

Navigating Uncertainties and Some Good News, Too!

CCI Annual Conference

June 3, 2025

Presented by

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COLORADO

Department of Local Affairs



AGENDA:

- Federal Funding
- State Budget
- What's new at DOLA
- Funding and resources available



COLORADO
Department of Local Affairs



Realities:

1. Significant Uncertainty at the Federal Level
2. \$1.2 Billion Budget Shortfall at the State



Federal Funding - Federal Level



Federal Funding in Jeopardy



1. Community Development Block Grants (CDBG)
2. Community Service Block Grants (CSBG)
3. Proposed Reductions to Housing Choice Vouchers
4. Wind Down of Emergency Housing Vouchers
5. Proposed Reductions to Homelessness Programs
6. Anticipated Reductions to Energy-related Programs
7. Emergency Management Performance Grants (EMPG)



Note: 2025 CPD allocations are actually flat or a slight increase, but uncertainty remains, particularly for the FY26 federal budget.

Community Development Block Grants (CDBG)

(Slide One of Three)



Supports community development activities to build stronger and more resilient communities. Funds public facilities, economic development, housing development, and disaster recovery.



Improved public facilities access
for 31,114+ People



Created or Retained
574 Jobs



Created or Preserved
23 Affordable Housing Units

Community Development Block Grants (CDBG)

(Slide Two of Three)



Impact: Preserving local food access for hundreds of people through grocery stores in Kit Carson and Lincoln Counties



Kit Carson County



Lincoln County

Community Development Block Grants (CDBG)

(Slide Three of Three)



Current Allocation

\$36.9 Million Per Year

- \$9.3M to DOLA
- \$27.6M to local governments

Proposed Cuts

ELIMINATED

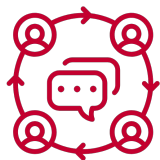


Community Services Block Grant (CSBG)

(Slide 1 of 3)



Provides formulaic grants to alleviate the causes and conditions of poverty in communities.



Supported
28 CSBG Grantees



Served
**17,000+ Households &
36,000+ Individuals**



Granted greater access to
**Medical resources, basic
human needs, and
emergency services**

Community Services Block Grant (CSBG)

(Slide 2 of 3)



Impact



Paid work experience for youth in foster care in Weld County



Community event to provide school supplies for students in Summit County

Community Services Block Grant (CSBG)

(Slide 3 of 3)



Allocation

\$6.3M per year to DOLA

Proposed Cuts

ELIMINATED



Housing Choice Vouchers: What They Do



Provides tenant-based subsidies for rents paid by low-income households based upon their income.



8,100 households

Served over a 1 year period



6,000 low-income households

Receive rent payment support per day

Housing Choice Vouchers



Impact

Vouchers provide safe and secure housing for the most vulnerable Coloradans. Over 80% of households served by our rental assistance programs include a person with a disability.



Housing Choice Vouchers: Proposed Reductions



Allocation

\$440.1 Million per year

- \$83.1M to DOLA
- \$357M to local Public Housing Agencies

Proposed Reduction & Restructure

**“TRANSFORM” &
CAP ASSISTANCE**



Why This is Concerning



Distribution by Length of Stay as a % of 50058 Received (currently assisted families)

Timeline	Count - CO	Count - DOH	Percent - CO	Percent - DOH
Less Than 1 Year	5,298	1,004	16%	14%
1-2 Years	3,622	1,059	11%	15%
2-5 Years	6,668	1,343	20%	19%
5-10 Years	7,044	1,290	21%	18%
10-20 Years	7,204	1,427	21%	20%
Over 20 Years	3,786	899	11%	13%

Emergency Housing Vouchers (Slide 1 of 3)



Provide tenant-based subsidies for rents paid by low-income households based on their income.



Support
415 households with rent each year

Emergency Housing Vouchers (Slide 2 of 3)



Impact

Serve extremely low-income households who are the most vulnerable, which includes individuals experiencing homelessness, at risk of homelessness, or facing domestic violence, sexual assault, trafficking, and/or stalking.



Emergency Housing Vouchers (Slide 3 of 3)



Allocation

\$7.8 Million per year

Program Cuts

NO NEW FUNDS



Homelessness Programs: What They Do

Emergency Solutions Grant (ESG)

supports shelter operations, street outreach, homeless prevention, rapid rehousing rental assistance, and Homeless Management Information System operations.

Allocation

ESG \$3.2 Million Per Year

- \$2.M to DOLA
- \$1.1M to local governments



Continuum of Care - Permanent

Supportive Housing (CoC PSH) provides rental assistance and supportive services for people experiencing homelessness and have an identified disability verified by medical professionals.

Allocation

CoCPSH \$40 Million Per Year

- \$8.1M to DOLA
- \$30.9M to local governments

Homelessness Programs: Impact

Kelly's Story



J.F.'s Story



Homelessness Programs: Proposed Cuts

**PERMANENT
REDUCTION**

**CAP
ASSISTANCE**

Energy-Related Programs: Microgrids (Slide 1 of 3)



The Microgrids for Community Resilience (MCR) grant program builds community resilience regarding electric grid disruptions.

Projects funded:

- Planning/feasibility studies
- Construction of local resilience hubs
- Microgrids for small rural towns
- Batteries to support critical regional infrastructure



29 Grants



\$16.1 Million Awarded



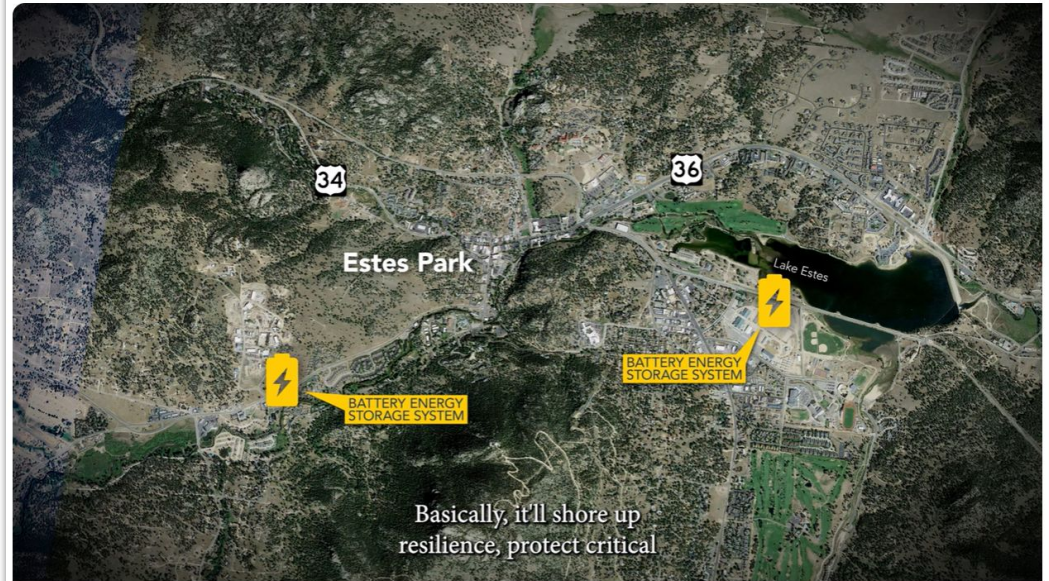
What is a microgrid?

A single, controllable entity that can function independently of the main electric grid.

Energy-Related Programs: Microgrids (Slide 2 of 3)



Impact: Estes Park Storage and Microgrid Project will support critical community infrastructure during blackout events.



Powering Communities: Building Resilience in Estes Park, CO



U.S. Department of Energy
73.9K subscribers

Subscribed

39



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Energy-Related Programs: Microgrids (Slide 3 of 3)

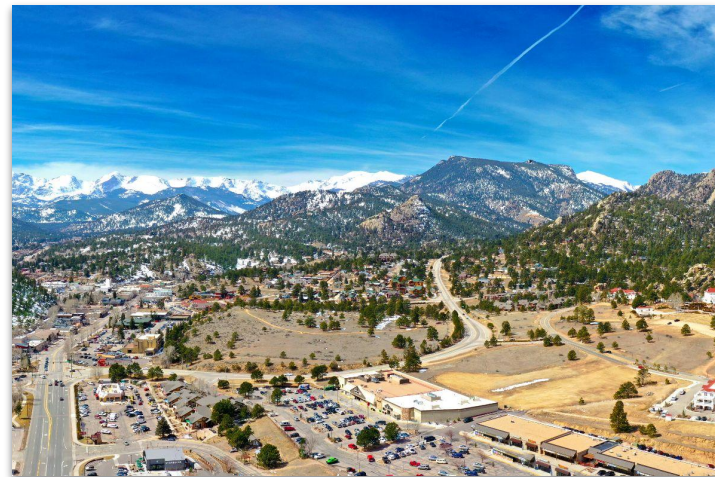


Allocation

- \$12.9 Million for Years 1-3 of Department of Energy (DOE) 40101d funding through IIJA
- \$3.5 Million in state funds from General Fund

Proposed Cuts

\$24M IN JEOPARDY



Other Federal Funds Worth Discussing



Transmission Siting & Economic Development



Establishes economic development grant program to support Southeastern Colorado communities impacted by the Three Corners Connector (3CC).

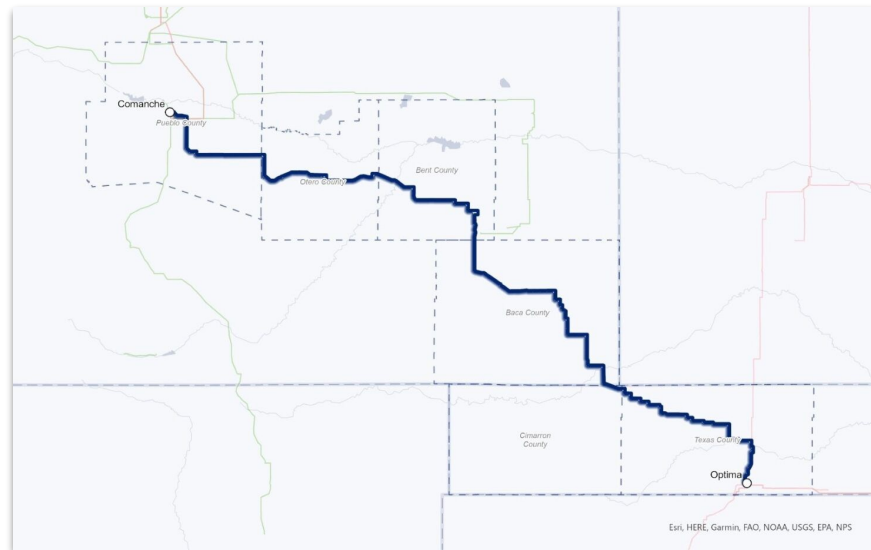
- Local partners will run program
- Local communities to determine use of all economic development grants

Allocation

(One-time) \$10 million investment transmission

Proposed Cuts

UNKNOWN



The Three Corners Connector is a 300 mile electric transmission line that connects the Oklahoma panhandle to Pueblo, Colorado.

Emergency Management Grants

The FEMA Emergency Management Performance Grant (EMPG) award supports 24 DHSEM full time staff positions and 57 county emergency management programs through a 50% cost share.

Allocation

\$6M Annually

Proposed Cuts

UNKNOWN



In Summary



Fund Source/Program	Division	State of Colorado - Potential Value of Future Annual Awards (\$M, est.)	Colorado - Locals - Potential Value of Future Annual Awards (\$M, est.)	President's FFY26 Budget Proposal
Housing Choice Vouchers (HCV)	DOH	\$83.1	\$357	Program reduction & restructure - proposal to "transform" rental assistance into a State-based formula grant. Two-year cap on rental assistance, focus on the elderly & disabled.
Continuum of Care - Permanent Supportive Housing	DOH	\$9.1	\$30.9	Program reduction and consolidate into Emergency Solutions Grant Program. Cap assistance at two years.
Mainstream (vouchers)	DOH	\$8.5	—	See above re: rental assistance
Community Services Block Grant (CSBG)	DLG	\$7.8	—	Eliminated
Microgrids; 40101(d)	DLG	\$7.3	—	Unknown
Housing Trust Fund (HTF)	DOH	\$6.6	\$0.0	Unknown
HOME	DOH	\$6.6	\$12.2	Eliminated
Community Development Block Grant (Public Facilities) (CDBG-PF)	DLG	\$3.1	\$27.6	Eliminated
Community Development Block Grant (Economic Development) (CDBG-ED)	DLG	\$3.1	see above	Eliminated
CDBG-Housing Solutions Grant (HSG)	DOH	\$3.1	see above	Eliminated
Emergency Solutions Grant (ESG)	DOH	\$2.1	\$1.1	See above re: homelessness
Section 811 Project Rental Assistance Program	DOH	\$1.4	—	See above re: rental assistance
HOPWA	DOH	\$1.2	\$3.9	HOPWA consolidated into Emergency Solutions Grant
Continuum of Care- Planning Grant	DOH	\$0.2	see CoC above	See above re: homelessness
Community Development Block Grant - Disaster Recovery (CDBG-DR)	DLG	varies	—	Unknown
Clean Water State Revolving Fund; Drinking Water State Revolving Fund	DLG	—	—	Unknown
OBH/BHA IA (SAMHSA: MHBG, CRRSA, ARPA)	DOH	—	—	Unknown
Manufactured Housing Construction - Federal Standards	DOH	—	—	Unknown
Money Follows the Person - CY2024	DOH	—	—	Unknown
Proposed Eliminations		\$23.7	\$39.8	
Proposed Reductions (40% est.)		\$42.2	\$157.1	Assuming a 40% reduction, to be determined when full proposal is released
Unknown		\$13.8	\$0.0	

Tell Me Something Good!



Good News: Low-Income Housing (LIHTC) Tax Credit

House

- Passed the “Big, Beautiful Bill”
- Includes several LIHTC provisions that would expand and improve the program

Senate

- Currently negotiating
- Senate leaders plan to work on the bill throughout the summer

If adopted would add 13,200 units in Colorado

Important Disclaimer:
DOLA CANNOT provide legal advice



Lessons Learned and Recommendations



What We've Learned



- Trust but verify!
- Federal contract reviewers
- Regularly review the status of federal funding portals
- Communication with your federal representatives
- Message human impact
- Proactively provide recommendations



State Budget and Programs



Budget Cuts: Gray & Black Market Marijuana Enforcement Grant Program



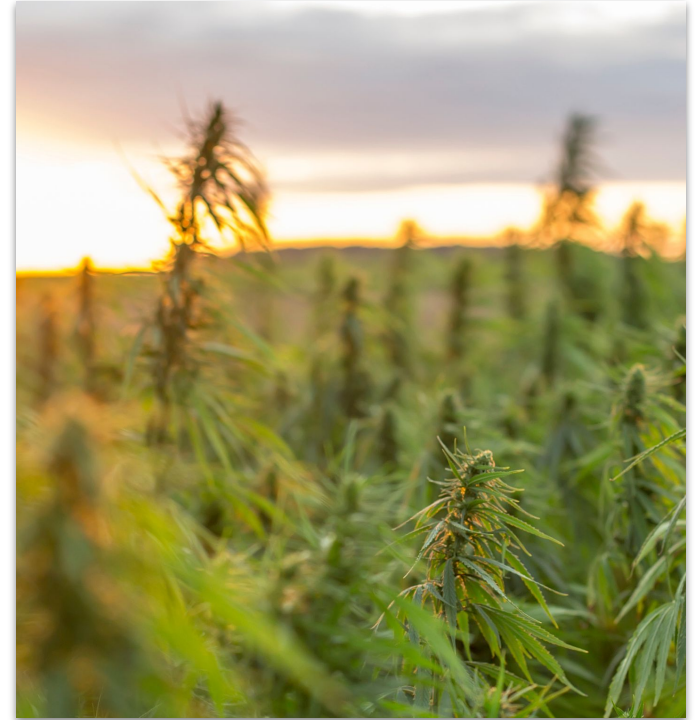
DISCONTINUED

What it Does

This formulaic program subsidizes law enforcement costs associated with illegal marijuana cultivation/distribution including equipment, overtime, storage and disposal, and legal costs.

What's Next:

Open contracts expire on May 31, 2025 and May 31, 2026



Budget Cuts: Defense Counsel on First Appearance



PAUSED

What it Does

This program subsidizes costs associated with the provision of defense counsel to defendants at their first appearance in municipal courts

What's Next

Funding paused for FY26 - may resume for FY27



Funds & Supports

- Public facility planning
- Construction
- Community infrastructure and welfare services
- Housing
- Climate resilience
- Economic development



CY 2024:

183	Communities Served
\$157.5M	Awarded

2025 YTD:

76	Communities Served
\$36.3M	Awarded

EIAF Funds Going Forward



- Three EIAF grant rounds were offered in FY25
- Program experiencing high volatility
- One anticipated EIAF grant round in FY26 (probably Spring 2026)
- \$15-25M in anticipated grant funding for FY26 (depending on severance tax collections)



Ouray's County Courthouse previously received an EIAF grant for renovations of the building

What's new at DOLA



Proposition 123: Fast Track Assistance

Incentive Awards Available!

\$2M in total incentive funding set aside for any of the eligible local governments that adopt a compliant expedited development review process *early*.



DOLA's AI Pilot: Plan Review

First state in the nation!

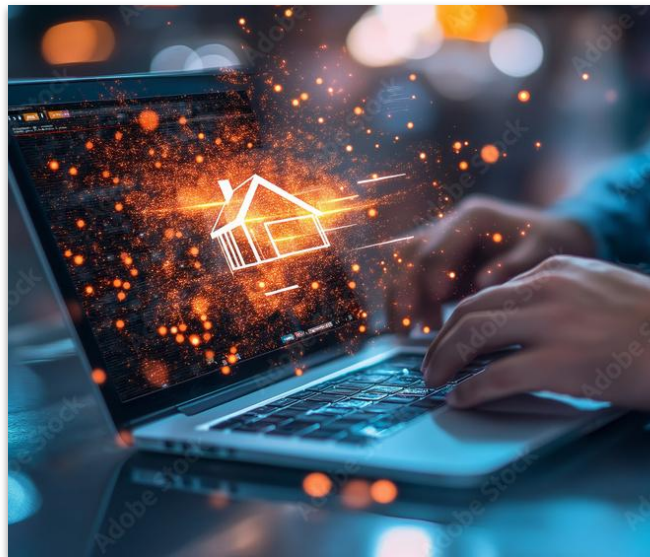


Archistar

DOLA will partner with Archistar, funded by Gary Community Ventures, to launch a pilot for AI plan reviews for **Building Codes & Standards**.

This three month pilot aims to reduce plan review processing time and lower costs for developers and re-reviews

- **Re-reviews are currently at 17%**



DOLA's AI Pilot: Local Government Partnership

Taking the AI Pilot One Step Further

- Working directly with local government(s)
- Leveraging Local Capacity Grant funds
- City of Greeley is confirmed to explore an AI pilot project focused on lowering permit review times.
- AI Pilot Cohort with 3-6 communities
 - Goal is to design a pilot that is replicable to other local communities



DOLA leadership with the City of Greeley's Community Well Being Team during a site visit featuring Alquist 3D-printed housing technology

DOLA's AI Pilot: Grant Underwriting

Potential Benefits

- More efficient award processes
- Reduce human error
- Accelerate deal completion timelines

Objectives

- Improve public sector service delivery
- Encourage seamless interactions
- Accelerate deal completion timelines



Funding & Resources Available



Available DOLA Funding



Colorado Main Street Program

\$204,700 Available

Technical assistance and Annual Mini Grants to support economic development of Main Street Communities

Rural Economic Development Initiative (REDI)

\$780,000 Available

Annual funding to help rural communities comprehensively diversify their local economy and create a more resilient Colorado.

Proposition 123 Local Planning Capacity Grant

\$6.5M Available

Supports local government implementation of Prop 123 requirements including fast track and planning affordable housing strategies or projects.

Funding Opportunities (Continued)



Housing Planning Grant

No Suggested Min/Max - \$12M in Total Program

To comply with SB24-174 and support development of a new **Housing Needs Assessments, Housing Action Plans**, or Strategic Growth element of comprehensive plans.

Transit-Oriented Communities Infrastructure Grant

\$35M Total Program Funds Available

For certified **TOC communities and Neighborhood Centers** (HB24-1313). Pilot round expected Fall 2025.

CHFA Low-Income Housing Tax Credit Program

[\$30M Total Through 2029]

Helps finance **low income rental housing projects**, especially near transit centers.

Objectives

- Support local governments in capacity building and operational efficiencies
- Focus on best practices from Colorado and the U.S.
- Facilitate partnerships

Resources

- Free Workshops in August “Igniting a Culture of Innovation within Your Organization”
 - Manitou Springs and Montrose
- Pilot Funding Available for New Ideas and Technologies in Operational Space
 - Up to \$50,000 per project with a 25% match



Additional Resources



Local Community Funding Guide

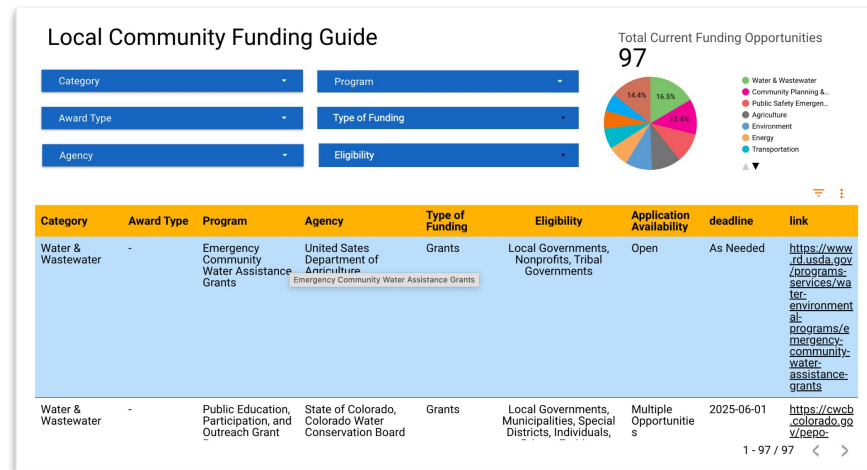
Navigate the funding sources available through a variety of Federal and State programs

Community-Driven Engagement Guide for Community Planning

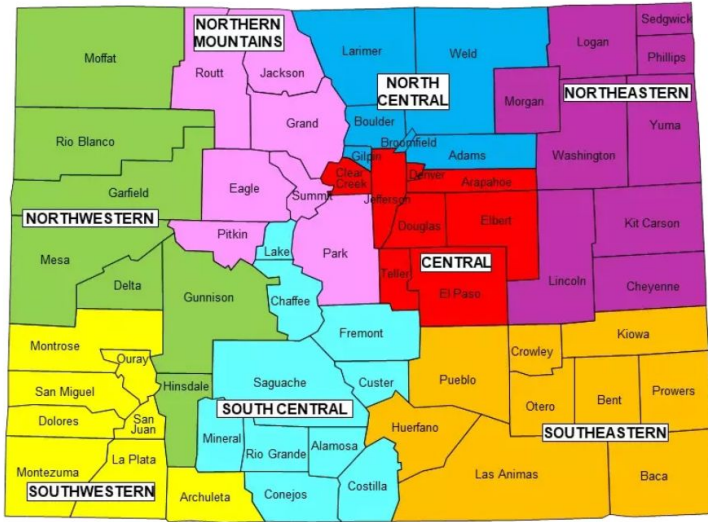
Assists local agencies in developing best practices for community engagement

Bi-Monthly Local Government Resources Calls

- Updates followed by relevant topic of the month
- Next call July 16 at 11 a.m.



DOLA is Here to Help!



Housing Development Specialists

- Connect potential applicants with funding opportunities
- Guide applicants through planning and application



Regional Managers

- First point of contact for most DLG funding
- Expert Project Development
- Extensive Experience
- Comprehensive Support

Newsletters



The Division of Local Government



Community Development Office



Colorado Resiliency Office

Social Media



LinkedIn



Facebook



Thank you!

