



**COLORADO**

**Department of Local Affairs**

Division of Housing



**SMART Act Report**  
**CRS 24-32-721 Section 2**  
**Development & Vouchers**



## **SMART Act Report on CRS 24-32-721 Section 2 (Development and Vouchers) in FY 2022-2023**

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)

### **Impact and Intent**

Across the programs serving persons experiencing homelessness supported with the funding described, the Division of Housing (DOH) strives to ensure that participants have access to the housing and supportive services they need in order to lead stable, productive, and fulfilling lives. When individuals with a history of homelessness have access to affordable housing with housing-focused supportive services, we consistently see reductions in the utilization of emergency services and increases in critical measures relating to health, safety, and wellbeing.

The outcomes associated with such programs were recently reflected in the Denver Social Impact Bond (SIB) program which was determined to be a "[remarkable success](#)" by program evaluators at the Urban Institute. A recent evaluation of supportive housing programs receiving Tenancy Support Services (TSS) funding via DOH conducted through the Homeless Management Information System (HMIS) found that 94% of households maintained permanent housing after one year. While supportive housing programs (and further supportive housing programs receiving TSS funding) represents a subset of the larger investments and programs described within this report, this critical indicator of performance highlights the long term impacts and cost savings provided to the State of Colorado through the funding described.



**I. The number of projects funded under this section**

In FY 2022-2023, the number of affordable housing development projects funded under CRS 24-32-721 was 50. 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 and will be available on the DOH website.

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

In FY 2022-2023, the total number of units funded under section 721 was 3,617. In addition to these units, DOH funded 1 project with a total of 136 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 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 their homelessness and is 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 2022-2023, 1,510 households were housed with State Housing Vouchers at a total cost of \$13,112,259.83. Approximately 36% of these funds (\$4,771,529.01) 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 625 households.

Starting in FY 2019-2020, HB19-1009 added \$1,000,000 per year for five consecutive fiscal years to this subsection for vouchers and support services for the population listed in row #4 of 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 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 64 households were housed in FY 2022-2023 with funds from HB19-1009.

In FY 2022-2023, DOH released the Olmstead Advancement RFA. The 265 State Housing Vouchers allocated to ten (10) supportive housing programs selected through the Olmstead Advancement RFA are intended to support the Olmstead vs. L.C. decision, which found that unnecessary segregation of individuals with disabilities is a form of unlawful discrimination.

In addition to the Olmstead Advancement RFA, in FY 2022-2023 DOH allocated 205 State Housing Vouchers to the Statewide Supportive Housing Expansion (SWSHE) pilot. The SWSHE pilot leverages American Rescue Plan Act (ARPA) funding from the Colorado Department of Health Care Policy and Financing (HCPF) in order to serve persons identified as eligible as determined through a data-match between regional Coordinated Entry Systems (CES) and Health First Colorado (Colorado's Medicaid program). DOH is partnering with HCPF through SWSHE in an effort to learn more about the types of supportive services that help Medicaid members with complex needs get into and maintain supportive 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 2022-2023, approximately 241 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. 139 public school students and their families were provided with rapid re-housing assistance through DOH in FY 2022-2023.



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 20 households in FY 2022-2023.

**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 10 youth through Host Homes in FY 2022-2023. DOH's Host Homes programs serve Larimer, Mesa, Alamosa, Fremont, Garfield, Morgan, Pueblo, Dolores, Montezuma, and La Plata 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 total, \$753,251.81 in HSP funding was directed to support eligible uses within the ESG program.

In FY 2022-2023, HSP granted \$15,000 to one (1) rapid re-housing program operated by Safehouse Progressive Alliance for Nonviolence, Inc. Utilizing HSP funding, Safehouse Progressive Alliance for Nonviolence, Inc served 55 unique individuals and 15 families in FY 2022-2023. DOH does not include detailed information on outcomes that are not associated with permanent housing (street outreach, emergency shelter, and homeless prevention) in this report.

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

<b>Housing Strategy</b>	<b>Number Served</b>
State Housing Vouchers	625
Rapid Re-Housing	400

A total of 64 households were housed in FY 2022-2023 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 64 households housed by this program in FY 2022-2023, four (4) individuals exited the program. One (1) exited to permanent housing and



two (2) are deceased. One (1) individual exited to an unknown destination because they were either 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 facility from which they transitioned.

Excluding the three (3) individuals who either passed away or exited to permanent housing, the program currently reports that 98% (60) of households served are still active in the program or did not return to the facility from which they transitioned at the time that they exited the program.