

## **Minutes of a Meeting of the Board of Directors of La Plata County Regional Housing Alliance.**

February 13th, 2025

### **1. Call to Order**

A meeting of the Board of Directors (the “**Board**”) of La Plata Regional Housing Alliance, (“**RHA**”), was held on February 13th, 2025 commencing at approximately 2:00 pm MST at the offices of the Durango Chamber of Commerce, located at 2301 Main Ave Durango, CO 81031.

### **2. Introductions and Roll Call**

The following directors, constituting a quorum, were present in person or by Zoom. Patrick Vaughn, Chair of the RHA, presided over the meeting noting there was a quorum of the Board being present and he called the meeting to order at 2:01 p.m.

#### **Attendees:**

- Chair, Patrick Vaughn, Member at Large
- Vice-Chair, Marsha Porter-Norton, La Plata County Commissioner
- Secretary, Mark Garcia, Town of Ignacio Manager
- Clark Craig, Town of Ignacio Mayor
- Mike French, City of Durango Prosperity Officer
- Kevin Hall, La Plata County Deputy Manager
- Gilda Yazzie, City of Durango Councilor

#### **Directors absent:**

- Brenna Morlan, Town of Bayfield Trustee (excused absence)

#### **Others present:**

- Eva Henson, EDA Contractor
- Sarah Tober, EDA
- Jessie Christiansen, EDA
- Deedee Schadt, EDA Contractor
- Pam Moore, HomesFund

- Brad Blake, Pine River Commons
- Charlie Albert, Pine River Commons
- Dan Hunt, Mobile Home Parks
- Ryan Champion, Maverick Capital Lending
- Online attendance:
- Jennifer Lopez, Project Moxie
- Elizabeth Salkind, Housing Solutions of the Southwest
- Carolyn Moller, RHA Accountant

**Conflicts of Interest** - no conflicts of interest were disclosed

### **3. Public Comment**

Brad Blake and Charlie Albert, developers of the Pine River Commons project in Bayfield, CO. Five units have been completed, with 4 sales and a model unit is available for showings. The next 5-plex is under construction and 2 units are under contract, there will be 66 units in all. Brad and Charlie are both appreciative of the support that the RHA has given them. There is about \$4.4 million invested in the project so far. They are present if the board has any questions regarding the Catalyst Revolving Loan Fund request for HVAC equipment.

### **4. Agenda Approval**

Director Porter-Norton requested that Pine River Commons Catalyst Revolving loan fund decision (8.b.) be discussed after the Approval of Consent Agenda.

Upon motion duly made by Director Porter-Norton and seconded by Director Craig, it was unanimously **RESOLVED**, that the agenda for the meeting of the Board held on February 13, 2025, in the form provided to the Directors in advance of this meeting, is hereby approved.

### **8. b. Catalyst Revolving Loan Fund Decision**

Eva Henson reviewed the loan request and details were also included in the memo in the board's packet. The request is for a \$100,000 low-interest loan to pay for HVAC equipment for the remaining 23 units in Phase I. The recommendation from the Advisory Committee meeting on Monday, February 10th was to fund the full request, as there is no one else seeking to borrow the money. Payments will be phased accordingly.

Brad Blake communicated that the vendor for the HVAC equipment said there will be a 25% increase due to new regulations on environmental issues, i.e. freon. It's typical to see 3,4,5% increases, but 25% is huge. His thoughts were to head off the increase by purchasing the equipment up front to help maintain the price points for potential buyers. For instance, one of the first buyers, a nurse at Mercy, wouldn't have been able to afford this increase. Charlie's goal from the beginning has been to get people into these homes. Currently there are teachers, police officers, a manager at City Market and a Mercy worker who have bought the units. One Board member thought it would be nice to set up a tour for the members.

The Advisory Committee was understanding and supportive of this proposal. It may be a one-time decision/request to loan the money out like this, depending on what other projects are in the pipeline in the future.

As for the additional money, it will be paid back at the current rate of \$50,000 a unit, until the 11th unit is sold, and will increase to \$55,000 a unit.

There was discussion about Rock Creek needing funds for phase two of their project. The committee is aware of the need and anticipate the funds will be available considering the payment schedules involved.

Upon motion duly made by Director Craig and seconded by Director Porter-Norton, it was unanimously **RESOLVED**, for the Catalyst Revolving Loan Fund Request for Pine River Commons in the form provided to the Directors in advance of this meeting, is hereby approved.

## **5. Approval Consent Agenda**

### **a. January 2025 Minutes**

Upon motion duly made by Director Garcia and seconded by Director Porter-Norton, it was unanimously **RESOLVED**, that the minutes for the meeting of the Board held on January 9, 2025, in the form provided to the Directors in advance of this meeting, is hereby approved.

### **b. December 2025 Financial Statements**

Upon motion duly made by Director Garcia and seconded by Director Porter-Norton, it was unanimously **RESOLVED**, that the December 2025

financial statements, in the form provided to the Directors in advance of this meeting, is hereby approved.

## **6. Public Presentations & Engagement with Non-RHA Entities**

### **a. Project Moxie Updates on DOLA Capacity Grant Activities/Deliverables.**

Project Moxie is wrapping up and providing the RHA with final grant deliverables that includes:

#### **Resale Controls Executive Summary Final**

- Jennifer Lopez initiated the discussion by inquiring if there were any questions regarding Project Moxie's deliverables. She noted that Mark Garcia's experience with the Rock Creek project was used as a reference point. The Executive Summary outlines best practices, especially regarding the new state-level requirement for deed restrictions under Prop 123.
- Leveraging Buying Power: Exploring how projects can maximize resources given the constraints of deed restrictions.
- Administrative Costs & Program Guidelines: The Memo suggests that shared administrative costs and standardized guidelines can reduce expenses.
- Funding Enforcement of Deed Restrictions: The group emphasized the need to determine funding mechanisms for ongoing enforcement. The Memo provides details on budgeting for organizations like HomesFund, whose deed restriction template was utilized for Rock Creek.
- Regional Land Trust & HomesFund Role: HomesFund is setting up opportunities for regional support, which could streamline project setup with deed restrictions. While implementation is relatively quick, potential resale challenges may arise.
- Resale Fee Proposal: A 1% fee on each sale was proposed to create a sustainable funding source for ongoing oversight.

- **Legal Review & DOLA Coordination:** A legal review may be necessary to ensure alignment with government requirements, potentially funded through DOLA resources.
- **Next Steps & RHA's Role:** The RHA is proactively coordinating with Project Moxie, HomesFund, legal experts, and other stakeholders to guide all four government partners. These efforts aim to enhance housing strategies across the county and municipalities, reinforcing the RHA's commitment to making a meaningful impact.

### Preservation Memo Final

The group discussed using Prop 123 funds for home preservation, though funding is limited.

**Preservation Opportunities:** RHA staff should access the national preservation database. Only a few properties may qualify at year 15 or 25.

**Mercy Housing Portfolio:** These properties may be good candidates for refinancing in the coming years.

**RHA's Preservation Role:** RHA has supported preservation with Private Activity Bonds (PAB) for projects like Tamaron Square and the Best Western conversion.

**Annual PAB Review:** RHA should check annually with the city and county on available PAB amounts.

**Tax Exemptions:** Housing authorities can offer property tax exemptions through minor ownership roles, though this isn't currently done in La Plata County. A consultant could help navigate PAB and tax exemption processes.

PAB allocation occurs annually in January and must have a population size of \$20,000 or more. PABs must be committed by September 15, or they'll return to the state. Options include rolling funds forward, assigning them to a project, or delegating to CHFA.

### Housing Solutions for the Southwest - Rehab Program Update:

Funding has become limited for individual rural rehab programs, despite community efforts to keep it. The program's funding moved from CDBG to HDG,

and then to Prop 123, but the state won't fund staffing. Without local governments stepping in, rural communities will lose this resource.

### Looking Ahead:

Funding may be tighter over the next few years, making ongoing coordination and planning even more critical for success.

Follow up: It was requested at next month's board meeting to review the DOLA grant funds and action plan for the remaining grant activities and deliverables.

### Technical Assistance for State Funding

- Project Moxie assisted Mark Garcia with Rock Creek Prop 123 gap funding state application and was notified this week of funding approval - \$462,000
- Project Moxie won't be proceeding forward with the scope of identifying potential public parcels for housing due to possible conflicts of interest with other contract work.

## **7. RHA Updates, presented by Eva Henson**

### a. RHA Photo and media release form

As new affordable and attainable housing units become available, with projects such as Rock Creek in Ignacio and Pine River Commons in Bayfield, it is a best practice to have a waiver/form of release for buyers for permission to use their photos, videos, and digital images for marketing, social media, websites, newsletters, and other promotional and educational materials. The form, has been reviewed by the RHA attorney David Liberman, and a sample template was provided by Emily Lashbrooke, Pagosa Springs Community Development Corporation, and can be shared with our 4 government partners and HomesFund.

### b. 2024 Draft RHA Annual Report

The RHA 2024 Annual Report highlights key achievements in advancing affordable housing initiatives across the region. It outlines the completion of 1st inaugural Southwest Housing Summit, Catalyst Revolving Loan Fund, Rental Assistance Program and the Stakeholder Taskforce for Evaluation and

Endorsement of Revenue-streams (S.T.E.E.R.) Committee. It emphasizes the collaborative efforts with our four government partners, developers, and stakeholders. The report also showcases progress in policy advocacy, community engagement, and the successful distribution of grants. It reflects on the impact of these efforts in fostering sustainable, attainable housing solutions, while setting goals for continued growth and innovation in the coming year.

Note: a change in lodger tax number of \$700,000 toward housing and childcare to \$595,000 as this is a more accurate number.

#### c. 2025 RHA Proposed Work Plan

The RHA Work Plan, prepared by Eva Henson of Soluvera LLC, outlines the proposed approach and timeline for the RHA Contract Director role, aimed at achieving the goals of the Regional Housing Alliance (RHA) for 2025. The work plan focuses on key activities related to strategic leadership, fundraising, capacity building, community engagement, and event execution, all designed to advance the mission of expanding attainable and workforce housing in La Plata County. The plan is divided into six key categories, each with specific milestones, deliverables, and timelines running from January 1, 2025, to December 31, 2025. This approach and schedule are also reflected in the Soluvera LLC Professional Services Agreement with the La Plata Economic Development Alliance (LPEDA) for the period from January 1, 2025, to December 31, 2025.

#### Website Update Discussion:

The group briefly discussed the status of the RHA website, which is maintained under the Alliance Professional Services Agreement. While updates are needed, there's also consideration for a broader overhaul. Eva is currently prioritizing tasks outlined in her scope and will continue coordinating with the Alliance team to complete all necessary website updates.

### **8. Decision Items**

#### a. Officer Election

Upon motion duly made by Director Craig and seconded by Director Yazzie, it was unanimously **RESOLVED**, that the officer elections, in the form provided to the Directors in advance of this meeting, is hereby approved.

## 9. Member Updates

### a. Member at Large

Congratulations to Mark and Rock Creek, on all your efforts. It is fantastic project. You've done a wonderful job, you should be proud.

### b. Town of Ignacio

There are \$2.7 million in grant funds on this project, on infrastructure portions going on the vertical builds, \$3.2 million, \$50,000 in Catalyst funds, significant funds in grant funding to move this project forward. Thank you to Pam and her team at HomesFund who have been helpful. It takes a team. The RHA has been helpful with Catalyst funds, existing projects hope to see more qualified buyers. There have been two teachers, another local, teachers and principals, others looking at it think its nice, using lots of local contractors, \$299k for 1024 sq. ft. and 399k for 1368 sq. ft., about \$290 per sq. ft. for vertical costs. Selling these at cost when all these things were funded through grant monies. Fifty to sixty years ago the county and cities built the infrastructure with tax money. Now we are coming full circle.

Phase 2: Fading West is pushing us into another production window, they will be able to take action in a matter of weeks. The change in the Prop 123 issue will help us out and it could happen by the end of the year. Eva offered to assist with a regional press release.

On the realtor side, one was willing to only charge an \$1,100 fee, the rest were submitting percentages. Through HomesFund we are trying to see if there are funds from CHFA (Colorado Housing and Finance Authority) that can cover the fees we are trying to move people into for that kind of program.

### c. Town of Bayfield

Sarah Tober shared that she and Eva will meet with Scott Hahn, Interim Town Manager, later this month to discuss Proposition 123 initiatives and address the stalled traffic signal near Pine River Commons development. A key topic will be the traffic signal needed near the development, with input from the fire department and school district. Additional funding sources to help offset the \$700k gap, even with the \$1.2 million in Congressional Direct Spending, are being explored to support the signal's construction and help move the project forward.



d. City of Durango

The Lightner Creek development, located next to Twin Buttes, has an approved conceptual plan for 31 modular units, converting a mobile home park with estimated costs between \$80,000 and \$120,000 per unit. The developer, Tributary, is partnering with Elevation Land Trust and working through fire safety requirements, as the fire department has requested sprinklers similar to those required in Twin Buttes. Tributary has agreed to this, and the issue is expected to be resolved. At Rivergate, an RFQ will be issued within the next 60 days to explore development options. The North Main property, formerly the Boxcar project, has preliminary approval for 150 units and is under contract with the state agency DAP for workforce housing, with plans for a public-private partnership, though the process may take time. A new Community Development Manager has been hired, and the Residences at Durango are set to open soon. While rising costs and financial uncertainty are slowing some projects, efforts continue to keep things moving forward.

e. La Plata County

There is no update on the funding, as we are on hold until Scott Hahn and his team get organized, we will work through it all.

Legislative Updates: Regarding legislation that focuses on regional building codes for factory-built structures. This bill addresses concerns from Fading West, who want to avoid dealing with multiple codes. The goal is to create simpler, standardized codes for the region. Director Porter-Norton has supported amendments to this bill, which is a key initiative for the governor. Additionally, the YIGBY proposition would allow faith-based groups to build housing on their properties, potentially bypassing local county and municipal codes. Another issue being discussed is Construction Defects, which is aimed at middle-market housing but still lacks clarity, particularly on insurance company involvement. Finally, the Lodger Tax Bill has strong bipartisan support and will continue to monitor these all closely.

**10. Adjournment**

There being no further business, the meeting was adjourned at approximately 3:35 pm MST. The next meeting is scheduled for March 13th, 2025 at 2:00 pm MST at the Durango Chamber and via Zoom.

Respectfully submitted,

Signed: Patrick Vaughn, Chair:

A handwritten signature in black ink, appearing to be 'P. Vaughn', written over a horizontal line.

Signed: Eva Henson, Secretary of Meeting:

A handwritten signature in black ink, appearing to be 'Eva Henson', written over a horizontal line.