 1, 2023)*
- *$116 million from 2023-24 budget year (transferred July 1, 2024)*

DOH fund uses include:

- Homeownership
- Homelessness
- Local planning capacity thru Division of Local Government (DLG)
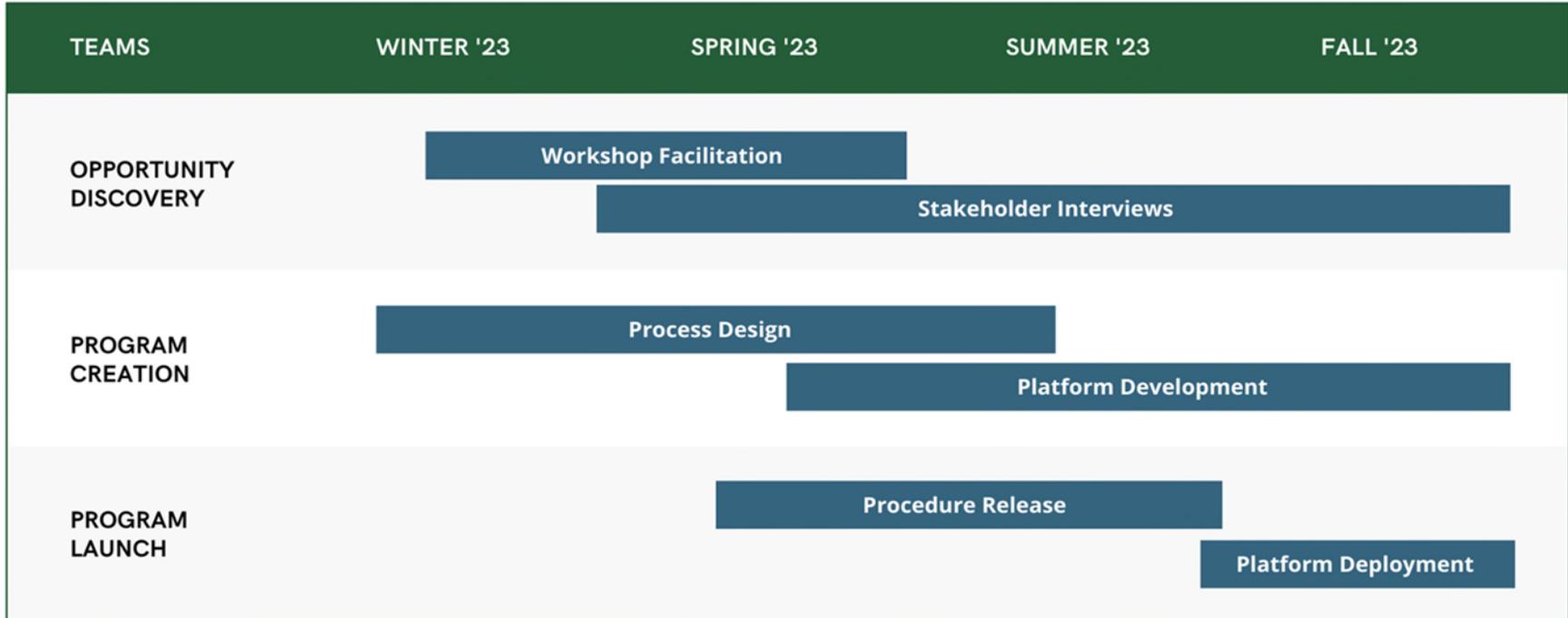- Local Government Affordable Housing 3-yr Commitment baseline assessment and ongoing process

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Proposition 123 - Local Government Commitments

- Understanding of Framework
  - Commitment Piece
  - Enforcement

- Implementation Plans/Timeline

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Baseline Calculation Data Source Options

American Community Survey (U.S. Census Bureau)	Comprehensive Housing Affordability Strategy (HUD)	A Web-Based System
+ Well known and supported **+** Regularly updated	**+** Aligns with AMI focus of proposition **+** Quickest option to deploy	**+** Could leverage more illustrative data sources on property assessment, home sale, rental rates **+** Potential for near-real time data
- Stale data, from roughly 2019 **-** High margin of error for low-population and rural areas **-** Messy to connect market prices with AMIs	**-** Stale data, from roughly 2017 **-** High margin of error for low-population and rural areas	**-** Must acquire funding **-** Time to plan, procure, design, build

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