



SMART Act Report on CRS 24-32-721 Section 2 (Development and Vouchers) in FY21

Colorado Revised Statutes title 24, article 32, section 721, subsection 4f 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)

In FY20 Section 1.7 was added to address emergency housing assistance in response to the COVID-19 pandemic. A separate SMART Act report covers reporting on that program.

I. The number of projects funded under this section

In FY 2020-2021, the number of affordable housing development projects funded under CRS 24-32-721 was 23. Details about each of these projects is provided in DOLA’s Annual Public Report on Funding of Affordable Housing Preservation and Production, which was provided during the SMART Act Hearing and will be available on the DOH website.

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

In FY 2020-2021, the total number of units funded under section 721 was 613. In addition to these units, DOH funded 2 projects with a total of 97 shelter/recuperative beds. Details about each of these projects is provided in DOLA’s Annual Public Report on Funding of Affordable Housing Preservation and Production, which was provided during the SMART Act Hearing and will be available on the DOH website.

III. The number of qualified individuals housed as a result of this subsection (4)

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 supportive 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
(I) 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 (II) 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 2020-2021, 1,202 households were served with State Housing Vouchers at a total cost of \$11,597,579. Approximately 41% of these funds (\$4,802,551) were MTCF as per CRS 24-32-721, which includes the funds from HB19-1009 as well as the Homeless Solutions Program. These vouchers served 529 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 the following partner organizations to serve clients designated by HB19-1009:

- Jefferson Mental Health Center: Jefferson, Gilpin, and Clear Creek Counties
- Rocky Mountain Human Services: Statewide
- Colorado Department of Human Services, Division of Youth Services: Statewide
- Centennial Mental Health Center: Cheyenne, Elbert, Kit Carson, Lincoln, Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma Counties
- Homeward Alliance: Larimer County
- Second Chance Center: Adams, Arapahoe, Denver, and Jefferson Counties
- Volunteers of America: Colorado: Statewide (active in 34 counties)

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 contracts were put in place in FY 2019-2020 and were extended into FY 2020-2021.

Additionally, in FY 2022-21, 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 DOH contract with Second Chance Center.

Across these partnerships, a total of 65 households were served in FY 2020-2021 with funds from HB19-1009.

Rapid Rehousing: 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 Rehousing 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 HUD Continuum



of Care-based Coordinated Entry Systems, and from the Colorado Department of Corrections. In FY 2020-2021, approximately 384 households were served in the COR3 program.

Next Step 2-Gen Rapid Re-housing 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. 154 public school students and their families were provided with Rapid Re-housing assistance through DOH in FY 2020-2021.

DOH 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 20 households in FY 2020-2021.

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 supported 48 Host Homes in FY 2020-2021. 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 the U.S. Department of Housing and Urban Development's Emergency Solutions Grant (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, and emergency shelter operations. DOH does not include information on outcomes that aren't associated with permanent housing (street outreach and emergency shelter) in this report.

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

Housing Strategy	Number Served
State Housing Vouchers	529
Rapid Rehousing	489

A total of 65 households were served in FY 2022-21 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 65 households served by this program in FY 2020-



2021, two (2) returned to facilities from which they transitioned. Five (5) individuals exited the program with unknown destinations since they were no longer receiving services from their original service provider at the time they exited the program. Therefore, it is unknown whether they returned to the facilities from which they transitioned.

Assuming these individuals did return, the program currently has a 89% success rate with 58 households not returning to the facilities from which they exited.