

## **Colorado State Housing Board Policy**

January 15, 2009

Adopted March 10, 2009

### **Competitive Application Cycle Policy**

The Colorado State Housing Board and Division of Housing believe that in order to create and sustain affordable housing a competitive application cycle should be developed. This comports with its mission as described in the Colorado Revised Statutes, Section 24-32-702: “There exists in this State a need for additional adequate, safe, sanitary, and energy efficient new and rehabilitated dwelling units... for the public and statewide interest.”

Whereas:

The Department of Local Affairs is committed to a comprehensive community development strategy with affordable housing as one of the five foundational elements of the strategy and the Division of Housing is part of the Department of Local Affairs.

Whereas:

The State Housing Board advises the General Assembly, the Governor and the Division of Housing

Whereas:

The Board’s goal is to increase affordability and long-term sustainability of Colorado’s affordable housing, and limited resources demand that we prioritize funding of projects; therefore, it is important that the Board establish a policy to address housing fund applications have a competitive application cycle. Using a competitive application cycle will allow for direct comparison of programs, developments and agencies to ensure that the projects with the best merits will be funded. The Board believes that implementing a competitive application cycle will also:

- A) Create greater accountability
- B) Create greater credibility in the public/private realm
- C) Create greater transparency
- D) Adjust to changing market trends
- E) Clearly define the Board's direction with Stakeholders
- F) Lend a greater consistency and predictability to the process and
- G) Create more awareness of allocation of staff time and resources.

Therefore, the Board has requested that the Division of Housing staff establish a competitive application cycle that best suits the various programs and best accommodates other funding sources used by affordable housing projects.

The competitive application cycle will be established by the following process:

1. DOH staff will present a proposed application cycle, funding percentage by project type, and estimated minimum funding available by project type for the next fiscal year

beginning April 1<sup>st</sup> of that year to the State Housing Board at their regular January Board meeting annually. DOH staff will use the following information to set the cycle and funding percentages:

- Historic use of funds by percentage by project type (running 6-year average) and project location (entitlement & non-entitlement areas)
- Anticipated amount(s) of program funds for HOME and CDBG available for the fiscal year

2. Division Staff will present the proposed application cycle and funding percentages to the State Housing Board in the following format (Excel Spreadsheet) and will include the following:

- Application submission months by project type
- Percentage of funds for each project type
- Minimum amount of funds available for each project type and cycle based on anticipated fund balances for the fiscal year

<b>Fiscal Year</b>											
<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
OPER	REN	DPA/OWN	REHAB	REN	SPEC	OPER	REN	-	DPA/OWN	REN	SPEC
%	%	%	%	%	%	%	%	%	%	%	%
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

**Project Type Acronym Key:**

DPA/OWN - Down Payment Assistance & Other Homeownership Programs (land trusts, self-help, subdivisions)

REN - Rental Development Projects (new construction, acquisition, rehabilitation of existing structures)

SPEC - Special Needs Housing Projects (shelters, seniors, disabled, transitional)

OPER - Operating funds for non-profits, housing studies

REHAB - Single-Family, Owner-Occupied Rehabilitation Programs

PRE-DEV - Pre-development loans (accepted on a monthly basis)

3. The minimum amount of funds available for each project type and cycle may be adjusted by the State Housing Board at the January Housing Board meeting and/or during the fiscal year based on the following;

- Previous fiscal year HOME, CDBG and HDG fund balances
- Deobligations of previous fund commitments during the fiscal year
- Program Income
- Annual HDG Allocation
- Additional CDBG funds from overall DOLA balance
- Changes in the housing market
- Project locations (entitlement and non-entitlement areas)

4. The final State Housing Board recommended funding cycles by project type and funding amount per cycle will be published to the CDOH website and in the CDOH Application Instructions no later than January 31<sup>st</sup> each year.
5. Applications may be considered outside of the regular project cycles based on urgency or emergency situations as determined by CDOH staff.