

Date: June 12, 2025

To: RHA Board of Directors

From: S.T.E.E.R. Advisory Committee

Subject: Final Recommendations from S.T.E.E.R. on Viable Revenue Mechanisms

Dear Members of the RHA Board,

On behalf of the Stakeholders for Evaluation and Endorsement of Revenue-streams (S.T.E.E.R.) Advisory Committee, we are pleased to present our final recommendations regarding potential revenue mechanisms to support the long-term objectives of the Regional Housing Alliance of La Plata County (RHA).

We appreciate the opportunity to contribute to this important initiative and commend the RHA for leading a collaborative, community-centered effort to address the region's housing challenges.

Over the past three months, the committee—comprised of a cross-section of representatives from the public, private, and nonprofit sectors—held four working sessions to evaluate a range of local funding strategies. Our analysis was grounded in the [2024 La Plata County Housing Needs Assessment](#), which provided vital data on housing needs and priorities across the region. To support this effort, the RHA engaged Hilltop Securities as financial advisors and Butler Snow LLP as legal counsel. Representatives from both firms participated in Meetings 2, 3, and 4, providing essential insight into feasibility, legal considerations, and potential revenue projections for various funding mechanisms.

Recommendations

Following a thorough evaluation process, the committee has identified **two preferred revenue mechanisms** for near-term advancement, along with a **third option** that shows promise but requires further analysis. The committee also noted the importance of coordinating with other entities, including La Plata County, that may be considering ballot initiatives in the same timeframe.

1. New Sales & Use Tax (0.20%) – Standalone RHA Initiative

We recommend that the RHA pursue voter authorization for a 0.20% Sales & Use Tax. This would equate to \$0.20 for every \$100 in taxable purchases and could generate approximately \$3.23 million annually. This revenue stream could directly support RHA's operations and core programs, such as the Catalyst Fund, Catalyst Revolving Loan Fund, and land acquisition or land banking efforts.

2. New Sales Tax – Bundled Approach with County

La Plata County is currently exploring a 0.75% countywide sales tax to address a budget deficit and potential to impact services. While bundling a housing component into this tax could provide a meaningful funding opportunity, the timing and County's interest in a joint measure are uncertain. The S.T.E.E.R. Committee recommends this option be considered but approached with caution, recognizing that the County may not support bundling in the current cycle but may look favorably in 2026.

3. Expansion of County Lodger's Tax (Further Study Required)

With the passage of HB25-1247, counties may increase their lodger's tax rate up to 6.00% (subject to voter approval), with expanded allowable uses. If this increase were approved and revenue allocation proportions remained unchanged, RHA's portion could increase to approximately \$422,000 annually based on FY2025 figures but subject to annual appropriation by the County and potentially could be reduced or eliminated. However, this option warrants additional legal review, financial modeling, and public engagement before moving forward.

Estimated Ballot Costs

Tiffany Lee, La Plata County Clerk & Recorder, provided the following estimates:

- Election costs vary depending on participation and scope. In 2023, the cost was \$1.50 per voter; in 2024, \$1.84 per voter.
- With approximately 45,000 registered voters countywide, this results in an estimated cost of \$67,500–\$82,800.

- If the State includes a question on the November ballot, it will cover 40% of the cost, which may help reduce the RHA's share.
- For budgeting purposes, plan for a minimum of \$1.50 per voter, acknowledging potential variability.

Timeline Considerations and Next Steps

We respectfully request that the RHA Board consider taking the following steps:

1. Advance the Top Two Recommended Funding Mechanisms

Begin internal planning and outreach for a potential ballot initiative, including legal structuring, financial modeling, and community engagement. Early conversations between the RHA and La Plata County leadership will be critical to assess the potential for collaboration, determine alignment on timing, and clarify whether a joint or standalone approach is most viable.

2. Further Evaluate the Lodger's Tax Expansion

Conduct a more detailed analysis of this option with legal and financial advisors, particularly in light of the expanded uses authorized under HB25-1247.

3. Potential Community Advocacy

To help build broad-based support for a potential ballot initiative, the RHA could leverage a coalition of engaged community members who have participated in recent housing efforts. This includes members of the S.T.E.E.R. Advisory Committee, regional stakeholders, local housing advocates, and attendees of the 2025 SW Housing Summit.

These individuals and organizations are already informed on the region's housing challenges and the RHA's proposed solutions, and many have expressed a willingness to stay engaged. Their involvement could take various forms—from participating in town halls and stakeholder briefings to amplifying messaging through their networks or serving in an advisory or leadership role in a formal campaign.

Should the RHA pursue a 2025 or 2026 ballot initiative, organizing this base into a community working group or issue committee (as appropriate under campaign finance

law) will be a key step in driving outreach, educating voters, and reinforcing public trust in the proposed funding strategy.

4. **Conduct Public Polling**

Use polling to assess voter awareness and support for each funding option, identify key concerns, and refine public messaging. This will be a valuable tool for both strategy development and risk mitigation. This would apply likely in 2026 due to expense and timing.

5. **Coordinate with Other Regional Initiatives**

Monitor and engage with other entities considering ballot measures in 2025 or 2026 (e.g., County government, Fire Districts, Library District). Coordination will be essential to avoid voter fatigue, ensure strategic alignment, and explore shared outreach opportunities.

While a November 2025 ballot remains a potential target, the committee recognizes that a 2026 election may offer a more realistic timeline for successful execution, allowing for adequate public education and coalition-building.

We thank you for your leadership and look forward to continued collaboration as this process advances.

Meeting Timeline and Process Overview

- **Meeting 1** (March 3): Reviewed the La Plata Housing Needs Assessment, discussed current housing challenges, introduced an initial list of potential revenue streams, and established a framework for evaluation. [Meeting #1 Notes](#).
 - **Meeting 2** (March 31): Evaluated feasibility and legal/financial viability of revenue mechanisms, with input from Hilltop Securities and Butler Snow. [Meeting #2 Notes](#).
 - **Meeting 3** (May 8): Finalized narrowed list of options, refined pros and cons, and reviewed findings from the legal and financial analyses. [Meeting #3 Notes](#).
 - **Meeting 4** (May 19): Reached consensus on final recommendations and confirmed feasibility of a local funding strategy. [Meeting #4 Notes](#).
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