

The Economics of Land Use



Draft Report

Southwest Colorado Regional Housing Plan

Prepared for:

Southwest Colorado Housing Collaborative

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Background and Purpose

The five-county region of southwestern Colorado includes Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties. While the communities in the region are highly distinct, there are shared similarities involving economic conditions, demographic trends, and housing needs. By sharing resources, the five counties have historically been effective in addressing common needs. Affordable housing stands out as a collaborative example that has leveraged expertise and funding across the region since the early 1990's.

Recent changes in the housing industry and regional economy have created new challenges. Changes in community necessities and composition of local agencies have triggered the desire to review roles, responsibilities, and identify ways to work together more effectively. The housing providers in southwestern Colorado recognize the demands and opportunities for collaboration and are committed to working together to address these challenges and create a regional environment that shares resources, expands services, and increases opportunity.

Five housing providers in the region have joined together to sponsor this initiative to create a regional housing strategy. Through funds provided by the El Pomar Foundation, Economic & Planning Systems has been retained to review agency expertise and develop a strategy that reflects both the strengths of the agencies and the needs of the communities. The study focuses on existing housing agencies in the region and ways to align the various organizations to generate the greatest positive impact possible. The issues of redundancy, oversight, and need for greater collaboration are addressed, as are the larger themes of the breadth, depth, and ability to leverage local dollars to increase resources available in the region. The study is organized as follows:

- Summary of regional trends, housing needs, and gap analysis
- Description of the housing agencies within the region
- Overview of funding sources and services provided
- Findings and Recommendations

Regional Goals

As the community reviews the needs for housing and resources available, it is recommended that the following goals be recognized and used to evaluate possible actions. The common goals include:

- To provide a comprehensive set of services that address a full range of housing needs.
- To coordinate services and limit duplication to increase capacity in the region.
- To collaborate among agencies, resulting in a continuum of options that benefit all households in the five-county area.
- To expand the effectiveness of elected officials of any given municipality or county by providing targeted services that exceed the capability and organizational depth of existing jurisdictions.

Regional Trends

The southwest region of Colorado is shown in **Figure 1** and includes Archuleta, Dolores, La Plata, Montezuma, and San Juan counties. A list of all housing agencies, a brief description of services and contact information is provided in the **Appendix** of this report. Some are regional in nature, serving all five counties. Most focus on a single county or smaller geography.

The material that follows in this section provides an Economic and Demographic Framework followed by a summary of the needs within each county. The purpose is to identify the range of housing needs that exist and to break them into categories of short-term priorities and long-term needs.

Figure 1
Southwest Colorado Counties
Southwest Colorado Regional Housing Strategy



La Plata County is the most populated county in the region with a population of 51,664, as shown in **Table 1**. La Plata has also had the largest increase in population with a total of 19,380 new residents for an annual average of 2,024 new people between 1990 and 2009. This growth accounts for 60 percent of new people in the region. Archuleta County increased in population by the greatest rate (2.6 percent annually) between 1990 and 2009. San Juan and Dolores Counties have not experienced significant growth in the past two decades.

Table 1
Southwest Colorado Population by County, 1990-2009
Southwest Colorado Regional Housing Strategy

| County | 1990 | 2000 | 2009 | Change 1990-2000 | | Change 2000-2009 | |
|------------------|--------|--------|--------|------------------|--------|------------------|--------|
| | | | | Ann. # | Ann. % | Ann. # | Ann. % |
| Archuleta County | 5,345 | 9,898 | 12,424 | 455 | 6.4% | 281 | 2.6% |
| Dolores County | 1,504 | 1,844 | 1,953 | 34 | 2.1% | 12 | 0.6% |
| La Plata County | 32,284 | 43,941 | 51,664 | 1,166 | 3.1% | 858 | 1.8% |
| Montezuma County | 18,672 | 23,830 | 25,676 | 516 | 2.5% | 205 | 0.8% |
| San Juan County | 745 | 558 | 582 | -19 | -2.8% | 3 | 0.5% |

Source: Colo Dept. of Local Affairs; Economic & Planning Systems
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The total increase in employment in the region has been a catalyst for population growth. The region has grown in employment by approximately 3,500 jobs annually in the past 19 years. The majority of new employment occurred in La Plata County, which increased in employment by 19,995 jobs over the two decades or 2,213 jobs annually, as shown in **Table 2**. Employment trends in the region match population trends, with La Plata County growing with the most jobs. Archuleta County grew by one of the highest rates, given the smaller base.

Table 2
Southwest Colorado Employment by County, 1990-2008
Southwest Colorado Regional Housing Strategy

| County | 1990 | 2000 | 2008 | Change 1990-2000 | | Change 2000-2008 | |
|------------------|--------|--------|--------|------------------|--------|------------------|--------|
| | | | | Ann. # | Ann. % | Ann. # | Ann. % |
| Archuleta County | 2,758 | 5,995 | 8,580 | 324 | 8.1% | 323 | 4.6% |
| Dolores County | 814 | 978 | 1,102 | 16 | 1.9% | 16 | 1.5% |
| La Plata County | 19,786 | 31,255 | 39,781 | 1,147 | 4.7% | 1,066 | 3.1% |
| Montezuma County | 9,459 | 13,683 | 15,029 | 422 | 3.8% | 168 | 1.2% |
| San Juan County | 595 | 407 | 601 | -19 | -3.7% | 24 | 5.0% |

Source: Colo Dept. of Local Affairs; Economic & Planning Systems
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The employment growth for the five counties in aggregate reflects the economic strength of the region. The ratio of net new jobs to population (19,995:19,380 or 1.03) is unusual. Given that the population figure includes retirees, children, and other non-employed persons, the rate of job growth relative to population growth is very strong. Ensuring an adequate labor pool for employers should be a priority for leaders in the region. Clearly, there are direct implications on providing adequate supply of rental and ownership housing across a range of price points. Increasing pressure on the housing supply will drive prices higher. There is consensus that strong economic development is highly valued; however, the implications on the housing stock cannot be overlooked. Sustainable economic development can only be achieved with the complementary effort to develop a diversity of housing options.

Summary of County Housing Needs

The five-county region of southwestern Colorado has a wide variety of housing needs. This section summarizes the findings from housing needs assessments completed for counties and communities within the five-county region. Interviews with local housing providers or stakeholders were also used to summarize the major areas of needs in each county.

It should be noted that the housing needs assessments for most of the counties were completed prior to the recent recession. As found across the country, the prices in most market segments have contracted. While the recession has reduced price points, it has also affected employment and earning power. While a nascent recovery appears to be emerging, the recession's impacts are expected to continue into the foreseeable future.

Archuleta County

Archuleta County in recent years has experienced an expansion of its economy related to tourism and guest visitation as well as resurgence in demand for real estate by second homeowners. The County has been an established destination for guests and has been recognized for its second-home market for an extended period of time, particularly since the early 1980's in the Uptown area of Pagosa Springs. As with all markets, Archuleta County has been subject to real estate cycles. In the recent past, demand for real estate has escalated with a corresponding increase in price. Over the past 10 years, the price escalation has pushed pricing beyond the means of many local residents. For proposed projects in the center of Pagosa Springs as well as conceptual projects in the County on the periphery of Pagosa Springs, most have been tailored around the needs of second homeowners rather than year round residents.

Archuleta County, in partnership with the Town of Pagosa Springs, had a housing needs assessment completed in February of 2008. The study identified several recommendations within an action plan for the County and its communities to follow. The most pressing housing needs identified in the study are the development of workforce housing that can be purchased at both the affordable (defined as households earning 30 to 60 percent of AMI) and attainable (defined as households earning 60 to 120 percent of AMI) income levels and the development of new multifamily rental housing. The County has a low amount of traditional apartment rental units and is especially in need of rental units for households making less than 60 percent of average median income (AMI). Some form of subsidized rental units or rent programs are most likely needed to fill this gap. Creating for-sale housing options for households earning from 100 to 120 percent of AMI is the specific area in the most need for homebuyers.

There were numerous recommendations presented in the needs assessment. The following are some specific recommendations and how they relate to the regional housing strategy effort.

- Generally, older homes are affordable but are in great need of upgrades to become attractive to buyers.
- Establish a down payment assistance program to assist first time homebuyers earning up to 120 percent of AMI.
- Create an Archuleta County Housing Forum. Montezuma County has created a similar partnership which could be a model for Archuleta County. The efforts in Montezuma County will be discussed later in the report in detail.
- Continue to support self-help housing construction. Colorado Housing Inc. has completed nearly half of its homes in Archuleta County and has been a very active organization. CHI and Habitat for Humanity could benefit from further collaborations with the Town of Pagosa Springs, the County and other housing providers, which could lower their cost of building homes and help with finding and acquiring sites to build homes.
- Establish the Joint Town and County Housing Coordinator Position. (Note: In 2010 the Archuleta County Housing Authority hired an executive director for the Authority that could fill this role for the County and Town.)

Dolores County

Dolores County has diverse housing needs due, in part, to its diversity in terrain. The County is essentially divided in half by a large portion of public land located in the middle of the County and has very distinct needs on the two sides. A housing needs assessment was completed for Dolores County in January of 2007 and summarized needs of each portion. A key recommendation was the construction of units; however, specific action steps were not included in the report. The County has no housing agencies providing housing services and relies on agencies from outside of the County to provide most services. The County would benefit from a greater presence in the County from regional housing agencies in order to make sure its needs are met.

The eastern portion of the County includes Rico that is becoming bedroom communities for resort areas, specifically Telluride. Locals looking for housing options in Rico have difficulty finding affordable options due to the lack of affordable housing stock in Rico and the higher price levels found in the Telluride area. Compounding this issue is the fact that Telluride is located in a different county but impacts Dolores County. Rental units in Rico are expensive and in high demand. A desire for affordable and attainable housing in Rico has been expressed by some local residents; however, there is a debate about the need to create housing for residents who work outside Rico and, therefore, outside the County.

The west side of the County reflects the agricultural economy and has an aging housing stock. Newcomers to the western portions of Dolores County have had a difficult time finding homes for sale due to the limited inventory. Rental housing options are quite limited as well. The housing needs assessment identified gaps in housing options for low-income households and disabled persons. The study found a need for some level of assisted housing in the Dove Creek area, with a recommendation of 10 to 15 units needed to meet immediate needs.

Contributing to its housing challenges, Dolores County has a significant amount of senior residents who are more and more in need of alternative housing solutions. The high number of senior residents in the western portion of the County, specifically in the Cahone area, was identified in the housing needs assessment. Senior assisted housing was identified as a need for the community and should be located in or near Dove Creek. An option that has been evaluated is to develop senior housing next to the new senior center, but this concept has not been pursued yet. Compounding the need for senior housing is the lack of desire from seniors to leave their current homes, which in some cases are in great need of repair. The overall quality of housing in the western portion of the County was cited in the housing needs assessment as an issue with 76 percent of homeowners who responded claiming their homes need some level of repair. Housing rehabilitation strategies were suggested by the needs assessment as a way to upgrade the current housing stock. The small population of Dolores County makes it hard to attract parties interested in providing housing services to the County. The Montezuma County Housing Authority has explored developing a low-income housing tax credit project in Dolores County but has been unable to make a project feasible.

La Plata County

The Regional Housing Alliance (RHA) with Enterprise Community Partners completed a detailed Housing Needs Analysis for La Plata County in June of 2007. The major finding of the analysis was that many residents in La Plata County were being priced out of housing in the County. The median income in the County at the time (\$59,200) correlated to a purchase price of \$220,000. However, the median home price in the County at that time was \$325,000. One of the drivers of this price escalation is non-local buyers. The study found that 26 percent of homes purchased in the County were bought by non-locals.

The major efforts identified by the study focused on fair-share housing policies (a form of inclusionary zoning), determining possible tools to create more affordable homes, and providing financing options for homebuyers in need.

The RHA assisted the City of Durango in adopting a fair-share ordinance which requires all new developments to provide resources for affordable housing. Specifically, this program helps to create homes that can be sold at affordable and attainable prices. The regulation requires that 16 percent of the homes planned will be priced at attainable (less than 125 percent of AMI) or affordable (less than 80 percent of AMI). So far the program has produced four homes and other projects have paid a fee in-lieu of homes.

Rental housing needs in the County are growing. There is a limited supply of rental units, especially units geared towards families and locals. Affordable rental units in La Plata County managed by Mercy Housing have waiting lists that are fairly lengthy, especially for units that are for renters earning less than 50 percent of AMI. The RHA plans to update its Housing Needs Assessment in the spring of 2012.

Montezuma County

Montezuma County, the City of Cortez, and the Towns of Dolores and Mancos recently completed a housing needs assessment for the County in June of 2010. The needs assessment found two main housing needs in the County. First is the lack of rental units in the County, specifically for

renters at the lowest income levels (below 30 percent of AMI) and renters that earn enough income to afford buying a house but do not own or want to own (80 to 120 percent of AMI). Specifically, there is an estimated 350 unit gap for renters earning less than 50 percent of AMI. However, there is a surplus of rental units affordable for households earning 50 to 80 percent of AMI. There could be an opportunity to find a way to allow the lowest income households obtain units in this surplus. Households earning 30 to 50 percent of AMI and renting are likely renting units that create a cost burden for their household. The Montezuma County Housing Authority has been proactive in developing low-income rental units and could benefit from help accessing sites for building projects.

The second area of need was finding ways to allow residents interested in buying a home or selling their current home and finding another home to access credit that they currently cannot. According to the needs assessment, there is an ample supply of homes affordable for households who currently rent. However, results from surveys conducted for the needs assessment found that the main reasons that residents couldn't obtain financing to buy a home was because they lacked a down payment, had bad credit, or had too low of a debt to income ratio. There are several programs that could help these interested buyers but households that would benefit are not getting their needs met.

Another issue facing the County is the poor condition of the housing. A survey of residents in the needs assessment found that most would prefer energy efficiency improvements to their home if they were going to make a repair or improvement.

San Juan County

San Juan County and the Town of Silverton had a housing needs assessment completed in 2008. There were two major housing needs identified in that report. First there was a lack of housing units available for purchase to households earning below 100 percent of AMI. The second major finding was an overall lack of housing in the County for residents. Compounding this issue is a large stock of old homes that are not desirable to purchasers due to their age, condition, and the corresponding heating costs (which can equal or exceed monthly rents).

There is a demand for housing rehab and weatherization services but it is unclear to what level this demand is being met by existing providers of these services or if programs that exist match with the income levels that desire these services. Potential homebuyers in the County choose to rent because of the very limited supply of available ownership housing units that are desirable and the fact that newer units are too expensive to purchase. Construction of new housing stock for the County workforce is needed and was a recommendation from the housing needs assessment. There have been recent attempts to develop workforce housing in the Anvil Mountain project, but the project is still under development. The County currently does not have an agency capable of providing housing services to the County and has to rely on agencies from outside the County to provide them. Some specific findings and recommendations from the needs assessment are below.

- There is a need for new for-sale housing for buyers at or below 120 percent of AMI. The housing needs assessment found that from 2003 to 2006 no homes sold at a price that was affordable for buyers earning less than 100 percent of AMI.

- The needs assessment estimated that 20 units were needed to fill the for-sale affordability gap in 2006, and that additional production was needed to meet future need.
- The County needs a housing champion. This continues to be a problem for the County and it does not have the resources to fund a housing-oriented position.
- The County needs to form a Community Housing Development Organization (CHDO) or have this function performed by an agency outside the County. A CHDO is a private nonprofit, community-based organization tasked with developing affordable housing for the community it serves. Also a down payment assistance program is needed in the County, which again could be provided by an agency outside the County.

This chapter summarizes the active housing service providers and housing related agencies in the region. The mission and services provided by each organization are described. Any revenue or expenditure numbers presented in this chapter are for the most recent budget provided to EPS or the most recent IRS 990 tax form submitted by the organization. Production numbers have been determined through interviews, agency materials or documents. The organizations highlighted in this chapter include: Archuleta County Housing Authority, Colorado Housing Inc. (CHI), Durango Housing Corporation, the three Habitat for Humanity affiliates in the region, Montezuma County Housing Authority, Housing Solutions for the Southwest, La Plata Homes Fund, Mercy Housing, Regional Housing Alliance (RHA), and the Volunteers of America. Other niche service providers are also described.

Note that the RHA is a multi-jurisdictional housing authority and has been established in accordance with the State of Colorado enabling legislation that allows a single authority to cover multiple jurisdictions. There are a limited number of these authorities that have been created in the State, as the enabling legislation was established in the recent past. Typically, they are linked closely to the jurisdictions which formed them and in some cases act as adjunct staff. Funding is often provided directly from local government agencies, as the availability of federal funding sources and programs is limited. The RHA performs similarly to other recently created multi-jurisdictional housing authorities and shares these characteristics.

Archuleta County Housing Authority

About – The Archuleta County Housing Authority (ACHA) consists of a board of directors, an executive director and a three-quarter-time staff member to provide maintenance for the Casa de Los Arcos property. ACHA previously contracted out the management of its rental property and Section 8 Housing Choice Vouchers to Housing Solutions for Southwest. This arrangement ended in 2010 and the ACHA has reorganized and now manages the property and the vouchers.

Services – Currently the Archuleta County Housing Authority manages the Casa de Los Arcos senior housing project. Casa de Los Arcos in Pagosa Springs is a rental housing project with 16 units for senior and disabled renters, earning less than 50 percent of AMI. ACHA also manages 60 Section 8 Housing Choice Vouchers. Voucher holders may reside in La Plata, Archuleta and San Juan Counties but nearly all its voucher holders reside in Archuleta with a very small portion living in La Plata. ACHA has an estimated two-year waiting list for the Voucher program.

Target Market – The Section 8 Housing Choice Vouchers and rental units at Casa de los Arcos are for very low-income households earning less than 50 percent of AMI.

Budget – The proposed budget for the Housing Authority for 2011 is \$570,000. The Casa de los Arcos budget is \$125,000, and the management of the Section 8 Housing Choice Vouchers is \$445,000.

Inventory/Output – The Archuleta County Housing Authority manages the 16 unit Casa de Los Arcos rental property for senior and disabled renters earning less than 50 percent of AMI. The

Authority also manages 60 Section 8 Housing Choice vouchers for La Plata, Archuleta and San Juan Counties, with the majority of renters in Archuleta County and a small number in La Plata County. Some previous voucher users have lived in San Juan County, as well, but do not at this time.

Table 3
Archuleta County Housing Authority Output and Inventory
Southwest Colorado Regional Housing Strategy

| Output/Inventory | # |
|---------------------------------|----------|
| Section 8 Housing Choice | |
| Vouchers | 60 |
| Rental Units Managed | |
| Archuleta County | 16 |

Source: Economic & Planning Systems

Unique Contribution to the Region – The Housing Authority is currently focused on low-income rental units and vouchers. The ultimate role of ACHA in the region may grow because of its recent reorganization and shift in responsibility.

Future Needs and Opportunities to Collaborate – The role of the ACHA in the County could increase in the future. In 2009, the updated *Community Development Action Plan* for Archuleta County included several housing related actions. One of the highest priorities was to create a regional housing authority to provide housing services to Archuleta County and the Town of Pagosa Springs. The action plans suggest that the entity do the following:

- Oversee affordable, attainable housing in both the County and the Town of Pagosa Springs;
- Increase affordable rental housing in the County;
- Increase attractiveness of rental housing;
- Continue to increase affordable housing options and financial assistance for first time homebuyers;
- Increase affordable housing opportunities; and
- Consolidate Archuleta County’s affordable housing programs in Archuleta County.

ACHA is the logical choice to fill this role suggested by the County and taking over management of housing choice vouchers is a step towards addressing County needs more directly.

Colorado Housing Inc. (CHI)

As of July 2011 CHI has closed its doors until further notice.

Mission – CHI is devoted to providing essential homeownership opportunities through building communities, building skills, and building homes.

About – Colorado Housing Inc. (CHI) is a non-profit organization based in Pagosa Springs and Cortez and provides services in Archuleta, Dolores, Montezuma, San Juan and La Plata Counties. CHI has 6.25 full time equivalent employees. CHI was originally formed in the Denver Metro area over 35 years ago. In 1995, it moved to the southwest Colorado region and has been building affordable homes using the mutual self-help homebuilding program. In 2009, CHI became a HUD certified housing counseling agency. CHI also successfully completed the site development of Phase I of an eight-unit duplex townhome project in the Town of Dolores in Montezuma County. **Services** – CHI provides technical assistance through homebuyers and homeowner services including:

- Mutual self-help homeownership program - The mutual self-help program allows households unable to obtain conventional mortgage financing an opportunity to build their own home with sweat equity reducing the cost of ownership. Typically, participants are families or individuals with very low to low-income, low credit scores and high debt to income. Participants work with CHI to lower debt and increase their credit scores to qualify for a USDA Rural Development 502 Direct loan. CHI consults with participants in selecting a lot and house plans, producing an affordable construction budget, hiring contractors, managing the construction time-line, energy auditing the home and teaching valuable construction skills to build an energy-star certified home. This program increases access to affordable homeownership, increases assets for lower income earners, increases self-sufficiency and increases stability in the workforce.
- CHI offers a HUD certified pre- and post-purchase housing counseling and education program. CHI provides homebuyer and homeowner counseling and education with offices located specifically in Archuleta and Montezuma Counties for both private in-person and group consultations on improving credit, buying a home and keeping homeownership affordable. Homebuyer classes are held in Archuleta and in collaboration with the Housing Authority of Montezuma County in Montezuma County. Homeownership classes are also being held in Archuleta, Montezuma, and La Plata Counties on topics including green rehab, sustainable living, access to energy efficient resources, refinancing and home equity, marketing your home for sale, insurance and other homeownership-related topics.
- Construction contractor training - CHI has been building energy star certified homes since 1998 and provides learning opportunities for residential builders and other contractors interested in building energy star homes.

Additionally, CHI acquires and develops affordable lots for sale to low-income homebuyers. Currently it is developing contract-built new construction, residential energy auditing and monitoring, and self-help home rehab programs.

Target Market – The target market for CHI is very low to low-income households earning between 50 to 80 percent of AMI.

Budget – In 2009, CHI had an operating budget of \$475,000. Almost all of CHI’s annual funding comes from grants or contributions, with over half of its funding coming from Federal sources, primarily the USDA Rural Development.

Inventory/Output – The organization completed 23 new homes in 2009, the majority (14) were built in La Plata County, as shown in **Table 4**. CHI became a HUD certified housing counseling agency in 2009 and began tracking clients: 56 clients were counseled for credit and homeownership in 2009 and it expects to counsel more than 150 clients in 2010. To date, CHI has built 215 homes in its 15 years of existence in southwest Colorado. Nearly half of 215 homes (106) were built in Archuleta County, 49 were built in La Plata County, 44 in Montezuma County and 16 homes in San Juan County.

Table 4
CHI Output and Inventory
Southwest Colorado Regional Housing Strategy

| Inventory/Output | 2009 | 1995-2009 |
|----------------------------------|-------------|------------------|
| Self-Help Homes Completed | 23 | 215 |
| Archuleta County | 6 | 106 |
| Dolores County | 0 | 0 |
| La Plata County | 14 | 49 |
| Montezuma County | 3 | 44 |
| San Juan County | 0 | 16 |
| Housing Counseling | | |
| Credit and Pre-purchase | 56 | -- |
| Developed Lots | | |
| Archuleta County | -- | 4 |
| La Plata | -- | 6 |
| Montezuma County | -- | 8 |
| Undeveloped Lots | | |
| Archuleta County | -- | 72 |
| Montezuma County | -- | 18 |
| San Juan County | -- | 13 |

Source: Economic & Planning Systems

Unique Contribution to the Region – CHI has been successful in building affordable and energy efficient homes using the mutual self-help homeownership program and is one of the few agencies active in developing housing units as a service.

Future Needs and Opportunities to Collaborate – The major ongoing challenge for CHI is building a pipeline of eligible participants for the mutual self-help program. CHI would benefit from increased awareness of this program throughout the region of its services. A referral system that directs clients to CHI would assist in CHI’s efforts to build a pipeline of eligible participants.

Another challenge for CHI is the continued capacity to develop affordable homeownership opportunities in a five-county region while depending primarily on funding from the mutual self-help program. CHI is developing a careful strategy to diversify funding and programs to better

sustain the mission of the organization. Through this process CHI is looking at programs that will provide earned income and developing programs to increase the energy efficiency, durability and marketability of the aging housing stock in southwest Colorado.

Finally, CHI has capacity and access to resources to develop land for affordable housing potentially for other housing programs in southwest Colorado. A key issue for this region is to diversify land development efforts so as not to saturate any given submarket in the region. CHI is a CHDO and has success in affordably developing properties in multiple counties. This could be another strategy to help CHI diversify its funding sources while collaborating with other housing providers.

Durango Housing Corporation

Mission – To provide Durango Housing Corporation residents with quality, safe and clean housing through service, respect, and teamwork.

About – Durango Housing Corporation is a non-profit organization based in Durango interested in building low-income rental housing projects. The organization currently has a board of directors and no paid staff. It previously owned a 97-unit rental project in Durango that was sold to Durango Housing Preservation LP using the Section 8 loan management set aside program. The Loan management program is for projects with HUD-insured and HUD-held mortgages designed to stabilize the financial condition of troubled HUD multifamily projects.

Services – Durango Housing Corporation currently offers no housing services.

Target Market – Rental units developed by DHC are for households earning below 50 percent of AMI. Tenants are not required to bring vouchers to the development as it is project-based.

Budget – Durango Housing Corporation’s annual revenue is minimal and is derived from interest income.

Inventory/Output – The Durango Housing Corporation developed the 97 low-income rental project currently owned by Durango Housing Preservation LP.

Unique Contribution to the Region – DHC has provided a sizable development of affordable rental units to the region.

Future Needs and Opportunities to Collaborate – While annual reports indicate that DHC may take on additional development projects, it appears that managing its existing inventory is its primary function.

Habitat for Humanity

Mission – Provide responsible families in need the life changing opportunity to purchase their own home. Through the cooperative efforts of volunteers, partner families, donors, and staff, Habitat for Humanity reaches out from its Christian roots to build decent, affordable homes and communities in which people can live and grow.

About – Habitat for Humanity is a national non-profit group that builds housing for low-income households. Habitat for Humanity has more than 2,000 affiliates in 117 countries. Habitat uses volunteer labor, donated materials, and financial donations to fund housing construction. It also receives a modest level of income through the repayment of loans it makes to its clients. There are three distinct, independent Habitat for Humanity affiliates in the region located in Archuleta County, La Plata County and Montezuma County. The Colorado Habitat for Humanity often works to obtain grant funding for local habitat affiliates. The national group acts as a liaison to local affiliates providing technical services, guidance, discounted building materials and can provide emergency resources to help out local affiliates.

One of the central aspects to Habitat for Humanity's mission is the commitment to provide more than housing. While the homes they build provide home ownership at a very low-income level, the organization believes some of its most effective work involves the empowerment that families achieve as a result of Habitat's commitment to establishing relationships. Habitat uses the concept of family to describe the broader network of individuals that a resident family encounters both during the home construction and, more importantly, throughout the time the family resides in their Habitat home. The support that is provided enables families to approach challenges with an improved skill set that begins to change the cycles that previously destabilized families and perpetuated a cycle of poverty.

The ReStore, operated by the La Plata affiliate, is a unique service that exemplifies a direct benefit as well as the fulfillment of its larger mission. The ReStore takes recycled or donated construction materials and sells them back to the community at a reduced cost. The profits provide a significant revenue stream for the organization. More importantly, it exemplifies Habitat's commitment to economic and environmental stewardship.

Habitat for Humanity of Archuleta County– the Habitat for Humanity affiliate in Archuleta County has built 22 homes as of early-2011. It has a goal of constructing four to five homes per year. Habitat for Humanity in Archuleta County had a budget of \$81,000 in 2008.

Habitat for Humanity of La Plata County – The La Plata County Habitat for Humanity (HFH-LPC) affiliate was formed in 1994. Its office has the highest volume of participants of the three HFH Affiliates groups in the region, and also has the most demand. In 2009, the La Plata affiliate had a budget of \$1.3 million. Over the past year this affiliate built two homes and has completed 34 homes to date. Participants in the Habitat program typically earn between 30-50% AMI though HFHLPC Partner Families most often earn 30 percent or less of AMI. Habitat for Humanity works with perspective clients to help them achieve stability before offering a home to them. Clients are often referred to Housing Solutions for credit counseling prior to being a participant in the Habitat program. Habitat for Humanity sees its organization as one that helps participants create a long term housing solution by equipping partner families with the skills needed to own a home through its homeownership and education program, providing homes at very affordable levels, and using sweat equity as a way for homebuyers to create value. Habitat

for Humanity provides the mortgages to the participants and carries these mortgages. Habitat for Humanity of La Plata County relies mostly on donor contributions and grant rewards to fund its programs. The local affiliate has been selected by Habitat for Humanity International to participate in the initial launch of a new program called "Neighborhood Revitalization Initiatives" (NRI), of which "A Brush With Kindness" is a component and will include small rehabilitation and renovation projects not to exceed a percentage of new construction costs based on the particular project and scope of work involved. A community program organized through HFHI, the NRI program is intended to offer the HFH model to the community on a smaller scale to existing 30-50% AMI homeowners in need of assistance. For HFHLPC, this allows the organization to have a much broader impact on the community it serves beyond its new construction projects.

Habitat for Humanity of Montezuma County – The Montezuma County Habitat for Humanity affiliate is based in Cortez and opened in September 2008. In 2009, this affiliate was able to provide its first house to a participant family. The existing home was donated by the Dolores State Bank.

Target Market – Participants in the Habitat program are typically low-income households earning below 50 percent of AMI who would not be able to afford a home. There are not specific guidelines for participants concerned to income level for partner families. However, the families that are typically selected have few, if any, housing options. Although the Habitat guidelines do not stipulate an income ceiling, most partner families fall well below income qualification levels of nearly all other organizations. This target works well with other organizations in the region with little to no overlap. Note that CHI, which offers one of the most effective programs for households unable to qualify for conventional mortgages, generally targets households at the top of the Habitat range.

Budget

Habitat for Humanity Archuleta County - \$81,000 budget in 2008.

Habitat for Humanity La Plata County - \$1.3 million budget in 2009

Habitat for Humanity Montezuma County - Unknown

Inventory/Output

Archuleta – 22 homes built

La Plata – 34 homes built

Montezuma – 1 home provided

Unique Contribution to the Region – Habitat for Humanity is a unique program that provides the opportunity to buy a home for low-income households that typically would be unable to purchase a home. Habitat for Humanity has a long track record of creating a stable and long term housing solution for participants. As noted above, the income target that ranges from 30 to 50 percent of AMI compliments other agencies well. The ReStore that the La Plata group operates is a significant asset to the region, as well.

Future Needs and Opportunities to Collaborate – Based on interviews, nearly all Habitat for Humanity affiliates struggle to find lots for their builds. Home sites are most often purchased at

market rate prices, making it difficult to raise enough funds to purchase home sites, build homes, and provide them at a cost low enough for participant to afford. Any effort by other housing agencies in the region to provide low cost or subsidized home sites would be a great help to these affiliates.

Local representatives also note that the local market and economic context provides a substantial challenge for the local Habitat affiliates. The relatively small market, limited inventory of affordable housing, lack of housing options found in large-scale urban communities, and pressure placed on home pricing due to the highly desirable quality of life all diminish the options for their client base. This increases the pressure on the Habitat affiliates to provide more options, with a corresponding increase for more financial resources.

Housing Authority of Montezuma County (HAMC)

Mission – To provide affordable, decent, safe, secure and sanitary housing to low and moderate income families, including elderly and disabled persons, encourage self-sufficiency by pursuing new, creative and financially sustainable ways to meet the changing housing needs of the residents within the Housing Authority's jurisdiction.

About – Based in Cortez, the Housing Authority of Montezuma County is a non-profit group that provides housing resources to residents in Montezuma, La Plata and Dolores Counties. The Housing Authority has a staff of three people.

Services - The Housing Authority administers three main programs that serve households that earn from 0 to 80 percent of AMI.

- Owns and manages 31 public housing units in Montezuma County
- Manages the 262 Section 8 housing choice vouchers with residents in Montezuma County (250), La Plata County (7), and Dolores County (5). The Authority has a waitlist for vouchers of 330 families.
- Developed, owns, and manages 120 low-income rental tax credit units in Montezuma County, including units for seniors.
- The housing authority recently completed a 48 unit tax credit rental project in Cortez, which is expected to be occupied sometime in 2011.

Target Market – The programs the Housing Authority offers are all for renting households earning below 80 percent of AMI and in most cases less than 50 percent of AMI.

Budget – The Montezuma County Housing Authority revenue in 2009 was just under \$1.8 million. Seventy-seven percent of this revenue came from Federal contributions for the Authority's public housing units, Section 8 housing choice vouchers, and Section 8 new construction contributions. No local funding is provided to the Housing Authority and it typically only receives state funds through grants. The remaining 23 percent of its revenue comes from operating revenues. The majority (63 percent) of the Authority's \$1.73 million in expenditures are for housing assistance. Budget information for the development arm of the authority was not provided.

Inventory/Output – The number of Section 8 housing choice vouchers managed by the Authority is show in **Table 5**. The units managed and developed by the authority are also shown. All units owned and developed by the Authority are in Montezuma County. Twelve of the units the Authority manages are for seniors. The target income level for the low-income tax credit units developed by the Authority was households earning between 40 and 60 percent of AMI.

Table 5
Montezuma County Housing Authority Output and Inventory
Southwest Colorado Regional Housing Strategy

| Output/Inventory | # |
|------------------------------------|------------|
| Section 8 Vouchers | 262 |
| Dolores County | 5 |
| La Plata County | 7 |
| Montezuma County | 250 |
| Waitlist | 330 |
| Public Housing Units | 31 |
| Low Income Tax Credit Units | 120 |
| Units Under Construction | 48 |
| Other Units Managed | 28 |

Unique Contribution to the Region – The Montezuma County Housing Authority is one of the few local developers of affordable rental units in the region. The Authority has the expertise to complete development projects more frequently but chooses to do development periodically because of the size of its staff and other commitments. The Housing Authority is also a participant in the MEAC program in Montezuma County, which is described in the *Other Service Providers* section of this chapter.

Future Needs and Opportunities to Collaborate – The Housing Authority is interested in developing more rental units. Limitations to developing are often finding sites to do projects that are inexpensive enough to make a project feasible. The Authority has explored doing a project in Dolores County but has been unable to find a way to make a project feasible and is uncertain as to the number of households that would be interested in the units if completed. The Housing Authority would prefer that any group looking to develop affordable rental units in Montezuma County partner with the Authority to do the project. The Housing Authority offers only rental programs and believes there is a need for housing services to support homebuyers. The Authority would be interested in collaborative efforts to obtain state grants to support its services.

Housing Solutions for the Southwest (HSSW)

Mission – To promote a socially and economically balanced community by providing assistance and services to very low-to-moderate income families, individuals, elderly, disabled and special needs populations in areas including, but not limited to, housing and energy conservation in Archuleta, Dolores, La Plata, Montezuma and San Juan Counties.

About – Housing Solutions for the Southwest is based in La Plata County and serves Archuleta, Dolores, La Plata, Montezuma and San Juan Counties. Housing Solutions was the first housing organization of its kind in the region and is currently celebrating its 30 year anniversary of service. Over time Housing Solutions broadened its services, including the homeless shelter that was transferred to the Volunteers of America. Today, Housing Solutions provides a wide-range of housing services, serving income levels from 0 to 125 percent of AMI. Specifically, Housing Solutions provides services to low and extremely low-income levels, which has become its main focus and an area of great need in the region. Housing Solutions currently has a staff of 20, with a crew of nine for its weatherization service.

Services – Services provided by Housing Solutions include Emergency Homeless Prevention, Transitional Housing, Housing Rehabilitation, Weatherization, Rental Assistance, Property Management, Housing Counseling, and Affordable Housing Development. Descriptions of the programs offered by Housing Solutions are shown below:

- Section 8 Housing Choice Vouchers- HSSW manages 70 vouchers for renters earning below 50 percent of AMI. The vast majority of the households using these vouchers live in La Plata County and three households use these vouchers in San Juan County.
- Weatherization program- Provides services for energy efficiency upgrades using federal funds from the Department of Energy. The program is free to qualifying households that are at 125% of the federal poverty level and 200% of poverty for ARRA funded projects. The crew provides expertise in energy auditing and HVAC services as well as building shell measures. Housing Solutions partners with 4CORE in providing these services under a grant provided through the Governor's Energy Office. 4CORE is the grant receiver and administrator and contracts with Housing Solutions to perform the upgrades.
- Single Family Homeowner Rehabilitation Program provides low interest loans for clients at 80% and below of the county AMI to make health and safety repairs to their homes. This program is vital in preventing homelessness due to deteriorating conditions or overcrowding, and for preserving housing stock and neighborhoods. Loans are offered at interest rates between 1 and 4 percent. The investment portfolio is approximately \$2.0 million in size. The average loan size is \$18,000. Revenue generated from the loans is revolved back into the loan pool to provide additional loans. A majority of the clients in the program are seniors and persons with disabilities.
- Two transitional housing programs are offered through funding from the Colorado Coalition for the Homeless under HUD, Homeward Bound and Scattered Site. These programs provide rental subsidy for affordable housing along with supportive services to homeless families with children who are either working or going to school. This two-year program requires families to participate in regular case management with the goal of self-sufficiency at the end of their stay.

- Housing Counseling - HSSW has been a HUD designated Housing Counseling Agency since 1995. Housing Counseling plays a role in all of our programs which makes it an intrinsic part of our service delivery. HSSW offers the following range of counseling activities:
 - Foreclosure Prevention
 - Homebuyer Education – HSSW partners with the RHA in offering first time homebuyer education.
 - Individual Pre-Purchase Counseling – HSSW works with long term clients who need to address many issues such as budgeting and improving their credit score. HSSW accepts referrals from other agencies to assist their potential homebuyers with these issues.
 - Retaining, maintaining and locating rental housing.
 - Reverse Mortgage Counseling also known as Home Equity Conversion Mortgages (HECM).
 - Homeless Referrals and Services

- The Emergency Homeless Program provides grants to eligible households who are homeless or in danger of becoming homeless. These grants may cover first month's rent, past due rent and/or utilities, deposits, and moving costs. Grants are funded through the Emergency Shelter Grant, FEMA, Homeless Prevention Activities Program, Energy Outreach Colorado and the Department of Human Services. Funding from the EOC is \$16,000 in size and has helped 51 households.

- HSSW administers Community Service Block Grant funds that are available for other local agencies to access from HSSW for programs that serve households below the poverty level in the five-county region. The funds are for programs that focus on pulling people out of poverty. HSSW contracts with several subcontractors to perform the services that are funded by this grant.

- HSSW has developed and currently manages low-income housing rental units. A 20-unit senior rental project, Socorro Senior Living, was recently completed in Pagosa Springs. In 1999 HSSW developed a 61 unit, single family LIHTC project called Southwest Horizon Ranch. It also owns and operates five transitional housing units named Homeward Bound.

- HSSW participated in the initial development of affordable home sites at Fox Farm Village, which is a comprised of 52 home sites in La Plata County. HSSW currently owns 14 of these sites, earmarked for homebuyers up to 120% of AMI. Development of units has been delayed due to softening market conditions. HSSW is currently looking to move forward with building on these lots.

Target Market – The wide variety of programs that Housing Solutions offers has resulted in several target markets for its programs. The majority of Housing Solution's programs are focused on households earning from 0 to 50 percent of AMI.

Budget – Housing Solutions revenue in the fiscal 2008/2009 years was approximately \$1.3 million. Eighty-five percent of this revenue came from government contributions, which are split

between state and Federal sources. Revenue contributions from local governments totaled \$25,000 in 2009 and the United Way contributed \$20,000. Funding entities for Housing Solutions include HUD, FEMA, U.S. Department of Energy, Governors Energy Office, Colorado Division of Housing, Colorado Coalition for the Homeless, and others.

Inventory/Output – Housing Solutions manages 70 Section 8 housing choice vouchers for La Plata County. It has developed and manages 86 rental units, 20 of which are for seniors, and five are Homeward Bound transitional housing units, as shown in **Table 6**. In addition the other programs also create housing opportunities through their unique approach.

Table 6
Housing Solutions for the Southwest Output and Inventory
Southwest Colorado Regional Housing Strategy

| Output/Inventory | # |
|---|-----------|
| Section 8 Housing Choice | 70 |
| La Plata | 67 |
| San Juan | 3 |
| Rental Units Developed and Manage | |
| Low Income Tax Credit Units (La Plata County) | 61 |
| Senior Low Income Units (Archuleta County) | 20 |
| Transitional Housing Units (La Plata County) | 5 |

Source: Economic & Planning Systems

Families Served 2010

| | |
|--|------|
| Housing Counseling | 636 |
| Referrals and Program Education | 3501 |
| Emergency Homeless Prevention | 209 |
| Transitional Housing | 19 |
| Homeowner Rehabilitation | 20 |
| Weatherization Services | 246 |

Unique Contribution to the Region – Housing Solutions offers by far the widest range of programs of any agency in the region. Housing Solutions has been successful in providing services to the neediest families in the region and has several programs focused on low-income households.

Future Needs and Opportunities to Collaborate – Housing Solutions’ programs largely cater to the needs of families and individuals who earn below 50 percent of AMI and are in need of housing. The struggle by families at this income level is prevalent throughout the five county region. La Plata County has a large transient population as well which causes additional pressure on limited resources and fosters an ongoing need for services to this population. To meet the growing need Housing Solutions collaborates with other housing and supportive service agencies in the region. Many agencies, such as the Montezuma County Housing Authority and Habitat for Humanity, refer clients to Housing Solutions for credit counseling. Housing Solutions also participates in the Continuum of Care where agencies share resources and referrals.

Housing Solutions plays a critical role in the community with its programs, most of which target the most disenfranchised members of the community. Housing Solutions needs to develop a

stronger base of local support in order to continue its current level of services and potential expansion. Maintaining and developing new partnerships, and diversifying funding streams while focusing on the needs of lower income households will be critical. Housing development still remains a strong component of HSSW's activities. Developing partnerships with the private sector and other non-profit housing groups to create homeownership units will be important.

La Plata Homes Fund Inc (LPHF)

Mission – The Homes Fund mission is to generate sustainable housing opportunities by providing homeownership training and financial resources to our community.

About – La Plata Homes Fund Inc (Homes Fund) grew out of a community initiative concerned about the affordability of housing, particularly the growing inability of working families to become homeowners. In partnership with the Regional Housing Alliance (RHA) of La Plata County and other non-profit agencies, the Homes Fund was needed to help build a pipeline of ready homebuyers, as well as raise and leverage additional funds for mortgage assistance and development programs. The Homes Fund is uniquely certified as Community Development Financial Institution with the U.S. Department of Treasury. Community Development Financial Institutions (CDFIs) are organizations designated by the Department of Treasury to provide credit or investment opportunities in underserved communities throughout the country. With the CDFI certification, the Homes Fund has access to millions of dollars in federal grants.

The RHA works jointly with the Homes Fund to provide financing to low- and moderate- income families in La Plata County. The two agencies have a successful cooperative agreement to pass through funds that support each entity's programs and agency operations.

Services – The Homes Fund provides homeownership loans and mortgage assistance loans. As a CDFI, the Homes Fund targets three buyer groups, which are low-income buyers earning below 80 percent of AMI, Native American or Hispanic households, and buyers of homes in qualifying census tracts; however, the Homes Fund will provide loans to any qualifying household. The Homes Fund also offers individualized financial and homeownership counseling and homebuyer education.

Target Market – The Homes Fund provides services to households earning below 50 percent of AMI all the way up to 125 percent of AMI. However, typical buyers earn less than 80 percent of AMI.

Budget – The Homes Fund had an operating budget in 2010 of approximately \$165,000. The majority of the revenue for the program came from grant funding, which came through grants from private entities, a CDFI technical assistance grant, and CDBG grant.

Inventory/Output – The Homes Fund has been very successful and has an ever-growing client base. In its first two years, the Homes Fund trained 400 homebuyers through its homebuyer education program, counseled 200 families, and closed 22 loans. As of August of 2010, the Homes Fund had loaned out just over \$800,000.

Table 7
Homes Fund Output and Inventory
Southwest Colorado Regional Housing Strategy

| Inventory/Output | 2008-2010 |
|------------------------------|------------------|
| Home Loans | 22 |
| Housing Counseling | |
| Home Buyer Education Courses | 200 |
| Home Buyer Counseling | 300 |

Source: Economic & Planning Systems

Unique Contribution to Region – The Homes Fund is the only CDFI in the Four Corners region and the only down payment assistance/loan fund in the region. While La Plata County is the Homes Fund stated territory, its services could be used anywhere in the region.

Future Needs and Opportunities to Collaborate – The Homes Fund needs a constant pipeline of homebuyers to remain active. Creating this pipeline of homebuyers can conflict with other agencies in the region that are building their own pipeline of development. Creating a plan for pipeline development in the region between agencies searching for homebuyers and families to participate in homeownership training would be helpful to avoiding conflicts. A referral system that creates a shared pipeline for regional agencies would benefit agencies seeking similar clients and help best align clients with services. This type of system could also help create opportunities for agencies to collaborate. The Homes Fund has been successful at winning grant funding and could take an active lead in trying to obtain grant funding through collaborative efforts with other agencies.

Mercy Housing (Mercy)

Mission – Develop, finance, and operate affordable, program-enriched housing communities for families, seniors, and people with special needs who lack the economic resources to access quality, safe housing opportunities.

About – Mercy Housing is a national non-profit affordable housing developer. The national office of Mercy Housing was formed in 1981 in Denver, Colorado. Mercy Housing Colorado was established in 1993 and was combined in 1997 with Mercy Housing Arizona to create Mercy Housing Southwest. The regions have since separated to maximize opportunities for affordable housing in each state. Mercy Housing, nationwide, has developed nearly 40,000 affordable housing units. The Colorado Mercy Housing office developed three housing developments in the region, with the first project being completed in 1998. Mercy has plans to build additional units in the region in the future. It has one full-time employee located in the area to manage the housing developments owned by Mercy.

Services – Mercy Housing has developed and now owns three affordable rental projects in La Plata County. Merced de las Animas Apartments in Durango was the first project finished in 1998. The 50-unit project is rented to households earning between 40 to 60 percent of AMI. The project has a long waitlist, and is longest for one-bedrooms, which rent to households with the lowest income level. Valle de Merced in Durango was built in 2005. The project has 46 units and rents to households earning between 30 to 60 percent of AMI. The 66-unit Piñon Terrace in Durango was built in 2007 and rents to households earning between 30 to 60 percent of AMI. Mercy also manages eight townhomes in Three Springs that rents to households earning less than 125 percent of AMI. Mercy provides a variety of services at its rental projects including after school programs, computer access, social programs, job search assistance, transportation services and a summer program for kids.

Target Markets – With the exception of the Three Springs units managed by Mercy, the target market for Mercy is renting households earning between 30 and 60 percent of AMI. Renters do not need a Section 8 Housing Choice Voucher to rent a unit.

Budget – The rental projects managed by Mercy generate enough revenue to cover the cost of managing the projects and the services offered at the projects. No other revenue is being contributed to the region by Mercy on an annual basis.

Inventory/Output – Mercy Housing has developed and now owns three affordable rental projects La Plata County and manages an eight-unit townhouse development for a total of 170 units all in Durango.

Table 8
Homes Fund Output and Inventory
Southwest Colorado Regional Housing Strategy

| | County | Units |
|-------------------------|---------------|--------------|
| Merced de las Animas | La Plata | 50 |
| Valle de Merced | La Plata | 46 |
| Pinon Terrace | La Plata | 66 |
| Three Springs Townhomes | La Plata | 8 |

Source: Economic & Planning Systems

H:\20829-Southwest Colorado Regional Housing Plan\Data\[20829-Economic Analysis.xls]MErcy

Unique Contribution – Mercy Housing is a sophisticated developer of affordable housing. Projects built in the region have been successful and are a community asset. Leveraging Mercy Housing’s resources and expertise could be an approach to help housing agencies copy the success that Mercy has had.

Future Needs and Opportunities to Collaborate – Mercy Housing has communicated that it sees a great need for affordable rental housing in the region especially for households earning at or below 30 percent of AMI. It has focused on creating projects in La Plata County that are located in areas which give residents close access to employment, childcare, schools, and transportation.

Regional Housing Alliance (RHA)

Mission – The Regional Housing Alliance of La Plata County addresses the need for affordable and attainable housing through various programs, partnerships, and funding mechanisms in order to cultivate and sustain a diverse, inclusive community.

About – Regional Housing Alliance was created in 2004 to help families in La Plata County obtain affordable housing. RHA is a multi-jurisdictional local government housing authority under the State of Colorado. RHA has five major areas of focus for its organization:

- creation and management of fair share housing programs;
- a fund for mortgage assistance and land development;
- land development projects using partnership agreements;
- homebuyer education and assistance; and
- policy advocacy and education.

RHA focuses on providing homeownership options for households earning less than 125 percent of the area median income through various methods. RHA currently has a staff of four people.

Services – The services that RHA offers are described below:

- Creation and management of the Fair Share housing program in La Plata County.
- Building and maintaining a fund for mortgage assistance and land development. RHA has lent over \$1 million since its inception through 35 loans. Average loan amount is around \$45,000 with loans ranging from \$10,000 to \$80,000. RHA has provided funds to households earning from as low as 50 percent of AMI to up to 125 percent of AMI.
- Homebuyer education is the key program for RHA and its assistance program. The RHA has served more than 600 households since mid-2007 in counseling and education. Services include homebuyer counseling, education and training, and referral to other lenders/entities offering affordable home purchase loans or services. Counselors are available to advise clients throughout the process of purchasing and mortgage application. Financing alternative services also include foreclosure prevention. Topics include: debt management and credit counseling, estimates of loan amounts affordable to the client, pre-qualification and other affordable home purchase loans and descriptions of those loan products, how to work with a Realtor, and understanding closing documents. The RHA also provides monthly comprehensive homebuyer education courses in partnership with Housing Solutions for the Southwest. The core homebuyer education curriculum includes: assessing buyer readiness, successful budgeting, credit issues, financing a home and the mortgage process, selecting a home, the closing process, and maintaining a home.
- Land development – RHA is currently creating a housing developer support program.
- RHA is active in housing policy creation and is the adjunct housing authority for La Plata County. RHA was part of the comprehensive planning effort for La Plata County. RHA provides technical expertise to the County to help guide housing and housing related policy.

Target Market – The typical target homebuyer for RHA earns between 60 and 125 percent of AMI. Counseling services serve a larger segment of households with participants earning incomes between of 50 to 125 percent of AMI.

Budget – In 2010, RHA’s budget was \$436,220. Seventy-three percent or \$318,441 of this revenue came from contributions from the City of Durango, La Plata County, the Town of Bayfield, and the Town of Ignacio. The budget for the RHA has increased from \$223,000 to \$436,000 in five years of operation. The reliance of the RHA on funding from local governments has decreased since its inception. In 2006, 100 percent of RHA’s funding came from local governments and today only 73 percent of revenue is from local governments. The number of the staff members has grown from two to four since 2006.

Inventory/Output – Since 2007, the RHA has trained 600 people through its homebuyer education classes. RHA has provided 35 loans totaling over \$1.0 million. Durango’s Fair Share housing ordinance, passed in December of 2008, has produced four homes to date and is estimated to generate over 30 million in affordable housing resources over the next 20 years.

Table 9
Homes Fund Output and Inventory
Southwest Colorado Regional Housing Strategy

| Inventory/Output | 2007-2010 |
|-------------------------|------------------|
| Home Loans | 35 |
| Housing Counseling | 600 |
| Fair Share Units | 4 |

Source: Economic & Planning Systems

Unique Contribution to the Region – RHA develops policy programs, such as the Fair Share housing requirements, to expand the supply of affordable homes. Additionally, it enables local homebuyers to purchase housing. Local La Plata County governments rely on the RHA to represent an affordable housing perspective on a range of policy and land use issues.

Future Needs and Opportunities to Collaborate – RHA, like other agencies in the region, needs a constant pipeline of homebuyers to remain active in lending. Creating this pipeline of homebuyers can conflict with other agencies in the region that are building their own pipeline of development. A referral system that creates a shared pipeline for regional agencies would benefit agencies seeking similar clients and help best align clients with services.

Volunteers of America (VOA)

Mission – A faith-based organization dedicated to helping those in need rebuild their lives and reach their full potential.

About – Volunteers of America is a national, nonprofit, faith-based organization dedicated to help those in need. The Colorado branch of the Volunteers of America was started in 1896. Today, more than 17,000 volunteers help the Volunteers of America in Colorado. The Colorado branch offers more than 30 different programs, including housing services. The Colorado VOA branch first established a presence in Durango in 1985 when it opened the Safehouse for women and children who are victims of domestic violence. In 1991, the Colorado VOA branch took over the homeless shelter in Durango.

Services – The Volunteers of America Colorado Branch offer two main programs in the five-county region. The VOA operates the Durango Community homeless shelter in Durango that serves La Plata County. The VOA also operates the Southwest Safehouse for persons and families trying to escape abusive households. This Safehouse serves the five-county region. The VOA also built and operates Cedar View Senior Housing in Durango in 2006. This project was funded and built by the national VOA office and is operated by both the state and local offices. VOA is also in the process of building another senior housing project next to Cedar View and is expected to open in February of 2011.

Target Market – Disenfranchised homeless residents, seniors, and victims of abuse.

Budget – The operating budget for the Community Shelter was \$285,816 for 2010. The revenue for the shelter comes from 14 percent local funds, 15 percent from donations from foundations, 13 percent from Federal sources, 20 percent from funds raised through local individual donors and special events, and the remainder comes from back up funding from VOA Colorado, and other Federal grants. The Colorado VOA gives about \$50,000 annually for the shelter. The operating budget for the Safehouse in 2010 was \$297,000. A large portion (\$120,000) of this operating revenue comes from the Federal government; the five counties and cities in the region provide about \$40,000 annually and the remainder comes from private donors and foundations.

Inventory/Output – The VOA owns and operates the Cedar View senior housing project that has 24 units. The homeless shelter serves over 500 people per year. The Safehouse typically serves around 200 people per year.

Unique Contribution to the Region – The Volunteers of America provide essential services to the homeless. It also operates the Safehouse, which is the only facility of its kind in the region.

Future Needs and Opportunities to Collaborate – The VOA works with shelter users to build them back up to the point where they can obtain housing. The VOA collaborates with Housing Solutions for re-housing services and placement of people staying at the shelter in scattered site housing, as well as other services that Housing Solutions provides. The VOA has staff on hand at the shelter, but staff concentrates on immediate needs of the clientele and the management of the facility. Therefore, the VOA must rely on other agencies to help get people out of the shelter and into a stable situation. The Advocacy for La Plata program, operated by the Women's Resource Center in Durango, provides case management for families staying at the shelter.

Other Service Providers

There are other former providers or smaller providers of housing services in the region.

- **The San Juan Development Association** has been active in the past in creating workforce housing in San Juan County. Currently, it has limited capability as it has a quarter-time staff of one and receives funding from the County and Town of Silverton. SJDA has previously worked with CHI and Housing Solutions to build affordable units in Silverton and is currently working on an agreement for the Regional Housing Alliance to provide services on a fee for service basis.
- **Bridge Emergency Shelter** is a nonprofit organization that aims to provide or arrange overnight shelter and a hot meal for adult homeless and stranded men and women in the Cortez community. The shelter is open from October to April. Funding for the Bridge Emergency Shelter comes from several sources including a grant from the Colorado Division of Housing, grants from the United Way, and other private foundations or donations, and the Mountain Ute Tribe. The shelter is currently located in the former jail in Cortez but there are plans to build a new facility.
- **The Southwest Center for Independence**, located in Durango, is a nonprofit organization that provides some housing services in the region. This group works to provide services and support to people living with disabilities and provides services needed to enable them to live an independent lifestyle. The center has 75 Section 8 Housing Choice Vouchers for low-income rental housing.
- **Pagosa Outreach Connection** is a collection of local charities and faith based groups that work with Archuleta County Human Services to provide emergency housing services through donations, and state and Federal funding.
- **Montelores Emergency Assistance Coalition (MEAC)** is a program created by a coalition of members of housing-related agencies and communities in Montezuma and Dolores Counties to provide emergency financial assistance to families or individuals in need. The financial assistance is primarily for help with housing or energy related costs, but can be given for other costs like medical bills or auto repairs. Each member of MEAC can promote a family or individual for one-time assistance and the coalition determines if it can or wants to provide assistance. The amount of assistance provided generally doesn't exceed \$600 per applicant. Funding for this program has come from the United Way, City Market Cares, El Pomar, and other contributors. The program is an innovative way for the housing related agencies and local officials to gather to provide a needed service and also creates a frequent opportunity for information sharing, client referral, and generating collaboration opportunities.
- **Community Connections Inc.** has a mission to provide opportunities for children and adults with developmental disabilities to lead fulfilling lives. The organization, located in Durango, has been around for over 20 years. Community Connections also has an office in Cortez, with both offices serving the five-county region. Community Connections provides support services to children and adults with development disabilities through day programs, vocational services, in-house support services, and other programs. The organization has served over 240 people.

- **Our Sister's Keeper Coalition** promotes the safety and sovereignty of all families, and provides support services, educational programs and community outreach for victims of domestic violence. Our Sister's Keeper Coalition was founded in May of 2006 on the Southern Ute Indian Tribe Reservation as a tribal focused coalition with the same services.
- **Four Corners Office for Resource Efficiency (4CORE)** is a nonprofit organization with a mission to promote resource conservation, energy efficiency, and the use of clean, renewable sources of energy in order to decrease the emission of pollutants, protect public health, and strengthen the economy. Services that 4CORE provide that are related to housing include rebates for home energy efficiency upgrades and grant funding for weatherization services for income qualifying households. The weatherization services are provided through a partnership with Housing Solutions, with 4CORE being the grant fund recipient and administrator and Housing Solutions acts as subcontractor and performs the weatherization services. 4CORE provides services for the five-county region. In 2009, 4CORE generated \$685,000 in revenue with the majority of that funding coming from Federal or state sources to provide energy efficiency rebates (state funds) and weatherization services (Federal funds).
- **The Archuleta Housing Corporation** is a nonprofit organization that owns and manages 44 low-income family rental units and 8 senior and disabled rental units in Pagosa Springs.
- **Southern Ute Indian Tribe Housing Authority** is the HUD approved housing authority of the Southern Ute Indian tribe. The Housing Authority owns and manages 159 rental units and has Section 8 Housing Choice vouchers. The Housing Authority receives \$1.1 million in annual Indian Housing Block Grants.
- **Hickory Ridge Apartments** is a LIHTC project located in Pagosa Springs; it is owned and operated by Opportunity Builders, a nonprofit based out of California. Hickory Ridge is a 41-unit affordable housing community comprised of one-, two- and three-bedroom units. A community building, computer center, playground, laundry room and an outdoor sport field are available for residents.

This chapter is a summary of the housing service provided by the housing agencies highlighted in the previous chapter. Included in this chapter is a summary of affordable housing units produced, housing choice vouchers administered, and the services provided by each agency by county and tenure. Lastly, a summary of the funding sources is provided to illustrate the success achieved in leveraging funding from outside the region.

Inventory of Affordable Unit Production

To successfully address affordable housing issues in the region, supply and demand solutions are needed and a comprehensive housing strategy will incorporate both demand and supply solutions. Examples of demand solutions are program-oriented, such as down payment assistance or affordable mortgage products. The goal is to increase the number of households able to participate in the conventional market. Supply solutions are ones that increase the actual number of affordable units through acquisition, development, or development policies. Often, the expansion in inventory is linked to income ceilings. The region has agencies active in all aspects of affordable housing. The successes in creating housing units and enabling households to pay affordable rates are shown below.

For-Sale Affordable Homes Built in Region

The ownership housing inventory has been expanded based on the efforts of CHI, RHA, and local Habitat for Humanity affiliates. CHI administers the Rural Development Mutual Self-Help Housing program, which was created to help low-income households to construct homes. The program is targeted to stable homebuyers who are unable to buy housing through conventional methods. Participants in the program must perform approximately 65 percent of the construction labor on their or other participants' homes. Participants of the program must earn less than 80 percent of AMI and able to afford mortgage payments for the home. CHI has built 215 homes in the region, as shown in **Table 10**, with an average of 10 to 15 homes built per year.

The Habitat for Humanity affiliates in Archuleta and La Plata Counties combined have built 50 units through their program. Habitat for Humanity is a program aimed at providing the opportunity to buy a house to program participants who otherwise would not be able to buy a house. Participants of Habitat for Humanity are typically very low-income households that need help to become stable, and then must invest time and effort into constructing their own home. Often for the families participating in this program, the opportunity to buy their home is an opportunity they would not otherwise have without Habitat's program.

RHA's fair share program has resulted in the construction of three attainable for-sale homes and a fee in lieu payment used for mortgage assistance. The program was recently adopted (December of 2008), at a time when home construction has been at historically low levels. It is expected to generate more units (or fees in lieu), as the economy recovers.

Table 10
Homes Built in Region by Housing Agencies

| Agency/Project | Units |
|---|--------------|
| CHI | 215 |
| Archuleta County | 106 |
| La Plata County | 49 |
| Montezuma County | 44 |
| San Juan County | 16 |
| Habitat for Humanity - Archuleta County | 16 |
| Habitat for Humanity - La Plata County | 34 |
| Habitat for Humanity - Montezuma County | 1 |
| RHA - Fair Share Housing | 4 |

Source: Economic & Planning Systems

H:\20829-Southwest Colorado Regional Housing Plan\Data\[20829_Matrix.xls]Homes built

Home Buyer and Mortgage Assistance Loans
Southwest Colorado Regional Housing Strategy

| Agency | Loans |
|---------------------------|--------------|
| Regional Housing Alliance | 35 |
| La Plata Homes Fund | 22 |

Source: Economic & Planning Systems

H:\20829-Southwest Colorado Regional Housing Plan\Data\[20829_Matrix.xls]Home Lo

Southwest Colorado Regional Housing Strategy

Home Buying and Mortgage Assistance Programs

The Regional Housing Alliance and La Plata Homes Fund are the only two agencies providing homeownership or mortgage assistance loans to homebuyers in the region. In the short history of these agencies, they have had remarkable success with providing financing options for homebuyers in need. The two agencies combined have lent upwards of \$2 million with 57 loans, as shown in **Table 11**.

Table 11

For-Rent Affordable Homes Built in Region

Housing agencies in the region have been successful at creating affordable rental units throughout the region. Housing agencies currently operate over 830 affordable rental units in the region as shown in **Table 12**. These agencies have had success in developing units in Archuleta, La Plata and Montezuma Counties, but have yet to create affordable rental projects in San Juan or Dolores Counties.

Table 12
Affordable Rental Units in the Region
Southwest Colorado Regional Housing Strategy

| Agency/Project | County | Units |
|---|---------------|--------------|
| Archuleta County Housing Authority Casa de Los Arcos (Senior/Disabled) | Archuleta | 16 |
| Archuleta County Housing Corporation Low Income Rental Units | Archuleta | 44 |
| Senior/Disabled Units | Archuleta | 8 |
| Durango Housing Corp | La Plata | 97 |
| Montezuma County Housing Authority Public Housing | Montezuma | 31 |
| Developed Tax Credit Units ¹ | Montezuma | 168 |
| Other Units Managed | Montezuma | 28 |
| Housing Solutions for the Southwest Senior Rental Units | Archuleta | 20 |
| Developed Tax Credit Units | La Plata | 61 |
| Transitional Housing Units | La Plata | 5 |
| Mercy Housing Merced de las Animas | La Plata | 50 |
| Valle de Merced | La Plata | 46 |
| Pinon Terrace | La Plata | 66 |
| Three Springs Townhomes | La Plata | 8 |
| Southern Ute Indian Tribe | La Plata | 159 |
| Volunteers of America Ceder View (Senior) | La Plata | 24 |
| Archuleta County | | 88 |
| La Plata County | | 516 |
| Montezuma County | | <u>227</u> |
| Region | | 831 |

¹ 48 units currently under construction in Cortez

Source: Economic & Planning Systems

H:\20829-Southwest Colorado Regional Housing Plan\Data\20829_Matrix.xls]rental

Section 8 Housing Choice Vouchers

The Section 8 Housing Choice Voucher Program is a Federal government program to assist low-income families, seniors, and the disabled to afford housing in the private market. (There are also project-based Section 8 properties, such as the Durango Housing Corporation, which are distinct from the Housing Choice Voucher Program.) Participants are free to choose any housing that meets the requirements of the program. The vouchers are administered by local public housing agencies that receive funds from HUD to administer the vouchers for that area. A family that is issued a housing voucher is responsible for finding a suitable housing unit of choice in a unit where the owner agrees to rent under the program. A housing subsidy is paid directly to the landlord and the family must pay the difference between the actual rent and the amount subsidized by the program. Eligibility for a voucher is determined by the annual income and size of the family. Agencies providing vouchers must provide 75 percent of the vouchers to households earning less than 30 percent of AMI at the time the voucher is issued. The remainder of the vouchers can be provided to households that earn up to 50 percent of AMI.

There are four housing agencies in the region with Section 8 vouchers, shown in **Table 13**. One of the issues to clarify among the general public, community leaders, and housing providers is to clearly identify the point of contact for each subregion in the five-county region that maintains a voucher waiting list. Ensuring that contact information is clearly available and that referrals can be easily made to help households in need get on a waitlist. The contact information for the appropriate waitlist should be clearly disseminated, with accountability provided to ensure adequate follow up has been provided.

Table 13
Section 8 Housing Choice Vouchers, Regional Administrators
Southwest Colorado Regional Housing Strategy

| Agency | Vouchers |
|-------------------------------------|------------|
| Housing Solutions for the Southwest | 70 |
| Montezuma County Housing Authority | 262 |
| Archuleta County Housing Authority | 60 |
| Southwest Center for Independence | <u>75</u> |
| Total | 467 |

Source: Economic & Planning Systems

Services by County

Of all the housing agencies participating in this regional housing strategy, three provide housing services to all five of the counties in the region, as shown in **Table 14**. There are three Habitat for Humanity offices in the region that each serve their own counties (La Plata, Montezuma, Archuleta). No Habitat for Humanity groups exists in San Juan County and Dolores County.

Table 14
Housing Service Providers by County
Southwest Colorado Regional Housing Strategy

| County | Archuleta Housing Authority | CHI | Habitat- La Plata | Habitat- Archuleta | Habitat- Montezuma | Montezuma Housing Authority | Housing Solutions | Homes Fund | Mercy Housing | RHA | VOA |
|------------------|-----------------------------|-----|-------------------|--------------------|--------------------|-----------------------------|-------------------|------------|---------------|-----|-----|
| La Plata County | | X | X | | | X | X | X | X | X | X |
| San Juan County | | X | | | | | X | | | | X |
| Archuleta County | X | X | | X | | | X | | | | X |
| Dolores County | | X | | | | X | X | | | | X |
| Montezuma County | | X | | | X | X | X | | | | X |

Source: Economic & Planning Systems
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Services by Income and Tenure

Eight of the 11 housing agencies provide housing services to residents seeking home ownership, as shown in **Table 15**. RHA and the La Plata Homes Fund provide homebuyer financial assistance but currently only operate in La Plata County. These services do not appear to exist in other counties. Housing Solutions, RHA, La Plata Homes Fund, CHI, and the Housing Authority for Montezuma County all report to provide homebuyer counseling services and homeowner education. CHI, RHA, and La Plata Homes Fund are all actively trying to attract homebuyers in the area for their different programs through various methods as a way to build a pipeline of potential buyers. Referrals among agencies are critical to help maintain pipeline supply.

In contrast to the homeownership services, only five housing service providers in the region have programs for renters. Housing Solutions for the Southwest, the Archuleta County Housing Authority, the Southwest Center for Independence, the Southern Ute Indian Tribe, and the Housing Authority for Montezuma County provide Section 8 housing choice vouchers for counties in the region. Mercy Housing has been active in the area creating affordable rental projects and it continues to look for future opportunities, but so far has only built units in La Plata County. Mercy represents a group that has the technical ability to take affordable housing projects vertical, which is a needed asset in the area. There are no designated affordable rental projects in San Juan or Dolores Counties. The Volunteers of America and Housing Solutions for the Southwest are major providers in La Plata County of emergency services and assistance to the lowest income levels. There are smaller groups both in Archuleta and Montezuma counties that provide similar emergency services also.

Table 15
Housing Service Providers by Tenure and Income
Southwest Colorado Regional Housing Strategy

| Tenure/Income | Archuleta Housing Authority | CHI | Habitat- La Plata | Habitat- Archuleta | Habitat- Montezuma | Montezuma Housing Authority | Housing Solutions | Homes Fund | Mercy Housing | RHA | VOA |
|--------------------|-----------------------------|-----|-------------------|--------------------|--------------------|-----------------------------|-------------------|------------|---------------|-----|-----|
| Renters | | | | | | | | | | | |
| 0%-30% of AMI | X | | | | X | X | | | | | X |
| 30%-50% | X | | | | X | X | | X | | | X |
| 50%-80% | X | | | | X | X | | X | | | |
| 80%-100% | | | | | | X | | | | | |
| 100%-125% | | | | | | | | X | | | |
| Home Owners | | | | | | | | | | | |
| 0%-30% of AMI | | | | | | X | | | | | |
| 30%-50% | | | X | X | X | X | | | | | |
| 50%-80% | X | | X | X | X | X | X | | | X | |
| 80%-100% | X | | | | | X | X | | | X | |
| 100%-125% | | | | | | X | X | | | X | |

Source: Economic & Planning Systems

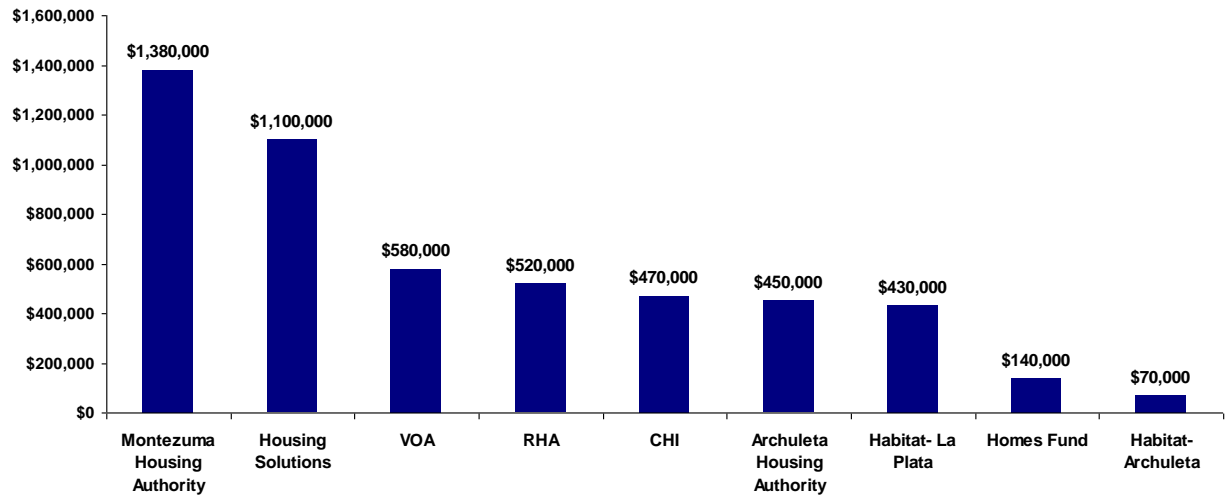
H:\20829-Southwest Colorado Regional Housing Plan\Data\[20829_Matrix.xls]Income Level

Funding Sources

Annual contribution revenues by agencies are depicted in **Figure 2** below. The purpose of providing this chart is to show the relative size of the organizations by revenues. The two organizations reporting the greatest contribution revenues include the Montezuma County Housing Authority and Housing Solutions for the Southwest, both with over \$1 million in contribution revenue. In contrast, Habitat for Humanity in Archuleta had the lowest amount with \$70,000 in contribution revenue. The remaining agencies had annual contribution revenue in the range of \$140,000 to \$580,000 as shown.

Figure 2
Annual Revenue by Agency
Southwest Colorado Regional Housing Strategy

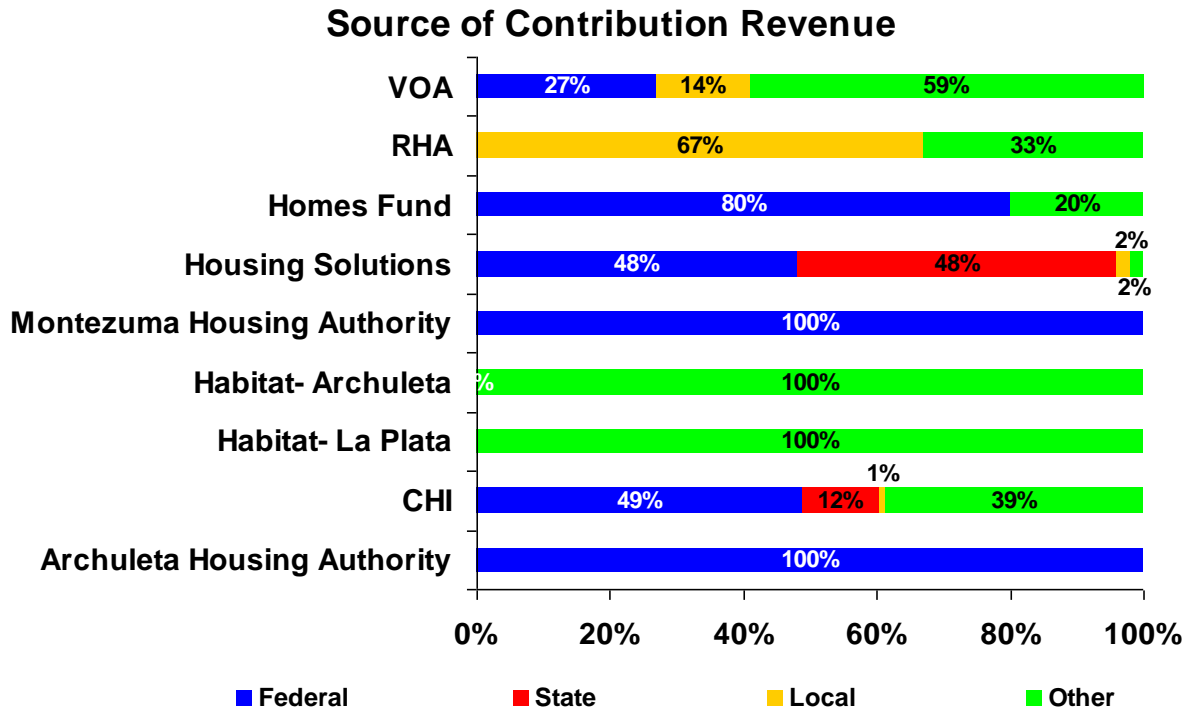
Approximate Contribution Revenue (2009)



The breakdown of the percent of contribution revenue by source for each agency is shown in Figure 3. The figure reflects data from the most recent year for which information is available for each agency. Most of the agencies have either one or two main revenue contributors, with each agency being very reliant on the major revenue sources they have. The breakdown for each agency does vary by year dependent on one time grants or donations the agency may get.

A key finding from this analysis of funding is the distinct range of sources used by each of the agencies that are active in the region. Maintaining an approach that reduces competition and increases productivity will continue to serve the region well.

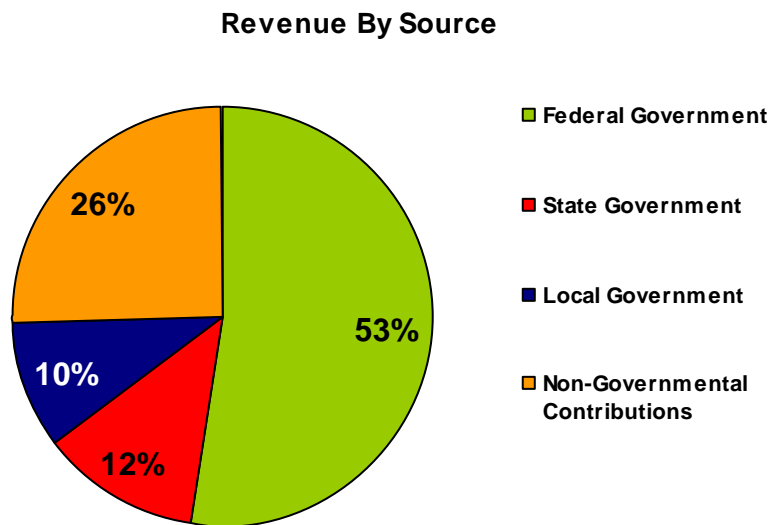
Figure 3
Percent of Contribution Revenue by Source
Southwest Colorado Regional Housing Strategy



Note that Federal sources include funds that are pass-through funds through the state. State funds are limited to local allocations of General Fund dollars. Local funding is typically provided through county, city, or town budgets. Other includes private donors, corporate contributions, or other sources not linked to federal, state, or local dollars.

Figure 4 shows the percentage of contribution revenue that is generated by revenue source for all agencies in the region (with the exception of Mercy Housing and Habitat for Humanity in Montezuma). The sources are the Federal government, state government, local governments, and other non-government contributions. This figure does not include program revenues. The housing service providers in the region get over half of their funding from the Federal government. Non-governmental contributions account for 26 percent of the contribution revenue for the housing agencies. The State of Colorado and local governments provide 22 percent of the contribution revenue for these agencies. The most significant finding from the funding evaluation relates to leverage. Local funds, represented by 10 percent of the total, were leveraged to produce funds that are nine times their value and generate a much more substantial impact than local dollars alone.

Figure 4
Annual Contribution Revenue by Source
Southwest Colorado Regional Housing Strategy



5. FINDINGS AND RECOMMENDATIONS

In order to offer unified, cohesive and valuable housing services, it is recommended that a regional housing collaborative be formed with representative(s) from each organization. Specific guidelines include:

- Each agency should maintain its own website that provides user-friendly links to other agencies within the collaboration.
- Website updates should be shared among members of the collaborative at quarterly meetings.
- The collaborative should examine the feasibility of collaborative grant requests for potential joint-venture opportunities.

Current Strengths

This study revealed some common themes that reflect each agency's commitment to serving the region.

- The five-county region has many successful, well-operated organizations which have generated solutions addressing a wide range of housing needs.
- The regional affordable housing supply has grown to more than 1,000 units thanks to the efforts of local agencies.
- With the number of housing agencies in the region that could collaborate on marketing and outreach, there is great opportunity to better pair clients with the housing agency for their needs.
- The region has local talent, expertise and a solid shared-knowledge foundation that might profit from sharing facilities and IT resources.
- The regional agencies understand the benefits of collaboration based on successful efforts in the past, which generated solutions to:
 - land banking and investment opportunities
 - working with developers
 - funding and grant writing
 - demand for both affordable new home construction and existing rental units
 - transitional housing needs (especially for seniors)
 - the resourceful use of the Council of Governments

Opportunities for Greater Collaboration

The Homebuyer "Pipeline"

The Regional Housing Alliance, La Plata Homes Fund, and Colorado Housing Inc. all rely on a "pipeline," or ready-source, of homebuyers who use their services yet also provide revenue to the organizations. This is one of two topics identified in the study as being redundant within agencies.

Previous efforts to jointly develop the pipeline have been strained, particularly in the recent past due to the economic downturn. One solution to this challenge is to recognize that each organization has a unique client profile and to cooperatively market each other's services. When an agency believes that a client would be better served by another program, it should refer the client to the appropriate agency. The receiving agency should follow-up with the original agency, but each agency should maintain its own pipeline.

Program Awareness

There is currently no single-source of information available to the community about existing housing agencies and the services they provide. There is tremendous need and ideal opportunity at this time to create a unified outreach program that will educate the community about *all* available resources. Such a program could:

- Streamline the process for clients to find existing housing services, help them determine which program would best suit their needs, and give them contact information for the agencies.
- Educate local government employees on housing services or solutions available to community members.
- Quickly educate newly-appointed local officials on regional resources. This is particularly relevant in Dolores and San Juan Counties, where there are no housing agencies.
- Provide more assistance to more clients.
- Meet the needs of the community more expeditiously with better referral and tracking systems in place.

Client Management

Throughout this study there were concerns expressed repeatedly as to whether clients receive help after they have been referred to another agency. There currently is no confirmation process in place. Furthermore, if referrals are not dealt with in a timely manner the perception might arise that services are not being provided, and, regardless of its accuracy, undermine the credibility of all agencies with the public and elected officials.

A thorough tracking system, beginning with a client's first contact, will:

- Help agencies serve a client's needs with community resources.
- Allow local officials to confirm their referrals are served.
- Possibly provide clients with easier access to service providers.

It is recommended that the collaborative establish a secure web-page (i.e., Sharepoint) that tracks referral data (such as household size, services requested), creates a list of referrals and automatically forwards the information to the referred agency. This list should be reviewed quarterly to ensure follow-up occurs on a timely basis. This tracking method would be helpful in eliminating the verbal circulation among agencies of unsubstantiated statements.

Another key factor in the referral process is open-communication between agencies.

- Agencies should inform each other of changes to programs, services, or needs
- Agencies should update each other about available services and/or cuts to services
- Agencies should recognize that clients may benefit from and qualify for different services at different times in their lives, and that a true collaborative effort entails more than one referral, and/or referral back to the original agency.

Agency Accountability

The agencies need to be transparent with and accountable to each other in order to serve clients more efficiently. Increased accountability will also solidify, and possibly increase, funding sources. It is recommended that the agencies develop a Code of Ethics to ensure the best practices and policies for addressing change and improvement in the quality and methods of services provided. It is also suggested that the agencies establish quarterly meetings to report agency updates. As noted above, a tracking system for referrals is a good starting point for accountability. Building on that success, future accountability should cover performance related to agency mission.

Homeownership and Credit Counseling

The Regional Housing Alliance, La Plata Homes Fund, Housing Solutions, Colorado Housing Inc., and the Montezuma County Housing Authority all provide some form of homeownership counseling. These efforts are complementary since the agencies each serve a different county. In La Plata County, which is the largest county studied, Housing Solutions and the Regional Housing Alliance collaborate and have been effectively working together. Clients find their niche with one or the other agency depending on their level of readiness to enter into homeownership.

Housing Vouchers

An important topic that needs clarification is that of rental vouchers: Which agency does a client call for vouchers, in which county, and who maintains a voucher waiting list? The point-of-contact within each county needs to be clearly defined for the general public, community leaders, and all housing providers. This is an excellent opportunity to prove accountability by making contact information clear and accessible and making sure client referrals are followed through to help clients in need get on a waitlist.

Rental Development

The Montezuma County Housing Authority has successfully developed rental housing and reports the ability to do more but limited capacity. Tapping into this local resource merits regional consideration. By obtaining their insight in a cooperative effort the region could address the unfulfilled needs of a specific segment of the community: low- and very low-income renters.

Down-Payment Assistance

An independent needs assessment (which predates this analysis) in Archuleta, Montezuma, and San Juan Counties all identified the need for a down-payment assistance program. The Regional Housing Alliance and the La Plata Homes Fund offer such a program but only for residents of La Plata County. To the extent this service can be made available throughout the region, agencies could effectively address the needs of potential homeowners in all the counties.

Communication to Regional Leaders

During this study, some interviews revealed that a common misconception among local officials is that of redundancy in services provided by the different housing agencies. From the analysis completed, the overlaps in service are actually minimal. But to clear these misconceptions it is

essential that the agencies develop a clear policy stating “who does what and where” and communicate it clearly.

The focus should begin with increasing the awareness of agency mission. The policy should also include (for each agency) local vs. federal funding statistics and annual output. The latter is used as a yardstick by elected officials when considering policy and funding issues.

Focus for Future Housing Services

In addition to analyzing housing needs in the five-county region, this study also reviewed agency capacity. Moving forward, the following list of unfulfilled needs must be addressed:

- Housing for clients who earn below 50% AMI
- Rental and transitional housing for all income levels
- Emergency housing services. At this time, only Housing Solutions provides regional emergency services, and although there are several niche providers, more agencies could be active in this area but more funding is needed.
- Senior and special-needs clients
- Vertical developers for affordable housing. Documenting the need and demand for regional affordable housing will help market opportunities and increase interest among prospective developers. The goal is to attract developers who have proven portfolios through incentives or development sites.
- Agencies to obtain affordable sites and raw land for affordable homes. Agencies such as Colorado Housing Inc. and Habitat for Humanity would greatly benefit from a third-party agency that acquires land and sells it at a reduced cost to housing agencies and developers. Solving these land issues is a proactive way to facilitate the affordable housing development process.
- Housing projects in Dolores County
- Leadership in Dolores and San Juan Counties

*Note - the following needs can be present in a community even when some level of service is provided.