



REGIONAL  
HOUSING  
ALLIANCE

**Regional Housing Alliance (RHA) S.T.E.E.R. Committee**  
**(Stakeholder Taskforce for Evaluation and Endorsement of Revenue-streams)**  
*Help the RHA Explore Local Funding Sources for Workforce Housing*

**BACKGROUND**

Access to workforce housing in La Plata County is at a tipping point; in just 3 years housing costs have increased 30-35%. In a recent survey regarding the use of the lodger's tax, the three primary concerns identified by community members were: access to affordable housing, traffic congestion and overdevelopment, and homelessness. Almost one in three say that housing is the most important problem facing the County and the lack of affordable workforce housing, as well as homelessness, are seen as extremely/very serious problems by strong majorities of voters.

In response to various public conversations about these critical needs, the La Plata Economic Development Alliance (Alliance) and Regional Housing Alliance (RHA) requested technical assistance services from the state of Colorado to undertake a process to explore a public funding source in 2024. Through a contract from the Department of Local Affairs, the RHA has consulting support from Clark Anderson of Community Builders and Jenn Lopez of Project Moxie. The consultants are working closely with RHA contracted staff and the Alliance leadership to develop a process for this exploration in 2024. RHA is appointing a STEER Committee that will begin meeting in January and will review several strategies to create a more robust and potentially permanent local funding source for workforce housing in La Plata County under RHA's statutory authority.

**THE TIME IS NOW**

La Plata County has never had a more unaffordable housing market. COVID-19 slowed construction while out-of-area remote workers competed for limited housing stock and drove up the costs of housing for the local workforce. Exacerbating the housing crunch was an increase in construction pricing and rising interest rates. As of October 2023, the Median Single-Family Residential (SFR) Sales Price was: \$791,000 and was up 28% year-to-date. Although rental data is more difficult to obtain, there is significant anecdotal evidence that rents are as high as \$1,500-1,800 a month for studios, and over \$2,000 for two bedrooms which are in much higher demand.

Fortunately, the region has a *Three-Year Workforce Housing Investment Strategy*, a pipeline of below-market housing developments, and several opportunities to apply for new state funds. The passage of Proposition 123 in 2022 created a new \$300-million-dollar state housing trust fund which became available to projects in the fall of 2023. All local governments in La Plata County opted in for Prop 123 and will have the opportunity to apply for these new state funds for housing projects. However, each project will need to identify match funds to be competitive. There has never been a more opportune time to create a local source of funds for housing.

**RHA ROLE**

A statute passed in 2003 describes how local governments can come together to form a special entity and levy public funds or facilitate bond financing to provide resources and support for housing activities. In 2004, the RHA was created as a multi-jurisdictional housing authority and one of its primary purposes was to create a local housing fund. In May of 2022, the RHA confirmed its interest in assessing housing trust fund revenue sources and putting forth recommendations to a broader community stakeholder group.

According to the [La Plata County Three-Year Workforce Housing Investment Strategy](#) commissioned by the Economic Development Alliance, the RHA is the agency best positioned to (1) coordinate local government technical assistance, (2) track a countywide project pipeline and requests for activities that require interagency agreements or local government resources to match for competitive federal and state programs, and (3) implement a long-term funding source for housing initiatives in La Plata County. Funds levied by this tax would be administered by the RHA which is governed by a Board of Directors representing four local governments. Funds would be used for predevelopment, staffing, capacity building, and gap or match funding for land acquisition and infrastructure.

### Frequently Asked Questions (FAQ)

1. Why do we need a local housing fund: I thought the state just passed Proposition 123 and there are millions of dollars available for housing?

Although the state did just pass a new measure that created hundreds of millions in new resources the demand for these resources is significant. The first few application rounds were oversubscribed 10 to 1. As a result, communities are recognizing the need to provide funding for projects at the local level to make their state applications for funding more competitive.

2. What would local housing resources be used for?

Funds would be used to implement the Economic Development Alliance’s [Three-Year Workforce Housing Investment Strategy](#) which prioritizes the necessary steps to create affordable housing for the local workforce across La Plata County. The overall strategy addresses rental housing, homeownership, an effort to initiate housing development, the preservation of existing affordable housing options, and the creation of a local housing trust fund. As laid out in the document and the table below, the strategic plan strives to create 715 new units/mortgages and preserve 120 total units.

### DEVELOPMENT & PRESERVATION PIPELINE

	Anticipated Below Market Units	Subsidy needed per unit	Subsidy to support existing pipeline	Cost to increase units by:		
				10%	20%	50%
LIHTC Rental	170	\$45,000	\$7,650,000	\$765,000	\$1,530,000	\$3,825,000
Rental	50	\$72,000	\$3,600,000	\$360,000	\$720,000	\$1,800,000
Homeownership	195	\$193,000	\$37,635,000	\$3,763,500	\$7,527,000	\$18,817,500
Land Development Initiative	300	\$132,500	\$39,750,000	\$3,975,000	\$7,950,000	\$19,875,000
Mobile Home Park Preservation via Acquisition	70	\$118,000	\$8,260,000	\$826,000	\$1,652,000	\$4,130,000
Mobile Home Park Rehab	TBD	TBD	TBD	TBD	TBD	TBD
Rental Preservation	50	\$22,000	\$1,100,000	\$110,000	\$220,000	\$550,000
<b>Total New Units/Mortgages</b>	<b>715</b>	-	<b>\$88,635,000</b>	-	-	
<b>Total Units Preserved</b>	<b>120</b>	-	<b>\$9,360,000</b>	-	-	-

Approximately 50% of required subsidy may be available from state and federal resources. Reaching these subsidy amounts will require leveraging local, state, federal, private and philanthropic resources.

3. Housing Catalyst Fund

The Economic Development Alliance also recently launched a Catalyst Fund—a grant program dedicated to funding predevelopment activities and to spark development in the region. In its first round of funding in late Spring 2023, four awarded projects are estimating the creation of a minimum of **175 new affordable units**.

4. Who would administer the fund?

RHA is requesting that the STEER Committee provide feedback on questions such as this one. There are a few options for fund administration and transparency in the funding decision process will be essential.

5. What is the timeline for this initiative?

The STEER Committee will be seated and meeting by January 2024. They are tasked with deciding if a public funding source is viable; answering what source, when, and how it would be pursued. They would also identify education opportunities and provide some feedback on how the fund could be administered.

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