

RHA S.T.E.E.R Advisory Committee Meeting Notes

May 8th, 2-3:30 pm Chamber of Commerce Conference Room

Meeting #3: Tax Strategy Research & Revenue Stream Evaluation

Attendees:

Pat Vaughn, RHA Chairman
Brad Blake, Pine River Commons Developer
Julie Cooley, Neighbors in Need Alliance
Clark Craig, Town of Ignacio Mayor, RHA Board Member
Brian Crawford, Resident
Beatriz Garcia, Colorado Immigration Rights Coalition
Dan Hunt, Animals View Mobile Home Park Co-Op & MHP Non-profit
Pam Moore, HomesFund
Sarah Tober, Economic Development Alliance
Briggen Wrinkle, SW Community Foundation
Eva Henson, Contract Director Regional Housing Alliance
Deedee Schadt, Contractor with RHA
Dalton Kelley, Butler Snow (online)
Maddie Prodanovic, Hilltop Securities (online)
Jason Simmons, Hilltop Securities (online)

1. Welcome

Recap of Meetings 1, 2, and 3:

Meeting 1 – March 3rd

- Purpose: Overview of the Housing Needs Assessment and introduction of potential revenue streams.
- Outcome: Established a shared understanding of housing challenges and funding needs.
- Action Item: Engage legal and financial consultants to support the initiative.

Meeting 2 – March 31st

- Purpose: Dive deeper into revenue streams and legal/financial analysis.
- Outcome: Narrowed down the list of viable funding mechanisms.
- Action Item: Review early findings from legal and financial assessments.

Meeting 3 – May 8th

- Purpose: Finalize analysis and discuss feasibility of options.
- Outcome: Group exercise to prioritize revenue strategies.

Meeting 4 – May 19th (*placeholder*)

- Purpose: Finalize the committee's findings and recommendations for viable funding mechanisms, in preparation for presentation to the RHA Board.

The committee has been working through key steps to address La Plata County's housing challenges. The Lodgers' Tax, which emerged from last year's discussions, has provided a short-term funding solution. This year, the Housing Needs Assessment was introduced at the first meeting to further guide the process.

Today's meeting will focus on reviewing the narrowed list of potential revenue options, informed by preliminary legal and financial insights. Our goal is to weigh the pros and cons, assess feasibility, and prioritize the most viable solutions, with a strong emphasis on finding a sustainable funding source. We are joined today by Hilltop Securities and Butler Snow for legal and financial analyst support as we move forward with the initiative.

2. Preliminary Financial Analysis of Potential Revenue Streams.

Butler Snow: (Dalton Kelley)

- Legal Revenue Options for RHA:
 - Discussed several revenue generation options for the RHA, including property tax (mill levy), sales tax, and development impact fees.
 - Emphasized the importance of flexibility in ballot language, allowing for a range of funding uses over time while still being clear with voters.
 - Stressed the need to balance specificity and flexibility with ballot initiatives.

Hilltop Securities (Jason Simmons and Maddie Prodanovic):

- Roles in Ballot Questions & Municipal Financing:
 - Shared experience with ballot initiatives and funding strategies for housing and municipal projects.
 - Recommended a revenue goal of \$3 million annually for full program success (vs. current \$2M target).

Shared Information from the Presentation:

Key Revenue Options Identified:

- The RHA can impose:
 - Sales Tax – up to 1% sales tax max.
 - Property Tax (mill levy) – up to 5 mills.
 - Development Impact fees: Require a nexus study; volatile and tied only to new development

Statewide Context: Nine other housing authorities in Colorado have pursued similar measures — with varying success. Key takeaway: ***messaging and local context matter.***

3. Committee Observations and Discussion:

Key Themes and Concerns:

- Focus on Proven Strategies – Use what’s already worked in La Plata County or other regions to reduce risk and improve outcomes.
- Catalyst Revolving Loan Fund – Expand this fund incrementally to support construction financing for housing at low interest rates.
- Land Banking Limitations – No current funds are available for land acquisition.
- Ongoing Legal Support – Required to navigate ballot language, governance agreements, and potential intergovernmental coordination.
- Slow County Processes – Review and approvals in the county can take significant time, therefore delaying housing development.
- Development Bottlenecks – Planning, engineering, and fire can delays project movement, particularly in multi-jurisdictional coordination.
- Municipality vs. County Projects – All current housing projects are within municipalities; expansion into the county is limited due to infrastructure challenges.
- Need for Water & Sewer in the County

Short-Term Strategy & Preparation

- Community Engagement – Engagement needs to begin early to build trust and inform strategy.
- Storytelling Impact – Personal stories can humanize housing challenges and motivate community support.
- Education and Clear Messaging – Messaging must clarify the initiative supports housing, not general education or schools, to prevent confusion.
- Monitor Other Ballot Initiatives – Track other 2025–2026 measures to avoid ballot competition and voter fatigue.
- Polling – Needed to gauge support and refine messaging, though historically polling has shown low support.
- Polling Costs – High-quality polling will cost ~\$20,000+, requiring strategic budgeting.
- Coordination with the RHA’s four government partners (municipalities and the county) will be needed to align on a unified ballot initiative.

Timing-Driven Deadlines & Planning

- Ballot Timeline for 2025:
 - July 25 – 100-day notice deadline
 - September 5 – Final language submission deadline
 - Given current gaps in readiness, these dates are likely not achievable.
- 2026 Ballot Measure – Considered a more realistic target for success, allowing time for coordination, polling, messaging, and education.

- Lodgers' Tax Expansion in 2026 – The County may be able to expand Lodgers' Tax in 2026 under new legislative authority (HB25-1247), creating a future revenue opportunity.
- Foreclosure Trends – Rising foreclosures underscore the urgency of action and may shift public sentiment in favor of proactive solutions.





4. Conclusion: S.T.E.E.R. Committee Engagement Exercise for Initial Prioritization of Potential Funding Options

Purpose:

The goal of the exercise was to engage committee members in evaluating the feasibility, urgency, and strategic value of different funding mechanisms under consideration. This helped identify top priorities, flag potential issues, and determine where more information or alignment is needed before moving forward.

How It Works

Each funding option was reviewed and assessed using color-coded post-it notes, representing the committee's perception of its readiness and viability:

-  Green – Promising / Looks Viable
This option appears politically feasible, financially practical, and aligns well with goals. It could move forward with reasonable confidence.
-  Yellow – Needs More Info / Unclear
This idea has potential, but more information, analysis, or partner alignment is needed before it can be prioritized.
-  Pink – Concerns / Major Issues
This option has clear roadblocks, such as low public support, legal constraints, or policy misalignment. It is not currently recommended for advancement.
-  Blue – Pros and Cons
This was used for strong advantages and/or significant risks that were part of the group discussion and Q&A.

Exercise Format

1. Presented each funding option, one at a time (e.g., new sales tax, combination of sales/mill levy, mill levy, existing tax, and development impact fee).
2. Each committee member placed a post-it that reflected their assessment of that option's viability using the color code.
3. Eva facilitate a brief discussion on why individuals chose their color — surface assumptions, risks, or opportunities.
4. Comments were captured or caveats on each worksheet.

Desired Outcome

- A visual consensus map of where the committee sees opportunity, caution, or risk.
- Agreement on which options to explore further and which to deprioritize or eliminate.

- A clearer understanding of what information or support is needed to move viable options forward (e.g., polling, legal input, messaging development).

Initial Prioritized List:

1. A new sales tax by .2% (this will benefit from tourism)
2. Existing sales tax (e.g. HB25-1247 County Lodgers Tax Expansion)
3. Combination of sales tax and a mil levy, which can be one initiative on ballot
4. No confidence in a stand alone property tax increase
5. No confidence in a development impact fee

Adjournment 3:30 pm

Next STEER meeting #4: May 19, at 2:00-3:30 pm at the Chamber of Commerce