

## **RHA S.T.E.E.R Advisory Committee Notes**

**Date: March 31, 2025**

**Time: 1-2:30 p.m.**

**Location: Durango Chamber Conference Room, 2301 Main Avenue, Durango**

### **Meeting #2 of 2025 - Tax Strategy Research & Revenue Stream Evaluation**

#### **Attendees:**

Pat Vaughn, RHA Chairman  
Mike French, Prosperity Officer, City of Durango  
Briggen Wrinkle, First SW Community Fund  
Chris Coleman, Durango School District  
Greg Phillips, Resident (formerly with LPHIC)  
Brian Crawford, Resident  
Heather Hawk, Executive Director of Early Childhood Council of LPC  
Pam Moore, HomesFund  
Elizabeth Salkind, Housing Solutions for the SW  
Eva Henson, Contract Director for Regional Housing Alliance  
Jason Simmons, Hilltop Securities (online)  
Mattie Prodanovic, Hilltop Securities (online)  
Dalton Kelley, Butler Snow (online)  
Shirley Gonzales, Pedal the Peaks  
Peter Tregillus, Retired Resident

#### **1. Welcome and Introductions:**

The meeting began with round table introductions and an overview of reconvening the Stakeholder Taskforce Evaluation and Endorsement Revenue-streams advisory committee that is established to help the Regional Housing Alliance of La Plata (RHA) explore local funding sources for below-market housing for low-to-moderate income residents.

#### **2. Engagement with Legal and Financial Analysts**

- The meeting involved introductions from Butler and Snow: Dalton Kelly, and Hilltop Securities Jason Simmons and Mattie Prodanovic. They discussed their roles in assisting with ballot questions and municipal financing transactions. The team also discussed their work with school districts and tax impact analysis.
- The committee discussed exploring potential revenue sources for housing initiatives, including sales tax, lodging tax, and property tax, as well as impact fees.
- New Bridge Strategies is an experienced entity for polling potential ballot initiatives.
- Hilltop shared an example from Telluride where they helped analyze different tax scenarios for funding a gondola replacement.
- Butler Snow explained the legal options available to the RHA for revenue generation including:

- property tax, sales tax, and impact fees
- the importance of flexibility in ballot language to allow for various uses of funds over time
- the need to balance specificity and flexibility in communicating plans to voters
- the potential challenges in gaining voter support for tax initiatives

### 3. Narrowed List of Funding Strategies

The committee reviewed potential funding sources for regional community projects, with a particular focus on affordable housing. Key discussion points included:

#### Potential Ballot Measures:

- County is exploring this November ballot for county needs.
- Library may propose a library district initiative for November 2026.
- Monitoring current legislation for counties to be able to increase lodgers tax from 2% up to 6% (or possibly 5%) and would need to go to voters to increase and for what uses – not clear if this would be in 2025 or 2026.

#### Short-Term Rental (STR) Excise Tax:

- A proposal for an STR excise tax was raised, but revenue potential appears limited, as the majority of STRs are located in the unincorporated county.

#### Tax Increment Financing (TIF):

The group discussed using TIF as a funding mechanism, though it currently requires a blight finding by the municipality (only available in City of Durango – Urban Renewal Authority). Dalton noted that while TIF districts are generally restricted to municipalities, they could potentially be layered with other funding tools.

- **Urban Renewal Authorities vs. Regional Approach:**

There was discussion around the difference between project-specific mechanisms like URAs and the broader, regional strategies pursued by the Regional Housing Alliance (RHA).

- **Public Messaging and Awareness:**

The group emphasized the need for clear, accessible messaging around various funding tools and housing initiatives, citing the recent school district ballot measure for teacher housing as an example of successful communication.

- **“Big 5” Strategic Priorities:**

The committee reaffirmed the importance of focusing on the following five core funding strategies:

1. Catalyst Fund (pre-development)
2. Catalyst Revolving Loan Fund
3. Public-Private Partnerships
4. Land Acquisition & Land Banking
5. Gap Funding (leveraging funds for state and federal funds)

A sustainable local funding source remains a critical need for housing. **Key benefits:**

- Flexible and adaptable
- Leverages more money
- Provide matching funds
- Creatively fill gaps

- Creates long-term community assets
- Impacts accrue over time
- Puts community in control
- Increasingly essential to progress
- **Programmatic Considerations:**  
Additional challenges and ideas discussed included:
  - Difficulties converting short-term rentals to long-term units
  - Need for qualified property management services
  - Interest in buy-down programs to improve affordability
  - Tension between housing access and transportation challenges
  - Risks of displacement and unintended consequences in short-term incentive programs

#### **4. Begin Evaluating Pros and Cons**

The committee explored various strategies to increase funding for affordable and attainable housing, including expanding short-term rental (STR) permits and introducing new tax measures. Key considerations included:

- Inventory Loss: The potential impact of STR expansion on the long-term housing market.
- Political Feasibility: Likelihood of voter and stakeholder support for new taxes or regulatory changes.
- Equity Concerns: Discussion of the potentially regressive nature of certain tax options.

The group agreed that additional data ahead of the next meeting was needed, including:

- A review of existing tax structures
- Revenue projections for potential new taxes
- Assessment of County sentiment regarding November ballot
- Monitor the legislation for Counties to be able to increase lodgers tax – would need to go to voters for approval and uses
- The ultimate goal is to develop a set of funding recommendations for the RHA Board that could generate approximately \$2 million annually to support regional housing efforts.

#### **5. Proposed Timeline & Next Steps**

- **County Collaboration:**  
Eva will meet with Megan Graham from the County to discuss potential collaboration on housing initiatives and upcoming polling efforts.
- **Legal and Financial Advisors:**  
Contracting is needed with Butler Snow (legal) and Hilltop Securities (financial). Eva will discuss with the RHA Board at their next meeting to determine next steps.
- **Revenue Research:**
  - Gather data on existing local taxes, including current revenue and designated uses.
  - Hilltop Securities will conduct an analysis of the maximum potential revenue from proposed sales and property tax options for the RHA.

- **Communication with S.T.E.E.R. Committee:**  
Eva will provide email feedback to the S.T.E.E.R. Committee regarding the County's position on targeting November ballot and polling efforts.
- **Meeting Scheduling:**  
Schedule S.T.E.E.R. Committee Meeting #3 for early May.
- **Housing Summit Invitation:**  
All S.T.E.E.R. Committee members are invited to attend the Southwest Housing Summit on April 29th at the DoubleTree Hotel in Durango.

Meeting Adjourned at 2:30 PM