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S.T.E.E.R. Committee Agenda
(Stakeholder Taskforce for Evaluation and Endorsement of Revenue-streams)

Date: Monday, March 3, 2025

Time: 1-2:30 p.m.

Location: Center for Innovation
835 Main Avenue, 2nd floor Ste. 225
Durango, CO

- 1. Welcome and Introductions (5-10 minutes)**
- 2. Recap of Previous Meetings (10 minutes)**
- 3. Overview of New La Plata Housing Needs Assessment (10 minutes)**
- 4. Presentation of Narrowed List of Funding Strategies (15 minutes)**
- 5. Legal & Financial Assessment Update (10 minutes)**
- 6. Timeline & Next Steps (10 minutes)**
- 7. Open Discussion (10-15 minutes)**



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Stakeholder Taskforce For Evaluation And Endorsement Of Revenue-Streams

(S.T.E.E.R. Committee)

Date: March 3, 2025

Subject: Recap of Previous S.T.E.E.R Committee Meetings (2024)

Background and Initial Meetings

RHA Board Resolution and First Meeting:

The S.T.E.E.R. Committee was seated and began its work in January 2024 to address the housing crisis in La Plata County and explore sustainable funding sources for workforce and attainable housing. During the first meeting on January 30, 2024, the committee was introduced to key challenges, including a significant funding gap. (e.g. grant tracking requests were approx. \$20 million, with \$11 million in gap needs.)

- Ms. Tober provided an overview of Catalyst Fund, grant tracking, and detailed the funding gap, which **underscored the urgency of securing both short- and long-term funding solutions.**
- Mr. French highlighted the **unsuccessful attempt to implement a 5% Short-Term Rental (STR) tax due to state limitations** (the state caps lodgers tax at 2%).
- The group **discussed the constraints** of American Rescue Plan (ARPA) funds with an expiration date, and the opportunities provided by Proposition 123 funding, which is still not enough to meet the growing demand.

Key Presentations and Discussion:

- Ms. Lopez (Project Moxie) explained housing terms and outlined the [3-Year Workforce Housing Investment Strategy \(updated April 2024\)](#), focusing on the goal of securing 715 new or preserved units, a plan aimed at addressing rising housing costs and rents.
- The committee was encouraged to consider this as a **once-in-a-lifetime opportunity to influence sustainable funding for housing solutions.**
- The meeting stressed the **need for key stakeholders**—including developers, workforce representatives, renters, and those with successful housing experiences—to be part of future discussions.



Expectations for the Committee:

- Ms. Lopez outlined committee expectations, action items, and the importance of staying engaged. Staff support was promised for the committee's efforts, and a follow-up email would be sent to confirm commitment.
- The meeting **defined success as identifying housing needs** and effectively communicating them to the public and policymakers.
- The next meeting, scheduled for early March 2024, was set to focus on in-depth orientation, with materials to be distributed beforehand.

Key Takeaways from Subsequent Meetings

March 4, 2024:

- **Stakeholder Insights:** Members emphasized the critical need for workforce housing across various sectors, from education and healthcare to local businesses.
- The committee expressed commitment to identifying viable funding mechanisms and highlighted the importance of targeted communication to garner public support.
- **Long-term Housing Crisis:** The housing shortage in La Plata County has been a persistent issue since the late 1980s, with housing production failing to meet growth needs.
- **Wage-Gap Issue:** Local wages are not sufficient to afford market rents, particularly for middle-income renters.
- **Local Funding Strategies:** Successful examples from other regions were discussed, including the potential for general obligation bonds and the strategic timing of voter engagement.

May 7 and June 4, 2024:

- **Tax Options:** Various tax options were explored, including sales tax, property tax, and lodging tax. Each presented unique limitations and potential.
 - **Reallocation of Lodgers' Tax:** The committee proposed reallocating the Lodgers' Tax to fund RHA operations, recognizing its potential as a short-term funding source.
 - A small steering task group was formed to draft processes and guide next steps.
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Strategic Direction and Results

June 13, 2024:

- The committee secured RHA support to recommend the reallocation of Lodgers' Tax to the Board of County Commissioners (BOCC) as a short-term, sustainable funding solution to support RHA operations.
- This action aligned with the RHA's core mission to sustain workforce housing development and community resilience.

November 2024:

- Ballot Issue 1A: La Plata County voters overwhelmingly approved Ballot Issue 1A, authorizing the county to direct up to 70% of Lodgers' Tax revenue toward affordable housing and childcare.
- To date, \$595,000 has been collected under this initiative.

Next Steps for the S.T.E.E.R. Committee

Refining Long-Term Funding Strategies: The committee will continue to refine long-term funding strategies and assess the effectiveness of the Lodgers' Tax reallocation as a sustainable source of funding for housing solutions. This includes determining if this funding can meet the evolving needs of the community, and how it fits into the broader funding landscape.

Focus on Key Areas:

- **Feasibility:** Evaluating the practicality of various funding sources and determining how they can be implemented at the local level.
- **Pros and Cons:** Analyzing the potential benefits and drawbacks of different revenue streams, with a focus on how each can sustain long-term housing development.
- **Legal and Financial Assessment:** Assessing the legality of proposed funding mechanisms and conducting a financial analysis to ensure the viability and sustainability of the funding options.
- **Communication:** Developing clear and strategic messaging to explain the importance of these funding sources and how they will benefit the community.
- **Due Diligence:** Conducting thorough research and reviews to ensure that all proposed solutions meet legal, financial, and community expectations.



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- **Public Narrative:** A critical next step will be building a compelling public narrative, using data and economic impact research (e.g., Housing Needs Assessment). The committee will focus on gathering and presenting data that resonates with community members and stakeholders, providing a strong foundation to gain broad public support for future funding initiatives.

S.T.E.E.R. Committee Mission

The **S.T.E.E.R. Committee** was seated and tasked with evaluating the viability of public funding sources for attainable housing in La Plata County. Their key objectives are to answer the following:

- **What source(s)** of funding are viable for the region's housing needs?
- **When** should these sources be pursued to maximize their effectiveness?
- **How** should these funding sources be structured and implemented to ensure long-term sustainability?

In addition to evaluating funding mechanisms, the committee is responsible for identifying educational opportunities to inform the public and stakeholders about the benefits of these funding strategies. They will also provide feedback on how the funds could be administered, ensuring a streamlined process that supports community goals.

The committee's work is critical in securing sustainable funding for attainable housing, recognizing that this funding is pivotal for La Plata County's economic vitality and the well-being of its communities.



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Stakeholder Taskforce For Evaluation And Endorsement Of Revenue-Streams

(S.T.E.E.R. Committee)

Date: March 3, 2025

Subject: La Plata Housing Needs Assessment Summary

Housing Needs Assessment Overview

The Housing Needs Assessment (HNA) was commissioned by the Regional Housing Alliance (RHA) to better understand housing needs in La Plata County – including market changes since the 2020 regional assessment (included Montezuma County, La Plata County, Archuleta County) The results of the HNA will assist the RHA in developing strategies to help address housing needs throughout the La Plata County. The report organization will be outlined as follows:

- I. Socioeconomic Framework
- II. Housing Market Trends
- III. Housing Needs Analysis
- IV. Community Engagement Findings

The La Plata County HNA was drafted prior to the release of guidance from the state on compliance with SB24-174; however, the content of the HNA will be aligned with the legislative intent.

Why Work to Address Housing Needs?

- Research consistently shows that a constrained housing market negatively impacts economic growth while stable and affordable housing are central to the health of individuals, families and communities.
- Households living in stable housing are more likely to spend their incomes in the local economy through direct spending on goods and services.
- Housing investments that allow workers to live near their place of employment can reduce the impacts of traffic and commuting.
- Affordable housing is key to providing high quality public services as many essential workers (e.g. teachers, nurses, doctors) often leave communities that do not have adequate supply of housing in their price range.
- Generational wealth from affordable homeownership is a major contributor to positive outcomes for children. As housing and equity are passed down, young adults have the option to remain in the community and have families of their own.
- Housing investments and stable housing environments also bolster local revenue, increase job readiness, help renters transition to homeownership, lower public costs of eviction and foreclosure, and increase the economic and education opportunities for children.



I. Socioeconomic Framework

Key Takeaway:

Economic growth outpacing housing supply; Residents are aging and incomes are rising, but poverty disproportionately impacts certain groups

- **Economic Profile:** Job growth outpaced housing production over the past decade, leading to an undersupply of housing overall.
- **Population and households:** La Plata County's population post COVID has steadily grown following period of little to no growth between 2018 and 2020. The county's senior population (over 65) is projected to increase from 19% of the population share in 2022 to 26% in 2050.
- **Income and poverty:** Income shifts over the last decade show an increase in the number (an proportion) of households earning more than \$100,000 a year. This shift reflects some gains coupled with an influx of higher income residents. Poverty in La Plata County is moderate at just over 11%, though some residents groups are disproportionately impacted by poverty.

II. Housing Market Trends

Key Takeaway:

Since 2012, job growth has outpaced new housing production – in other words, housing supply is not keeping up with economic growth, creating additional pressure on the housing market and contributing to higher in-commuting.

- **Rental Market:** The current asking rent of market-rate units is about \$1,500 (median as of 2024)
- **For Sale Market:** The median home value in all of La Plata County (including all home types) was about \$666,000 in 2024. This median value is in line with data from Durango Association of Realtors which reports the median sale price as \$675,827.
- **Homeownership:** 71% of La Plata County households own their home; Bayfield has the highest homeownership rate at 74% and Durango has the lowest at 55%.
- **Housing production:** The majority of La Plata County's housing stock is single-family detached product, however, recent permitting has shown an increase in multi-family housing types (concentrated in Durango).
- **Housing stock:** The vast majority of La Plata's housing stock – 82% - is occupied by permanent resident households. Of the remaining 18%, about half of the units are vacant for recreational, seasonal, or occasional use – including short-term rentals.



- Steep price and rent increases outpace inflation.

III. Housing Needs Analysis

Key Takeaway:

Current needs – mismatches in supply and demand by price point. Projected housing needs over the next 5 years (through 2029) with a range of < 30% AMI – 150% AMI)+

1,550 Total Units

1,100 ownership units

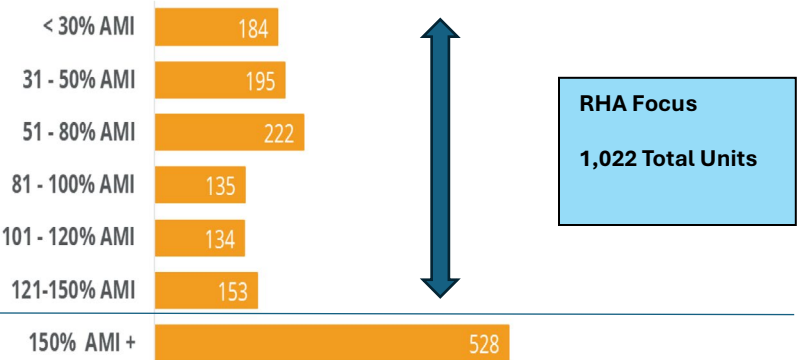
450 rental units

- Public assistance is likely needed to create the needed rental units priced below 80% AMI and ownership products priced below 150% AMI.
- In order to “**keep up**” with projected growth, La Plata County needs to create an additional 1, 550 units over the next 5-years.
- Of those units, 71% (1,100) would need to be owner occupied in order to maintain current homeownership levels

Units Needed over 5 years (through 2029):



Units Need by Income/Affordability Level



- There is an affordability shortage of nearly 1,000 units for renters earning < 50% AMI (even after accounting for income-restricted rental inventory).
- These “**catch up**” needs can be addressed through new production of housing at the needed price points and/or subsidies of existing units.
- **Changes in affordability:** Increases in both rent and home prices exceeded the change in median incomes – compressing affordability for renters and buyers. Rising interest rates exacerbated affordability challenges for buyers.



Key Takeaway:

Resident and in-commuter survey over 400 people responded, stakeholder interviews and focus groups also occurred.

Residents

- **Housing affordability was a key concern among residents**, impacting housing choice (across income levels and tenure), financial security, and housing stability.
- La Plata County resident respondents are **open to small-scale density housing products** including duplexes, townhomes, tiny homes and apartment buildings with 3 or less stories.
- Residents ranked housing for first time homebuyers, housing for middle class families, and workforce housing as the most important housing types to local housing supply.
- Residents **responded favorably to a deed restricted model** of affordable homeownership

Stakeholder Interviews and Focus Groups

- **Nonprofit service providers** emphasized the need for more affordable housing opportunities for families and people in the service industry. Other concerns included overcrowding, unique housing challenges for newly arrived immigrants, and conditions of manufactured home parks.
 - **Employers** across a variety of industries say the housing shortage is a significant contributor to high employee turnover and labor shortage. Looking forward the business community is very concerned that the lack of housing in La Plata County will increasingly limit economic development and the diversity, quantity, and quality of services available to current residents.
 - **Real estate professionals and housing developers** highlighted both market and policy barriers to creating affordable and diverse housing in the region, including infrastructure challenges/costs, construction defect laws (state-level), and local land use and zoning regulations. They would like to deliver more product and price-point diversity and offered a range of solutions to help address housing challenges.
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SB24-174 Sustainable Affordable Housing Assistance

On May 20, 2024, SB24-174 State Support for Sustainable Affordable Housing became law and leverages state resources to empower municipalities to create tailored housing solutions that prioritize affordability and prevent displacement, while fostering unique communities and a local sense of place. department of local affairs for the implementation of the act.

This bill sets up a comprehensive framework for housing planning and support across Colorado. Key points include:

- **Housing Needs Assessments:** The Department of Local Affairs (DOLA) must develop methodologies for housing needs assessments by 2024. Statewide assessments will occur every six years starting in 2027. Local governments must conduct and publish assessments by 2026, with regional assessments also allowed.
- **Housing Action Plans:** By 2028, local governments with 5,000+ people (or 1,000+ in certain areas) must create and update housing action plans every six years, outlining strategies to address local housing needs.
- **Support & Resources:** DOLA must create directories for affordability strategies, long-term affordability, and displacement risk mitigation by 2025. A grant program and consultant services will assist local governments with planning and strategy implementation.
- **Funding & Technical Assistance:** A new fund will provide \$12 million for technical assistance, funded through transfers from local government severance and mineral impact funds.
- **Grant Prioritization:** Starting in 2027, state agencies must prioritize grants to local governments that complete housing needs assessments, adopt housing action plans, and incorporate water supply and strategic growth elements in master plans.
- **Neighborhood Centers:** DOLA will set criteria for neighborhood centers by 2025, with grant programs prioritizing related projects after 2026.
- **Master Plan Updates:** Counties and municipalities must update master plans by 2026 to include water supply and strategic growth elements, analyzing land use for housing development.
- **Accessory Dwelling Units & Middle Housing:** From 2024, HOAs can't prohibit or restrict these housing types if local zoning permits them.
- **Implementation Funding:** The bill allocates \$583,864 for IT services to support DOLA in rolling out these initiatives.

**Regional Housing Alliance (RHA)
Public Funding/ Revenue-stream Sources**

| Potential Source | Local Government | Overview | Who is being taxed? | Voter Approval Required | Financial Potential | Pros | Cons |
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| Tax Payer Bill of Rights (TABOR) | RHA – local government | <p>To seek voter approval to retain certain state and local government monies above the annual revenue limit</p> <p>The annual limit is based on a formula that is based on previous year's actual revenue, population growth, plus inflation. If the RHA were to receive revenue above the annual limit, it must be returned to the government agency that provided the funding at the end of each year.</p> <p>As part of Colorado Constitution, state and local governments do not have the authority to bypass TABOR.</p> | In conjunction with some of the options below to consider, it's likely the RHA would also have to add a second ballot question related to TABOR. | <p>Yes, RHA can submit ballot question to voters</p> <p>Seek voter approval to permit RHA to retain Colorado state and intergovernmental grants, contributions, and loans above the annual revenue limit</p> | Would want a legal opinion and RHA accountant on the amount based on previous years budgets. | n/a | n/a |
| Housing Authority | RHA is a multi-jurisdictional housing authority | Intergovernmental Agreement between 4 government entities is likely needed for a proposed ballot question | | Yes | | <p>S.T.E.E.R. Committee</p> <p>Dedicated revenue stream: Provides a stable, ongoing funding source for housing initiatives</p> | <p>Politics</p> <p>Intergovernmental complexities: amending or creating an IGA among multiple jurisdictions takes time and consensus, which may delay action</p> |
| Reallocation of Lodgers Tax (aka Transient Occupancy Tax) | <p>County or City</p> <p>Nov. 2024 1A passed County 70% towards housing and childcare</p> | Counties are currently capped at 2% collection New 2025 legislation introduced to allow counties to seek up to 6% | Visitors | <p>Yes, but no RHA action</p> <p>2 Questions needed:</p> <p>1. Would need to ask the voters to</p> | <p>County collection \$595,000</p> <p>Increase from 2%-6% could potentially collect \$1,785,000 if</p> | <p>Existing Tax with City and County</p> <p>1A passed in November for</p> | <p>Timing needs to be considered</p> <p>Are vacation rental being licensed/ regulated by the County?</p> |

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| Reallocation of Lodgers Tax (aka Transient Occupancy Tax) | | City's is 5.25%: 2021 is allocated towards 55% sustainable tourism marketing; 20% transportation; 14% arts/culture; 11% council discretion | | increase/County ballot question 2.Would need to ask the voters for what uses/purposes/County ballot question | successful with voters | housing and childcare Requires successful action by Legislature before this can be asked to the voters. | Funds will vary/hard to predict City was using a software and does have a 3% cap. What about Bayfield or Ignacio? |
| Reallocation of Joint Sales Tax | County and City/Towns | Take portion of existing joint sales tax and use for a new purpose Library District – need an update e.g. looking at 2026? Monies are decided upon by City and County (may not be used for housing in Bayfield or Ignacio) | Doesn't raise taxes on residents or visitors | Existing Tax with County and City If the Library District asked a ballot question and was successful, what would be the process to seek funding annually for housing or other purposes? | Could free up almost \$3 million if a Library District was successful with voters | Politics between City and County Roller coaster endeavor with Library District | Library District may resurface this in 2026 Who else besides library currently gets funding annually from this? What is the process and when? Funds will vary/hard to predict |
| Sales Tax | County/City/Towns/RHA | Can create a new sales tax, increase an existing sales tax, or reallocate funds from a sales tax to a new purpose | Everyone making purchases on goods that the state requires a sales tax to be added to (unless there is an exemption) Will impact locals and visitors | Yes, RHA can submit ballot question to voters | ??????? | County might be seeking a countywide tax for road and bridge/ bundled question being considered? City confirmed they are going to voters in April for reauthorization of 200s Open Space and Trails/and City Facilities | Ballot timing and costs: running a ballot measure requires resources for public education, outreach, and potentially hiring legal or communication consultants. Political sensitivities: tax increases face public resistance, especially if there is a perception of inefficiency or if |

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| <p>Sales Tax</p> | | | | | | <p>Can be a regional approach</p> <p>Can be a bundled question with other uses/purposes</p> <p>Raises more money</p> <p>Can be time limited</p> <p>Scalable: as sales tax revenue grows with local economy, so does funding capacity</p> <p>Tourism contribution: in areas with significant tourism, visitors can help contribute to local housing solutions</p> <p>Community Investment: demonstrates local commitment to addressing housing challenges through voter support</p> | <p>taxpayers feel overburdened</p> <p>Economic fluctuations: Sales tax revenue is tied to consumer spending, which can dip during economic downturns.</p> <p>Equity concerns: sales taxes are can be considered regressive, meaning lower-income residents may feel a disproportionate impact.</p> |
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| Sales Tax | | | | | | Community driven impact: the revenue can directly fund housing solutions that make living in the community more affordable, benefiting the very residents who may feel the tax burden the most | |
| Development Impact Fee | County/City/Towns/RHA | Must be combined with sales/use tax, property tax, or both May need a nexus study | One-time charges on new development and can be used to offset affordable housing | Yes, RHA can submit ballot question to voters Can only be used in conjunction with a sales/use tax, property tax, or both | ????????? | Has been successful in other mountain towns e.g. Summit County Can be unique approach to the large SFHs built based on sq. ft. | Must be attached to a sales tax/use tax, property tax, or both |
| Property Tax | County | Colorado has the 27th lowest median property tax payment in the nation. Statewide, the median property tax payment as a percent of median income ranks as the 20th lowest, with an average effective rate of just 0.48%. For the US as a whole, the effective property tax rate is 1.10%. Generally, property tax should be generating about | Every property owner in county or municipality; primary or 2nd property homeowners. | County, no RHA action Annual property taxes. Can be raised through ballot measure. Can make determination of what new funds are used for dedicated fund. | ????????? | Touches owners, visitors, 2nd homeowners as well as locals Raises more money Can be a regional approach | Property taxes influence the costs of buying, renting or investing in homes and apartment buildings The tax increase could be seen as regressive, because housing costs take a bigger bite out of low- |

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| Property Tax | | three-quarters of local taxes and half of all local government revenue excluding state and federal aid. | | | | Can be time limited, which is appealing to voters. | income household budgets. Or a property tax increase might make it more difficult for first time homebuyers to purchase property in the County. |
| Mill Levy | County/City/Towns/RHA | Mill levies are the rates of taxation set by each taxing authority, not the Assessor's Office. Each tax authority has a district boundary. A taxpayer's total mill levy is calculated based upon where their property is located. The county, towns, schools, and special districts each have a separate mill levy, which is indicated on the annual tax bill you receive from the county treasurer. When a jurisdiction generates a figure for its required revenue, it divides the revenue by the total taxable property within an area. The rate of each jurisdiction is then added together to find the mill levy for the entire area. | Property owners in jurisdiction | Voters have to pass a mill levy increase. Sort of similar to a property tax increase. Funds have to go to a designated source. Most commonly used for schools or library or recreational districts. RHA could be lead on asking for a mill increase as it is a special district entity. Example - Grand County Mill Levy 2.0 mills to fund/maintain affordable housing. Mill levy failed in Longmont 2023 for library, recreation facility and affordable housing complex. Fort Collins also had a failed mill levy for affordable housing. | ??????????? | Generally speaking, mill rates in Colorado are fairly low. Can be time limited, which is appealing to voters. | Can be challenging to explain to voters. Impacts property owners who are already seeing increases in property taxes. Careful on the ballot if school or library are asking for a mill levy as well. |
| Attraction Tax | City Only? Could County? | Related to Lodgers Tax but can be applied to activities (restaurants, campgrounds, recreation companies) | Everyone who uses amenities (locals and visitors) | HB 1117 made it possible to reallocate part of Lodgers Tax, allowing voters the ability to decide how to divide lodging tax revenue between tourism, promotion, housing, childcare and recreational | ??????????? | Although specific to a type of tourism or industry, passes the burden on to consumers, not the actual industry-- which might | Would likely be seen at odds with interest of LPEDA. Depending on what attraction(s) are being taxed /difficult to gauge what this would generate |

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| Attraction Tax | | | | <p>improvements, but requires at least 10% of total funds to remain dedicated to tourism marketing.</p> <p>e.g. Glenwood Springs is adding Attractions Tax proposed at 3.7% onto ticketed events and attractions that charge for admission.</p> | | make them slightly less against the additional tax. | annually/long-term |
| Marijuana Excise Tax | County/City/Towns | <p>Tax or raise current tax on marijuana sales countywide</p> <p>Based on purchase price and collected from the consumer at point of sale</p> | Paid by residents and visitors alike who consume and visit marijuana dispensaries subject to the sales tax on their purchase | Yes, but no RHA action (jurisdiction imposing tax to determine if voter approval required) | ??????????? | This is only collected from those that purchase marijuana products | <p>Most are likely located in Durango, so could be larger portion of voters in opposition</p> <p>Sales vary from year to year and hard to predict</p> <p>Not sure about uses for housing?</p> |