



Agenda

RHA Board of Directors

DATE – 1:15- 3:15 p.m.

La Plata County Administration Building
1101 East 2nd Ave Durango

<https://us06web.zoom.us/j/83018211448>

A. Call Meeting to Order

B. Introductions and Roll Call

C. Public Comment

D. Approval of Agenda

E. Consent Agenda

1. Approve the Consent Agenda
 - a) Minutes from August 4, 2022 and September 19, 2022
 - b) Financial Statements from August and September 2022

F. Decision Items

1. RHA Financial Review - Matt Huntley, Frederick Zink and Associates
2. La Plata County Economic Development Association discussion and possible decision regarding administrative contract, RHA funding and 3 Year Workforce Housing Investment Strategy implementation

G. Discussion/Updates

1. Renewal of CIRSA Property/Casualty insurance for 2023
2. Preliminary 2023 Budget
3. Grant Applications and Funding check-in
4. Direction of RHA
5. IGA

H. Presentations and Engagement with Non-RHA Entities

I. Member Updates

1. Town of Bayfield
2. City of Durango
3. Town of Ignacio
4. La Plata County

J. Adjournment

Next Meeting - November 3, 2022 - Ignacio

Section A – Call Meeting to Order

Section B – Roll Call

Section C – Public Comment

The Board welcomes public participation in the Board meetings. Individuals wishing to address the Board under Public Comment are asked to please notify either the Chair of the Board or the Clerk to the Board upon their arrival at the meeting. Public Comment will be taken as time permits. Comments shall be limited so that everyone may be heard. This item is limited to matters under the jurisdiction of the Board, which are not on the posted agenda and items which have not already been considered by the Board. The Board limits testimony on matters not on the agenda to 3 minutes per person and not more than 20 minutes total unless the Board approves an extended time as part of the agenda. No formal action may be taken at the meeting on matters addressed at Public Comment. Comments on matters on the current agenda will be taken following discussion of each item by the Board.

Section D – Approval of Agenda

Section E – Consent Agenda

RHA Board of Directors Meeting Minutes

August 4, 2022

2pm to 4pm

La Plata County Administration Building – 1101 E. Second Avenue, Durango.

Board members Present

Eva Henson, Housing Innovation Manager, City of Durango
Kim Baxter, Councilor, City of Durango, Regional Housing Alliance, Chair
Patrick Vaughn, retired from Southern Ute Growth Fund, Member at-large
Mark Garcia, Interim Administrator, Town of Ignacio
Katie Sickles, Administrator, Town of Bayfield
Nicol Killian, Community Development Director, Town of Bayfield
Marsha Porter-Norton, Commissioner, La Plata County
Mike Segrest, Deputy County Manager, La Plata County

Staff/Other Attendees

Michelle Furi, La Plata Economic Alliance (remote)
Michael French, La Plata Economic Alliance (remote)
Lisa Bloomquist Palmer, Homes Fund (remote)
Kim Welty, Housing Solutions of the Southwest (remote)
Doug McCarthy, Local First (remote)
Laurie Roberts, United Way, Stronger Tomorrow
Scott Shine, City of Durango (remote)
Jenn Lopez, Project Moxie (remote)
Shak Powers, Region 9 EDD
Laura Lewis Marchino, Region 9 EDD (remote)

A. Meeting called to Order

The meeting was called to order at 2:05pm by Councilor Kim Baxter, Chair.

B. Introductions and Roll Call

All attendees introduced themselves.

C. Public Comment

There was no public comment.

D. Approval of Agenda

Amendments were made to move the Interim Executive Director Discussion to the end of the meeting.

Mike Segrest made a motion to approve the agenda with the suggested amendments. Eva Henson seconded, and the motion passed unanimously.

E. Consent Agenda

1. Approve Consent Agenda

a. July 7, 2022

The minutes from July 7, 2022, were distributed with the packet.

b. June 2022 Financial Statements

The financials through June 2022 were distributed in the packet.

Mike Segrest made a motion to approve the consent agenda as presented. Katie Sickles seconded, and the motion passed unanimously.

F. Presentations and Engagement with non-RHA entities

1. Funding Strategies

Jenn Lopez, President of Project Moxie, and Mike French, Executive Director of the La Plata County Economic Development Alliance provided the RHA an introduction to the Catalyst Fund, which would be used for housing projects. The first step in the implementation of the Catalyst Fund is to set up a Committee to identify strategies and funding models. They are seeking volunteers. Patrick Vaughn had several questions regarding the proposed subsidy amounts and lengths of time required for payment. Highlights of the PowerPoint presentation prepared for the Alliance were shown to the group. There were ideas shared around a possible buydown program and the group shared several ideas around leveraging philanthropic activity. Jenn Lopez said that there is already activity that will result in building 715 units around La Plata County over the next few years. For comparison, Patrick Vaughn mentioned that Three Springs built about 750 units over the past 10 years, but the recession put them behind and lost them about 3 years of planned activity.

Jenn Lopez mentioned that housing organizations, area governments, and the Alliance are expanding programs such as mortgage assistance and exploring what they can do such as subsidizing land costs. Jenn Lopez also cited the current government efforts and the RHA "reactivation". She said that she sees a need for some strategies and objectives around all these activities. She referred to the success of the partnership with Elevation Community Land Trust and Westside Mobile Home Park, and said that there is interest from other parks. The question was asked that no other organization but the RHA could coordinate those efforts. Mike French referred the group to pages 38-39 of the report which discussed the gap analysis and need for private funding. Commissioner Porter-Norton felt a project study was needed. Discussion by the RHA Board members in attendance included the need to set parameters around funding, and that getting units for the workforce is the objective. The AMI range for the Catalyst Fund needs to be decided as well.

G. Decision Items

1. Region 9 Update and future administrative and fiscal support for RHA

Laura Lewis Marchino announced that Jessica Laitsch has taken another position in the private sector. Jessica Laitsch will be helping in the transition, especially with the interview process to make sure it is consistent, but Shak Powers will be managing the meetings and will be the

main point of contact during the transition. One of Shak's duties is regional housing coordination, so he will be working with the RHA as part of his regional duties. Laura Lewis Marchino said she wanted to bring up this administrative change to the group. The current SWCCOG contract goes through December and because this is a La Plata based activity, The Board may prefer to move the RHA under another organization that is La Plata solely focused. Councilor Baxter appreciated the honesty, and the group felt that another transition was not in the organization's best interest at this time and that decision should be made by the future Executive Director.

H. Discussion/Updates

1. Interim Executive Director

This item was moved to the end of the agenda. Five applications were received, and two applicants were interviewed. Advertising of the Interim Executive Director position closed on Friday and any additional applications received will be reviewed and possibly interviewed. There is a Doodle Poll distributed to find open dates and times for the Interview Committee. The option of hiring a headhunter was also discussed, and Region 9 staff was asked to make sure any additional candidates were forwarded to the Interview Committee.

2. Funding IGA

A word document of the RHA Intergovernmental Agreement (IGA) will be distributed to each government member entity for review. The IGA will include the funding requested from each entity. Councilor Baxter loved the simplicity of the IGA and Commissioner Porter-Norton requested that any proposed changes go through the La Plata County attorney. The IGA will be finalized at the September meeting. There was discussion whether this was enough time for changes. A preliminary budget needs to be presented by Oct. 15th for all governments, so that should work timing wise. It was also stated that the dollar number and not the actual agreement is needed by that date. **Patrick Vaughn made the motion and Councilor Kim Baxter seconded that the RHA Board recommend this IGA and amounts to the elected bodies and to bring back any suggested changes by September 1st. The motion passed with all in favor.**

3. Affordable Housing Local Officials Toolkit

Commissioner Porter-Norton asked for the Affordable Housing Officials Toolkit to be on the agenda and asked if the RHA should apply to be a technical assistance community? She was not sure if applying as the RHA made the application more competitive or not. The consensus was to wait and see what the NOFA says since it isn't yet available.

Shak Powers mentioned Colorado Initiative 108 which will dedicate State revenue to affordable housing. There is a regional proposal that \$150M of the funding be split evenly across Colorado governments and the 2nd \$150M of funding be split based on population. Commissioner Porter-Norton will also send out the information she received on Initiative 108. It was asked if there is a statewide organization for RHAs or housing groups. Eva said that

Housing Colorado is one such organization that local housing groups participate in. There is a conference coming up in October

I. Members Update

1. Bayfield

Katie Sickles reported that the Town is not as focused on housing currently as they are in the midst of budget season. There is construction east of Town and they are looking for partners and commercial partners. They got the East Bayfield annexation added to the TPR construction list, but the right of way is not yet funded. The Haga Annexation is now the Pine River Commons, a high-density possible deed restricted townhome project on the south with commercial on the north adjacent to US 160.

2. Durango

Councilor Baxter reported that Durango is also in budget season and looking to identify the city owned properties that can be used for workforce housing. There is the need to build, but everything is getting so expensive. Councilor Baxter would like to speed up the turnaround time for housing projects, and determine where the barriers are. Durango City Manager José Madrigal is working with Planning and Community Development staff as well as Council on several possible projects. Councilor Baxter is hoping the RHA can help in the future take inquiries and answer questions about funding and other housing resource organizations. There was an over collection of 21' lodgers' tax of around \$650K they expect the same for 2022. They are looking to put a question on the ballot to retain the excess and use for a stated purpose including housing. Kim said that they usually overstate their lodger's tax but have to now ask the voters as part of TABOR requirements. In April 2023, there is a plan to put on the ballot on how to reallocate lodger's tax.

3. Ignacio

Mark Garcia reported that they are working with Timber Age and their housing project is breaking ground. The hope is that Timber Age will be able to build high quality homes priced around \$250-300K. With the current costs of around \$333 sq foot, it is just too expensive to build a lot of homes. Councilor Baxter stated that the median home price in Durango is over \$700K. The City of Durango is looking at some possible annexations to acquire additional properties, and also looking at technical assistance money for development options.

4. La Plata County

Commissioner Porter-Norton and Mike Segrest provided updates which included that the County is hiring a consultant to assess their land use codes and identify areas that could hinder or help move forward affordable housing related projects. The County is focusing on their the 3-mile areas of influence around municipalities. Mike Segrest said they will look at other areas in the County that have the potential for larger development. Commissioner Porter-Norton said that she does not see La Plata County building housing as that needs to happen

organically. The County's revolving loan fund has some money that they hope to continue to fund.

5. Region 9

Shak Powers reported that since 2009, there are many large plats across the region that have been approved through planning processes, there has been no development activity. He is exploring the possibility of creating an IGA with property owners to move these projects forward. Those areas will be cross referenced with the different public works department's maintenance and upgrade plans. The hope is that several of these locations will be able to add infrastructure. There is also work to incentivize a housing manufacturer to move to the area as there is plenty of demand.

J. Adjournment

The meeting was adjourned at 4:05pm. Shak Powers was asked by the group to send out the set meeting dates that have already been scheduled and the planned locations.

Minutes submitted by Laura Lewis Marchino, Shak Powers, and Stephani Burditt

Regional Housing Alliance Board of Directors Meeting

Sept. 19, 2022

1pm to 4pm

La Plata County Administration Building – 1101 E. Second Avenue, Durango.

Board members Present

Eva Henson, Housing Innovation Manager, City of Durango
Kim Baxter, Councilor, City of Durango, Regional Housing Alliance, Chair
Patrick Vaughn, retired from Southern Ute Growth Fund, Member at-large
Mark Garcia, Interim Administrator, Town of Ignacio
Katie Sickles, Administrator, Town of Bayfield
Kristin Dallison, Mayor Pro Tem, Town of Bayfield (remote and in person)
Marsha Porter-Norton, Commissioner, La Plata County
Mike Segrest, Deputy County Manager, La Plata County
Clark Craig, Mayor, Town of Ignacio

Staff/Other Attendees

Lisa Bloomquist Palmer, Homes Fund
Elizabeth Salkind, Housing Solutions of the Southwest
Laurie Roberts, United Way, Stronger Tomorrow
Shak Powers, Region 9 EDD
Laura Lewis Marchino, Region 9 EDD

A. Meeting called to Order

The meeting was called to order at 1:01pm by Kim Baxter, Chair.

B. Introductions and Roll Call

All attendees introduced themselves.

C. Public Comment

There was no public comment.

D. Approval of Agenda

Mayor Craig made a motion to approve the agenda as presented. Commissioner Porter-Norton seconded, and the motion passed unanimously.

E. Consent Agenda

Mayor Craig made the motion to table the consent agenda until the next meeting and Patrick Vaughn seconded the motion. Reasons for the tabling included that there were typos and errors in the minutes, and questions regarding the financial report. There was a comment on the Profit and Loss sheet from Region 9's Comptroller questioning the transfer of savings to show as income on the profit and loss statement. Councilor Baxter said that the move of an asset (reserve) into revenue was agreed to by the Board earlier this year in order to provide income and to be able to consider what

expenses/payroll was possible. Mark Garcia will follow up with Region 9 regarding this question. **The motion passed unanimously.**

F. Decision Items

1. Funding IGA

Commissioner Porter-Norton presented a draft final IGA to the group that she, legal, and Mike Segrest worked on and included some feedback on the need for a scope of services. Mayor Craig said that the Ignacio Town Board pushed back a bit on the \$15K entry under 2.2.1 (project funding) and whether it was a firm ask. The concern was around “what project” would the funds be used for. There was discussion that the language could be changed to say, “if a project comes up”, and there was discussion whether that amount could be paid later if needed? Mike Segrest said the intent is for the IGA to be approved by all parties and also provide support for project costs. Katie Sickles said that Bayfield has not yet discussed the IGA as a Board. There was discussion on several options such as whether project funding should be taken out of the IGA, or if additional wording needed to be added that projects should be identified first. The issues of timing with everyone’s budget were discussed. Counselor Baxter said Durango can make budget changes when needed and plans to bring up the IGA in a study session. Eva Henson asked if there was room in the RHA budget to allocate some of their own RHA funds for projects if that would be cleaner. Commissioner Porter-Norton suggested using the existing allocations to fund projects or set up some not to exceed criteria. **Mike Segrest made a motion to remove 2.2.1 for the purposes of the initial IGA. Mayor Craig second the motion.** There was discussion that an amendment to the IGA can be added later. Patrick Vaughn said the \$60K number was an estimate and what is needed could also change. Mark Garcia mentioned the Catalyst Fund being established by the Alliance and asked whether RHA could work through that fund on projects. **Councilor Baxter as Chair, asked for a roll call vote. Laura Lewis Marchino called out the name of each Board member in attendance. All members were in favor of the motion to remove 2.2.1 from the IGA.**

H. Discussion/Updates

1. Financial Review Update

Laura Lewis Marchino reported that the Financial Review was underway, and Jessica Laitsch was working closely with Frederick Zink and Associates since she manages the financials. The Review will cover 4 years. Laura Lewis Marchino was hopeful that the Financial Review would be presented at the October meeting. There was also discussion that a draft budget needs to be presented at the next meeting. Councilor Baxter said that there are two budget scenarios currently being worked on. This item will be placed on the next agenda.

2. Grants Discussion

Commissioner Porter-Norton asked for this item to be placed on the agenda as there are so many funding sources becoming available, that she felt communication was important to leverage available funding and not duplicate proposal. She mentioned that the County has applied for Innovative Housing Funds through DOLA and asked if others had also applied. The County’s request is for @\$3 million to work with the Westside Mobile Home Development and

further fund their microloan program. Eva Henson said that DOLA received 54 applications totaling \$18.5 million. The City of Durango also applied for funding totaling about \$5 million. The application included 4 projects including the Best Western Hotel for \$1.5 million, three Springs Infrastructure at \$3 million, and a request from Fort Lewis College for a \$600K fee offset. Mike Segrest said that the County has a \$3 million for affordable housing development on La Posta Road. Patrick Vaughn asked if anyone knew about the total ask of all applications that went in and the total pool of money. It was stated that Round 1 had @18 million and that this is the second round which required shovel ready projects. Eva Henson said only governments were eligible to apply. Katie Sickles said Bayfield applied for \$1.4 million in infrastructure needed for Cinnamon Heights and Ignacio applied for \$1 million for Rock Creek infrastructure. Mark Garcia reported that Ignacio was successful with a CHFA technical assistance grant that will help them prepare for the DOLA grant. Durango is looking at inclusionary zoning and compliance with state law (\$6 million appropriated to this fund for planning). Commissioner Porter-Norton said the discussion was very helpful and the number of applications definitely demonstrates the need. Councilor Baxter requested that grant updates to be a standing agenda item for a while. There were no objections. Counselor Baxter said they the group could really use a matrix that everyone can fill out for all their funding projects. Patrick Vaughn agreed to put something together and distribute to the group.

3. Admin Support

Counselor Baxter said at the last meeting, Region 9 brought up whether an administrative change was needed with Jessica Laitsch leaving her position. She said that both she and Commissioner Porter-Norton have talked with Region 9 since that time and that with everything else on their plate, including the integration of the SWCCOG, the RHA would like to see if the La Plata Economic Alliance would serve in an administrative capacity. The Alliance also has an office at the Durango Chamber building for @\$350 a month that the RHA could utilize for their Director if needed. The Alliance covers La Plata County is business focused and has listed housing as their number one priority. Mayor Craig asked for some background as to why the SWCCOG was administering the RHA. The group summarized that when the RHA went dormant it was placed under the SWCCOG as it was a government entity and there was a contract to keep the organization in compliance until basically, the member governments wanted to utilize it. There was expected to be a shift in administrators once the RHA got staffing. **Mike Segrest made a motion to authorize Counselor Baxter and Laura Lewis Marchino to work on a draft agreement with the Alliance for the next meeting. Kristin Dallison seconded the motion that passed with all in favor.**

I. Members Update

1. Bayfield

Katie Sickles reported that the Town will and contract with KRW to conduct a search for a new Town Marshall. Heritage Days is this coming Saturday with the running of the sheep and an overall great community event.

2. Durango

Eva Henson told the group that the City has approved code amendments that will reduce restrictions on new ADUs, and the City is now offering a program incentivizing the construction of these units. The hope is to also get “illegal” ATUs in compliance. There are grants up to \$8K and the City has 40 inquiries regarding the program thus far. Development fees for an ATU run between \$7K-\$11K so the grant is in the middle of what most people are looking to do. Patrick Vaughn was interested in enforcement of illegal units and Councilor Baxter said that enforcement is by report. She mentioned the Crestview neighborhood only allows single family homes and it is up to the neighborhood to enforce that. The new zoning permits may allow it, but the deeds would not. Commissioner Porter-Norton said that it was disheartening to see all the negative emails regarding ATUs when the neighborhood has large sized lots that would lend well to ATUs. Mayor Craig asked how the rebate was funded. ARPA funds are being used for 2022 and into 2023 as and it is a pilot program they would like to be successful. ARPA funds are also funding the Housing Division which Eva Henson is managing.

3. Ignacio

Mark Garcia reported that they are working on a TA grant with CHFA, and third time is the charm for getting a conceptual plan for Rock Creek. They are working on a model home build with Frank Sinton and Timber Age which would proof out housing concepts on “to be annexed” property and move into Rock Creek project. The County waived fees for the annexation hearing impact report. The model homes are going on the corner where the slaughterhouse property and Ignacio south property. The model homes on a small corner of it. They are also looking at a IHOP grant and look at future design support. Working on budget and in discussions with the Southern Ute Indian Tribe regarding more housing on the Ignacio South property. Mayor Craig said that Ignacio is having quarterly meetings with the Tribal Council and looking at the possibility of a land trade giving them more usable land. They floated the idea of a repurchase from 2008. They are looking at the former Ignacio Elementary property L-high property at some point...that is currently housing Hope Christian School, a gym and small businesses but the facility has lived its useful life. It is also the 100th Anniversary of the S. Ute Fair which several of the group said had great local and state representation in the parade.

4. La Plata County

The County has launched the LPC Workforce Assistance Program with the Alliance, Durango, and First SW Bank which provides microloans loans up to \$500 for housing including for first and last month’s rent and security deposit. Just started getting applications but need to set up the Committee to help screen applicants. Commissioner Porter-Norton reported a “lime green” light for reallocation of lodger’s tax per HB22-1117 reallocation 90% of our 2% lodger’s tax. Will be looking at that more closely. The County also has an employee mortgage assistance program of \$8K and looking to increase that amount with Homes Fund. Mike Segrest said there is \$25K in the budget for the RHA this year. **Mark Garcia made the motion**

and Katie Sickles seconded that the RHA invoice the County for \$25K. The motion passed unanimously.

J. Executive Session

An Executive Session for the discussion of personnel matters under C.R.S. Section 24-6-402(4)(f) specifically for two Candidate interviews was called at 2:20pm. Katie Sickles read the statute regarding the purpose of Executive Session. **Katie Sickles made the motion and Mayor Craig seconded the motion to go into Executive Session. A roll call vote was requested. All voted in favor.**

Present in the meeting were Mayor Craig, Mark Garcia, Commissioner Porter-Norton, Patrick Vaughn, Kristin Dallison, Shak Powers, Laura Lewis Marchino and Counselor Baxter.

The Executive Session was adjourned at 3:36pm.

Councilor Baxter stated that no decisions were made in Executive session. "I hereby attest that this recording reflects the actual contents of the discussion at the executive session and has been made in lieu of any written minutes to satisfy the recording requirements of the Open Meetings Law. The recording will be retained for a 90-day period. For the record, if any person who participated in the executive session believes that any substantial discussion of any matters not included in the motion to go into the executive session occurred during the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, I would ask that you state your concerns for the record."

K. Discussion of Next Steps

Commissioner Porter-Norton opened discussion as a member of the Hiring Committee. Summary of board comments included:

- Do not feel we have a candidate to forward as a finalist.
- There was no motion to forward either candidate feeling that there isn't the level of action orientation with we may need. If that is the vote of the Board, we can 1) readvertise or 2) revisit what we want.
- Patrick Vaughn felt that if we readvertise, we need to include benefits and a moving package. Councilor Baxter did not want to keep the position open until filled.
- Katie Sickles asked if there was a way to create the RHA in the Alliance. Can we have a discussion with their board. They already serve La Plata County and could serve as staff support.
- Eva Henson mentioned they are already working on the Catalyst Fund.
- Patrick Vaughn said they could implement the RHA housing plan and we can provide funding to support that.
- Commissioner Porter Norton and others liked that the Alliance already has a 3-year Workforce Housing Strategy.
- Mayor Craig liked the employee on loan idea.

Commissioner Porter-Norton made the motion for Councilor Baxter to follow up with the La Plata Economic Alliance regarding administration of the RHA and explore possible staffing to fulfill RHA workplan and the Alliance Housing Strategy. Patrick Vaughn seconded the

motion. Councilor Baxter as Chair requested a Roll Call vote. Laura Lewis Marchino called out the names of all members in attendance and the motion passed with all in favor. The discussion will happen prior to the October 6th meeting with hopefully a draft contract available to review.

The Board requested Mayor Craig to follow up with Mark Garcia and Commissioner Porter-Norton to follow up with Mike Segrest regarding the interview outcome.

L. Adjournment

Mayor Clark made the motion to adjourn the meeting. Patrick Vaughn seconded the motion which passed with all in favor. The meeting was adjourned at 4:10pm. The next meeting was moved from October 6th, scheduled in Bayfield, to 1pm on Monday, October 10th at the La Plata Administration Building.

Minutes submitted by Laura Lewis Marchino

Regional Housing Alliance of La Plata County
Balance Sheet
As of August 31, 2022

	Aug 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Operating Funds (Unrestricted)	
1000 · Operating Account	240,411.72
Total Operating Funds (Unrestricted)	240,411.72
Total Checking/Savings	240,411.72
Other Current Assets	
1400 · Prepaid Expenses	
1400.1 · Prepaid Liability	659.00
Total 1400 · Prepaid Expenses	659.00
Total Other Current Assets	659.00
Total Current Assets	241,070.72
TOTAL ASSETS	241,070.72
LIABILITIES & EQUITY	
Equity	
2052 · Assigned Net Assets	(561.33)
2053 · Unrestricted Net Assets	11,721.63
Net Income	229,910.42
Total Equity	241,070.72
TOTAL LIABILITIES & EQUITY	241,070.72

Regional Housing Alliance of La Plata County
Profit & Loss Budget vs. Actual
 January through August 2022

	Jan - Aug 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3215 - EIAF Released from Restricted	251,049.57	200,000.00	51,049.57	125.5%
3000 - Unrestricted Revenues	3,000.00			
3216 - SIPA Digitization Grant	76.26	250.00	(173.74)	30.5%
3121 - Interest Income - Bank Accounts				
Total 3000 - Unrestricted Revenues	3,076.26	250.00	2,826.26	1,230.5%
Total Income	254,125.83	200,250.00	53,875.83	126.9%
Expense				
4010 - Advertising	1,552.74	888.00	(664.74)	0.0%
4062 - Computer Hardware & Software	0.00	1,592.00	(1,592.00)	58.3%
4080 - Liability Insurance	922.67			
4315 - Professional Services				
4327 - Prof'l Services - Digitization	3,000.00	22,800.00	(19,800.00)	66.7%
4398 - Prof'l Services - Admin Fee	15,200.00	6,000.00	(9,200.00)	0.0%
4085 - Prof Serv Audit Fees	0.00	11,000.00	(11,000.00)	4.9%
4322 - Prof'l Services- Legal Fees	540.00	160,000.00	(159,460.00)	0.0%
4315 - Professional Services - Other	0.00			
Total 4315 - Professional Services	18,740.00	199,800.00	(181,060.00)	9.4%
6240 - Miscellaneous	3,000.00	1,000.00	2,000.00	300.0%
Total Expense	24,215.41	203,270.00	(179,054.59)	11.9%
Net Ordinary Income	229,910.42	(3,020.00)	232,930.42	(7,612.9)%
Net Income	229,910.42	(3,020.00)	232,930.42	(7,612.9)%

Regional Housing Alliance of La Plata County
Balance Sheet
As of September 30, 2022

	Sep 30, 22
ASSETS	
Current Assets	
Checking/Savings	
Operating Funds (Unrestricted)	
1000 · Operating Account	236,211.72
Total Operating Funds (Unrestricted)	236,211.72
Total Checking/Savings	236,211.72
Other Current Assets	
1400 · Prepaid Expenses	
1400.1 · Prepaid Liability	659.00
Total 1400 · Prepaid Expenses	659.00
Total Other Current Assets	659.00
Total Current Assets	236,870.72
TOTAL ASSETS	236,870.72
LIABILITIES & EQUITY	
Equity	
2052 · Assigned Net Assets	(561.33)
2053 · Unrestricted Net Assets	11,721.63
Net Income	225,710.42
Total Equity	236,870.72
TOTAL LIABILITIES & EQUITY	236,870.72

**Regional Housing Alliance of La Plata County
Profit & Loss Budget vs. Actual
January through September 2022**

	Jan - Sep 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
3215 - EIAF Released from Restricted	251,049.57	200,000.00	51,049.57	125.5%
3000 - Unrestricted Revenues	3,000.00			
3216 - SIPA Digitization Grant	76.26	250.00	(173.74)	30.5%
3121 - Interest Income - Bank Accounts				
Total 3000 - Unrestricted Revenues	3,076.26	250.00	2,826.26	1,230.5%
Total Income	254,125.83	200,250.00	53,875.83	126.9%
Expense				
4010 - Advertising	1,552.74	888.00	(888.00)	0.0%
4062 - Computer Hardware & Software	0.00	1,582.00	(659.33)	58.3%
4080 - Liability Insurance	922.67			
4315 - Professional Services				
4327 - Prof'l Services - Digitization	3,000.00	22,800.00	(5,700.00)	75.0%
4398 - Prof'l Services - Admin Fee	17,100.00	6,000.00	(6,000.00)	0.0%
4005 - Prof Serv Audit Fees	0.00	11,000.00	(10,460.00)	4.9%
4322 - Prof'l Services - Legal Fees	540.00			
4388 - Prof'l Services - FSA	2,300.00			
4315 - Professional Services - Other	0.00	160,000.00	(160,000.00)	0.0%
Total 4315 - Professional Services	22,940.00	199,800.00	(176,860.00)	11.5%
6240 - Miscellaneous	3,000.00	1,000.00	2,000.00	300.0%
Total Expense	28,415.41	203,270.00	(174,854.59)	14.0%
Net Ordinary Income	225,710.42	(3,020.00)	228,730.42	(7,473.9)%
Net Income	225,710.42	(3,020.00)	228,730.42	(7,473.9)%

Section F – Decision Items



3-Year Workforce Housing Investment Strategy



PREPARED BY

Cappelli Consulting
Project Moxie



COMMISSIONED BY

La Plata County Economic
Development Alliance

Investment strategy orientation & contents

This housing investment strategy prioritizes the key steps necessary to maximize the creation of housing affordable to the local workforce across La Plata County. The overarching strategy addresses rental housing, homeownership, a concerted effort to initiate a large-scale housing development, the preservation of existing affordable housing options, and the creation of a local housing fund. Successful execution of the strategy will require coordinated action across jurisdictions and between the public and private sectors.

Overarching Recommendations

La Plata County and its local governments need to be intentional about creating below-market housing wherever possible. We are defining below-market housing as all housing that is created and delivered to the consumer that is below the existing market prices. Increasing housing supply may eventually soften prices, but in a new post-COVID world, markets have shifted and communities cannot assume that more housing necessarily means less expensive housing.

Furthermore, water scarcity and infrastructure capacity issues will eventually require local governments to prioritize what housing projects should have access to infrastructure. As such, **each government should consider setting a goal of creating a specific number of below-market housing units through the private sector development pipeline by providing direct subsidy. This is often referred to as a “buydown program.”**

Priority housing strategies

This summary provides an overview of the different

1. Develop and implement a local housing trust fund to support below-market housing.

6. Ongoing Education and Advocacy

1. Continue and expand efforts for broader community engagement in housing initiatives.

Current housing initiatives

Fortunately, housing work throughout La Plata County has been underway for some time and there are many existing policies, programs, and initiatives that have been very successful. The following chart shows existing initiatives and initiatives under consideration by local governments and housing agencies:

HOUSING RESOURCES

Dedicated fund
Federal, state and privately funded initiatives and ARPA
As-needed general fund
Public land
Fee waivers

HOUSING EDUCATION & ADVOCACY

Working groups
Homebuyer education & counseling

POLICIES & PROGRAMS

Fair Share
Employee program
Expedited review

Coordination & funding

Coordination plan

The success of this overarching 3-Year Workforce Housing Investment Strategy is predicated on the coordination of policies and resources around each strategy component.

The Regional Housing Alliance is currently defining its role, which will likely include some level of coordination among the regional governments. Emphasis here is on the opportunity for much broader coordination to increase affordable and workforce housing initiatives that lead to more units being built while engaging public and private employers, nonprofit organizations, private [funding](#) and philanthropy. The consulting team suggests establishing a cross-sector housing committee that would meet regularly to review progress on this plan and mold strategies responsively as more state and federal funding becomes available in the coming months.

The team believes that coordination efforts could fit neatly into three different arenas:

- 1. Regional Housing Alliance (RHA):** this agency is best positioned to (1) coordinate local government technical assistance, (2) track a countywide project pipeline and request for requests for competitive federal and state programs, and (3) implement a long-term funding source for housing initiatives in La Plata County. RHA is working on creating additional capacity by hiring an executive director to manage several activities, including grant writing to support member projects, assist in sponsoring, [funding](#) or providing development services for projects, and providing technical assistance through shared contracts with third-party consultants when possible.
- 2. Housing Coalition:** The second coordination effort is yet to be developed, but there is the opportunity and a need for a grassroots coalition to help guide this work. This coalition could be composed of community members committed to ongoing education and advocacy work, and who will help push local leaders to implement the Three-Year Workforce Housing Investment Strategy and additional bold actions in response to this dynamic funding environment. Through the interview process, we did hear about new efforts to establish a housing coalition. Existing nonprofits provide some [advocacy](#) but it is not formalized or coordinated. A more formal coalition will likely be developed organically [as a result of](#) future conversations regarding a dedicated housing trust fund later this year.
- 3. La Plata County Economic Development Alliance:** The Economic Development Alliance is uniquely positioned to coordinate local employers and the private sector for specific initiatives and

focus on providing predevelopment funding and technical assistance in support of both private and public sector initiatives.

We recommend that RHA and the Economic Development Alliance formalize their coordination with each other and co-manage a cross-sector committee that meets quarterly to review progress on this plan, coordinate new efforts and identify funding as opportunities emerge over the next three years.

Overall funding strategy

There are three primary funding sources for creating workforce housing in La Plata County:

- 1. Local government funds** such as general funds, local infrastructure funding, American Rescue Plan Act (ARPA) funding, Durango's Fair Share fee-in-lieu receipts, Twin Buttes and Three Springs Affordable/Attainable housing fees. Local ARPA funds should be prioritized to create immediate capacity for housing projects and initiatives, support predevelopment, match requests for funding to the state for housing projects, cover the costs of fee waivers and offsets and provide infrastructure to new developments in exchange for below-market housing.
- 2. Private funds** from sources such as the Local First Foundation, employer-funded initiatives, local philanthropy etc. Employers are a significant resource and should be engaged in implementing these strategies. The Local First fund and local employers have already invested more than a million in housing activities and many others have indicated interest in providing land, programs and additional resources. Private funds can help initiate new projects by financing predevelopment, assisting with creating capacity, providing sites for development, funding mortgage assistance programs and providing rental assistance or housing subsidies while units are being developed over the next few years.
- 3. State and federal housing funding** such as the Low Income Housing Tax Credit (LIHTC) program, grants and low interest loans, \$90M State Housing Trust Fund, State ARPA funds. State programs leveraging ARPA funds need to be expended by 2026, giving the local community less than four years to access these additional resources.

State ARPA	
Revolving Loan Fund	\$150,000,000

Existing State Housing Fund	
General fund	\$9,200,000

Grant	Marijuana tax	\$15,300,000
Innovative housing (manufactured)	Vendor fee	\$55,000,000
Resident Owned Communities (ROCs)	Tobacco tax	\$11,100,000
Workforce Housing Trust Authority	Total	\$90,600,000
Total		

These funding sources will each have specific guidelines and requests for applications throughout the year with deadlines.

To track these opportunities please visit:



We recommend adhering to the following guidelines for local investments in below-market housing opportunities.

While local governments are currently allocating Private Activity Bond (PAB) resources and providing support for LIHTC applications, directly funding infrastructure, providing fee waivers and offsets, funding predevelopment activities and providing gap funding for projects, we recommend that they formalize their funding strategies. It is important that funding availability is predictable so that underwriting criteria between different funds can be consistent whenever possible. This document provides a framework for local governments to design their own programs based on funding needs by project type and funding availability at the state level.

State and federal funding should be prioritized to create housing now. Even though funds can be used for land banking, there are enough opportunities in the existing development pipeline (over 1,600 units) to buydown units immediately and to start alleviating the housing crisis.

Below is a table showing
a high-level overview of
funding sources

available and the eligible

uses for each:

LTD = some limited funding may be available

Predevelopment gap: The table on the previous page illustrates that there is a significant gap between what is needed to support predevelopment and project feasibility work across the county and current funding availability. One of our primary strategies is the housing Catalyst Fund, which is positioned to fill this gap but will need funding from public and private sources to fill this gap at scale over the next three years. The Catalyst Fund is described in greater detail [HERE].

Infrastructure funding gap: The next big funding gap is in providing resources to cover infrastructure costs. Although there is significant conversation and interest in using public funds to offset infrastructure costs, outside of Bayfield's program and Durango's URA efforts, there is not a broad or consistent program in place. The team recommends developing a program through at least one regional effort to increase below-market housing through a land development initiative [HERE].

Development funding gap: The third gap that needs to be filled by local governments is supplemental funding to cover the costs of developing homes. There should be a consistent program for each government that provides guidelines for how projects can receive funding, what the expectations are when receiving funding and identifying ongoing funding sources for these "buydown" initiatives. Initially, ARPA funds could be used to provide this subsidy but over time it should be the goal of RHA and its partners to develop a dedicated funding source to provide these resources consistently into the future.

Land acquisition funding gap: Funds can be used to acquire land but only after existing project options have been exhausted and additional land is deemed necessary to fill market demand in the next 5-10 years.

Preservation funding gap: Funds should be used to preserve existing units as well as develop new housing opportunities. The community should strike a balance between these [activities](#) or it will find an increase in displacement for the most vulnerable and lowest income community members which oftentimes are the minimum wage earners in our communities.

To find funding opportunities for a specific development project the CHFA Developer's Guide has an interactive tool to find resources that meet specific needs: <https://developers-guide.chfainfo.com/funding-sources-inventory>.

Measuring outcomes

In 2007, the Regional Housing Alliance hired a consultant to develop a model for measuring the gap between what a household can afford and what was then available on the market. This tiered income affordability matrix was used to develop a second mortgage program for the HomesFund. This analysis, included below, is still conducted annually to determine gap needs and appropriate second mortgage amounts and is provided below to set the context for current homeownership gaps in the community.

2022 Tables (updated annually)

Household Income Tiers	Max AMI	1	2	3	4
Tier 1	80%	\$54,950	\$62,800	\$70,650	\$78,450
Tier 2	95%	\$65,253	\$74,575	\$83,897	\$93,159
Tier 3	110%	\$75,556	\$86,350	\$97,114	\$107,869
Tier 4	125%	\$85,859	\$98,125	\$110,391	\$122,578
Maximum Affordable Price					
Price Tiers		0-1 BR	2 BR	3 BR	4 BR
Tier 1	80%	\$156,100	\$170,500	\$214,000	\$228,700
Tier 2	95%	\$212,100	\$234,500	\$294,100	\$321,500
Tier 3	110%	\$268,100	\$234,500	\$294,100	\$414,300
Tier 4	125%	\$324,100	\$362,500	\$454,000	\$507,100

The consulting team used the same income tiers as those above to determine affordability for rental housing. The analysis below does not include rental units developed for 60% AMI households under the LIHTC programs as these projects are primarily funded by state and federal resources. The first section in the table below shows rental prices that would be affordable to each income tier, and the second section shows the per-unit development cost gap that remains after calculating the debt that can be borrowed based on rent levels and operating income.

Max Affordable Prices for Rental	Max AMI	1	2	3	4
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Price Tiers		0-1 BR	2 BR	3 BR	4 BR
Tier 1	80%	\$1,472	\$1,766	\$2,041	\$2,276
Tier 2	95%	\$1,748	\$2,097	\$2,423	\$2,703
Tier 3	110%	\$2,024	\$2,428	\$2,806	\$3,130
Tier 4	125%	\$2,300	\$2,759	\$3,189	\$3,556
Per Unit Development Gap Based on Affordable Rents*					
Price Tiers		0-1 BR	2 BR	3 BR	4 BR
Tier 1	80%	(\$88,670)	(\$165,123)	(\$243,175)	(\$287,750)
Tier 2	95%	(\$47,108)	(\$113,971)	(\$185,629)	\$321,500
Tier 3	110%	(\$6,347)	(\$66,016)	(\$126,484)	(\$158,271)
Tier 4	125%	—	(\$16,462)	(\$68,938)	(\$94,331)

To evaluate the success of the 3-Year Workforce Housing Investment Strategy, it is important to understand the baseline numbers of new and preserved affordable housing units expected over the next three years, and estimate how adherence to this plan can increase the number of below-market units in the community.

Approximately 170 affordable rental units—LIHTC funded—are in the pipeline. This affordable housing pipeline assumes the creation of units for households below 60% of AMI and the use of tax credits and private activity bonds to finance the development. With these types of projects, the funding gap per project ranges \$35,000-\$75,000 per unit.

Workforce rental housing, or 1-2 bedroom units from 80% AMI to 125% AMI, in the current market would require around \$72,000 of subsidy per unit based on the gap model on the previous page and current construction prices (see page 37 for a detailed gap analysis). For instance, if the community wants to increase the current pipeline by 10%, approximately \$1.4M of additional subsidy will be required. Workforce rental housing models have not been executed yet, and will be piloted with Fort Lewis College this year (50-70 units).

The HomesFund anticipates 90 affordable homeownership opportunities through their mortgage programs over the next three years. FLC's new initiative (15 mortgages), Bayfield's efforts at Cinnamon Heights (30 units), and the City of Durango's programming (60 deedqualified units) over the next 3 years would create 195 homeownership opportunities in total. The average subsidy required to create affordable homeownership opportunities is nearly \$200k per home. Increasing this existing pipeline by 10% would require approximately \$3.5M of additional subsidy.

Planning for a coordinated land development initiative that will provide an estimated 300 additional units of rental and for-sale housing is a significant undertaking that will need the combined resources of local and state governments as well as support from the private sector. If the community wanted to provide more than 300 units, we estimate a per-unit subsidy that averages the amounts needed for rental and for-sale units, resulting in a \$134,000 per unit cost.

La Plata County is actively supporting nonprofit mobile home park preservation efforts which are also reflected in unit counts for the next three years on the chart on the next page. Costs for acquisition per unit/lot is \$118,000. What is not included on the chart are costs for park improvements and lot replacements. We do not have cost estimates, but wanted to create a placeholder and highlight that this will be a funding need in the near future.

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	\$7,975,000	\$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
Total New Units/Mortgages	715	—	\$88,635,000	—	—	—
Total Units Preserved	120	—	\$9,360,000	—	—	—

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.

How we got here

Project background

A **five-county housing needs assessment** conducted by Root Policy and published in the summer of 2021 serves as the most recent comprehensive dataset on housing needs for La Plata County. It provides important context on broader regional trends, too—many of which are relevant to members of the La Plata County workforce residing outside of La Plata County who commute in to their places of work. Some key takeaways from the report that are relevant to this strategy are:

- La Plata County will need 570 new permanent units and 45 seasonal surge beds in the next three to five years to accommodate workforce growth and address some of the county’s unmet housing needs.
- Over the last decade, La Plata County has seen a decline in families with children and an increase in senior adults moving to the area.

- A significant amount of the region's forecasted demand falls in La Plata County.
- There is significant housing need for the "missing middle"— those earning 80-120% of area median income (AMI).

While the data collected in the 2021 assessment is not without flaws, it points to a clear and urgent need for additional units often deemed "workforce housing," referring to housing for those earning moderate incomes—approximately 80-120% of area median income (AMI)—and who comprise much of the area's workforce. These earnings are too high for subsidized housing opportunities such as vouchers, and too low to afford current options on the open market.

Methodology

The Project Moxie and Cappelli Consulting teams kicked off this engagement in early October of 2021 by undertaking an "environmental scan," which is an in-depth interview and research process to better understand the local context and inform the strategic planning effort. To accomplish this, the team reviewed existing plans and documents, conducted one-on-one interviews with key stakeholders in the local community, and solicited opinions about challenges and opportunities to increase housing for the local workforce.

To support these efforts, the team worked closely with the La Plata County Economic Development Alliance, the organization that commissioned this study, to develop an advisory committee (deemed the "Kitchen Cabinet") and identify key stakeholders to interview as part of the environmental scan.

Throughout the project, the team held numerous Kitchen Cabinet advisory meetings; developed and administered a survey on housing with local employers (takeaways are included in the appendix of this document); facilitated a luncheon discussion on employer-sponsored housing initiatives; reviewed identified parcels for development readiness and feasibility; reviewed data on housing needs; and narrowed in on key stakeholders whose activities relate to housing activity in La Plata County. These targeted stakeholder conversations led to a more complete understanding of what housing activities are happening now and what's in the near-term pipeline throughout the county allowing for opportunities for synergy and partnership to emerge.

Finally, in April of 2022, the team hosted two community engagement events (one for key stakeholders and another for the general public) wherein the proposed strategies were presented and time was allotted for feedback and questions. These meetings played a pivotal role in identifying strategy implementers and aligning on the key recommendations contained in this report.

How we got here

Methodology

Coordinate the allocation of Private Activity Bonds through a regional agreement

Private Activity Bonds (PABs) are a public funding resource that is allocated to La Plata County and the City of Durango by the State of Colorado. The Colorado Division of Housing (DOH) also allocates separate PABs in a statewide pool. This resource alone is not adequate to fund projects but combined with the 4% Low Income Housing Tax Credit (LIHTC), it is a powerful tool to support larger affordable rental developments. The PAB allocation process for housing is managed by the Colorado Housing and Finance Authority (CHFA) and the Colorado Division of Housing (DOH). Local governments have the choice to allocate PABs to a local project or assign them back to CHFA to support affordable housing statewide.

The community has a track record of coordinating PAB allocation with the first housing project in 2019; the use of PAB allocations to preserve Tamarin Square Apartments (68 units of low-income senior and disabled housing) was a significant win for the local community. In 2022 the community again coordinated PAB allocation for use by TWG development in its efforts to convert the Best Western into affordable housing through a PAB/4% LIHTC funding model. The team is hopeful that there will be more opportunities to use this limited resource to either preserve or promote rental housing projects, and also expects pressure from out-of-area developers and projects who have the ability to ask local governments to transfer their PAB cap to projects on the Front Range in Colorado. The consulting team recommends as a powerful yet simple action that the City of Durango and La Plata County coordinate their allocations annually by using a shared process for inviting applications from project developers, and jointly evaluating and selecting projects to increase resource leverage for both entities. As part of the appendix to this report the team is providing a draft template for coordinating PABs for future years.

Coordinate countywide support of housing projects applying for tax credits, prioritizing those with community sponsors and those which assist in recruiting developers for specific projects

Low Income Housing Tax Credits are the most widely used subsidy for affordable housing rental development in the country. Annually, this tool produces thousands of units of affordable housing in Colorado. Every year, the federal government allocates credits to the state to distribute through a competitive process to projects. These projects are typically between 30 and 150 units and must restrict rents to certain income levels for 30-40 years, depending on their financial model. The 9% LIHTC model provides anywhere from 50% to 75% of the required equity for a project. Development partners are allowed between 10% and 15% of development costs as a fee for providing the units. Communities benefit from well designed, affordable rental communities and investors receive a double-digit federal tax write-off. Because of these enormous benefits, LIHTC is a competitive program and is oversubscribed 4:1 in Colorado. The good news is communities have some control over the allocation process because CHFA, the allocating agency, gives significant weight to support from local communities and local governments for specific projects.

In our interviews for this report, we heard interest in using the 9% credit from several key players, which led us to recommend that local communities coordinate a development pipeline for the LIHTC program. Because we are in a rural region, we can expect to receive one 9% allocation every two to three years. There are strict requirements about local market demand, and with the LIHTC program being in high demand, many of the resources are allocated to the large population centers in Colorado. By coordinating a local LIHTC pipeline, the community will help prevent competition among local projects, can clearly support a project (giving it a competitive advantage), and will inevitably end up with higher quality projects and more community benefits for the projects that are funded.

Enact uniform local government policies for workforce housing fee waivers

In our interviews, we learned that many local governments were providing some kind of fee waiver or fee offset for below-market or affordable housing. This has very positive impacts, and our recommendation suggests building on the public goodwill generated by this activity and improving upon this practice in multiple ways:

- Formalize the practice at the local level. Which fee offsets are available for which types of units, and what is expected in return for that waiver or fee offset? Bayfield has some very straightforward fee waiver practices in place that could provide a good template for other communities.
- Budget for fee-offset program costs based on the projected development pipelines or funding available.
- Fee offsets are critical to projects applying for competitive funding like LIHTC allocations; having a set program for waivers or offsets will make local applications much more competitive and will create a smoother process for the development team.

Fee waivers and/or offsets have been funded in a variety of ways in other communities: (1) by establishing a local funding source versus reliance on local government's general fund, (2) through state grants like CDBG, and (3) through subsidies provided by local governments' infrastructure funds. To simplify paperwork and add capacity for all local governments, the Regional Housing Alliance might consider coordinating funding applications to the Department of Local Affairs for funding for infrastructure and fee waivers.

Establish a Housing Catalyst Fund to support non-tax credit rental projects with predevelopment costs

Predevelopment funding is the first funding for any project and also the riskiest funding. Predevelopment funding programs offer financing to cover a variety of development expenses—sometimes referred to as “soft costs”—incurred while determining the feasibility of a particular project, such as costs of preliminary financial applications, legal fees, architectural and engineering fees, and other exploratory work.

Obtaining financing for these costs is difficult in good economic times and impossible in challenging times. A number of state and local governments have developed predevelopment loan programs to cover these expenses, thereby facilitating and expanding development of below-market housing. Our team has spent two decades doing predevelopment work and seeking predevelopment funding for projects throughout the Southwest. Our experience is that when a local community, agency or local government provides predevelopment resources, they have more influence over the project's design and most importantly, can help a “stuck” project move forward and determine feasibility. One of the “best practice” models for predevelopment is the Section 4 program, a federal initiative under the Department of Housing and Urban Development. Section 4 funds are awarded competitively across the country to help projects with early feasibility and due diligence work. The challenge with Section 4 is that it is underfunded and only five to seven projects in Colorado receive funding each year.

Section 4 was a primary funding source in the early days of developing the Regional Housing Alliance and the subsequent creation of the ~~HomesFund~~.

The consultant team recommends that the Economic Development Alliance launch a Housing Catalyst Fund (Catalyst Fund). This would adopt the best practices of the Section 4 program while providing more resources to launch several projects throughout the county. The team recommends the following structure for the Catalyst Fund:

The Catalyst Fund would be administered by the Economic Development Alliance team and its consultants. The Catalyst Fund would be directed by a steering committee of representatives from the four governments (staff or elected), RHA, a local employer, a local nonprofit, a local bank, and a member of the Economic Development Alliance board. The Catalyst Fund will launch with a focus on rental housing, but could be used for any housing projects in the near future.

This steering committee would approve funding guidelines, review applications to the fund, and approve funding allocations. It is anticipated that this committee would meet monthly to launch this fund by July 2022 and then would shift to meeting every other month.

The team recommends that the Catalyst Fund be capitalized with up to \$1,000,000 in the next 12 months with the following funding sources: local government contributions (ARPA), Funds from private sector (Local First Foundation and/or local employers), and a possible grant from DOH (requirements forthcoming this summer).

This fund would provide at least three levels of support for potential projects:

- **Predevelopment grants of up to \$25,000:** These grants could be used to cover the costs of ~~thirdparty~~ studies, hire a development consultant, or hire a technical consultant to assist with early feasibility assessments. Eligible applicants include local nonprofits, private developers, and local governments. These smaller grants are targeted toward projects of less than 30 units, nonprofit partners, and/or rural projects.
- **Predevelopment grants of up to \$75,000:** These grants could be used to cover the same costs as above, but projects must be larger in scale (31 units or greater).
- **Predevelopment grants up to \$150,000:** Given this level of funding, the applications would be more competitive and would require a higher threshold for demonstrating a readiness to proceed. Project underwriting would be provided by the Economic Development Alliance consulting team. The goal of these grants is to catalyze large- scale projects over the next several years.

The Catalyst Fund committee would act as an advisory committee and would confirm each program application and assist with application review and overall program development. With this mix of funding supports it is anticipated that the Catalyst Fund could support five to seven projects annually. Currently, the Economic Development Alliance has secured \$120,000 for this initiative and anticipates launching the committee in June of 2022 with a first funding opportunity in July. This program will not only catalyze projects but will help the county to track projects and the development pipeline, which will inform additional housing opportunities as well as notify the community of projects that are stymied by various constraints.

Support Fort Lewis College's efforts to develop below-market rental housing for staff and faculty in the next 18 to 24 months on campus land

In 2021 Fort Lewis College launched an employer housing initiative with three primary strategies. One of those strategies is to explore a rental housing project on campus for faculty and staff. This project launches in May of 2022 and will require support and local funding. This project will target 80%-120% of area median income to meet a specific gap in rental affordable to this income bracket. The project will have a preference for FLC staff and faculty but will also serve employees from 9R and the broader community. As the first employer sponsored rental project; this will serve as a pilot that can inform the community on how to approach these projects and possibly replicate with additional employers in the near future.

The rest of this article is continued on page 22 of the Workforce Housing Strategy PDF

document.



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Section G – Discussion/Updates



CIRSA Property/Casualty Pool
 Preliminary 2023 Contribution Quotation
 Regional Housing Alliance of La Plata County

Current Deductibles:

Liability	Auto Liability	Auto Physical Damage	Property
\$500/1,000*	\$500	\$500	\$500

Description	Amount
Contribution Before Reserve and Loss Experience	\$1,694.62
Reserve Refund Contribution	\$0.00
Impact of Loss Experience	\$0.00
Total 2023 Preliminary Quotation before Credits	\$1,694.62

To Renew with Current Deductibles
 Initial Here: _____

Loss Control Credits

Description	Amount	Credit Options – You must write in the amount that you wish to use. Amount may be split between available options.		
		Credit PC Contribution	Deposit/Leave in Account	Send Check
2022 Loss Control Audit Credit	(\$3.00)			
Balance Remaining from Prior Years' LC Credits	(\$0.00)			
Total Preliminary Quotation at Current Deductible with all Available Credits	\$1,691.62			

Alternative Deductibles

Liability	Auto Liability	Auto Physical Damage	Property	Revised Quote (Before Credits)	To Accept New Deductible Option – Initial Here (Choose Only one)

*Contact Linda Black, CFO at (720) 605-5440 or lindab@cirsa.org if you are interested in other options.

Billing Options (Please indicate which option you choose)

<input type="checkbox"/> Annual Billing on January 1, 2023	<input type="checkbox"/> Quarterly Billing January 1, April 1, July 1, and October 1, 2023
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Preliminary 2023 Contribution Quotation Continued

This preliminary quotation includes all exposures reported on your entity's 2023 Property/Casualty Renewal Application and any Application Amendment Requests received by CIRSA before August 13, 2022.

* Regarding the Liability Deductible shown on page 1, a \$500 deductible quotation is offered to members, if requested, for general liability. However, police professional and public officials errors and omissions deductibles cannot go below \$1,000.

** Regarding the Property Deductible shown on page 1, an additional property deductible will apply separately to each location in a National Flood Insurance Program (NFIP) Zone A if total building and contents values at that location are in excess of \$1,000,000. The deductible will be the maximum limit of coverage which could have been purchased through NFIP, whether it is purchased or not.

Based upon the selections made in your 2023 Property/Casualty Renewal Application, the Regional Housing Alliance of La Plata County has elected not to participate in Uninsured/Underinsured Motorist Coverage. Your signature below constitutes your entity's written rejection of this coverage.

If this is incorrect, or you wish to change your selection at this time, please contact your Underwriting Representative at (800) 228-7136 or (303) 757-5475.

The undersigned is authorized to accept this preliminary quotation on behalf of the
Regional Housing Alliance of La Plata County.

We accept this preliminary quotation for January 1, 2023 to January 1, 2024. We understand our final invoice may increase or decrease depending upon the number of CIRSA Property/Casualty members for 2023, actual excess insurance premiums, and any changes made to our 2023 renewal application.

Signature: _____ Date: _____

Title: _____

Signature must be that of the Mayor, Manager, Clerk or equivalent (such as President of a Special District.)

Both pages of this form must be returned by Friday, September 30, 2022. A mailed, faxed or e-mailed copy is acceptable. Please return to:

Monique Ferguson, Underwriting Administrative Assistant
3665 Cherry Creek North Drive
Denver, CO 80209
Fax: (303) 757-8950 or (800) 850-8950
E-Mail: MoniqueF@cirsa.org

RHA - Options regarding Executive Director cost and other finances - cash basis

9/23/2022	10/6/22 16:19	2022 Budget	Adj 2022 Budget *	2023 Est ^	2024 Est ^	2025 Est ^	2023 Est #	2024 Est #	2025 Est #
Carry forward of net income	\$ -	\$ -		\$ 161,350	\$ 182,034	\$ 146,570	\$ 161,350	\$ 2,034	\$ (33,430)
Revenue (release of restricted funds) - agreed to 6/22/	\$ 200,000	\$ 200,000		\$ 54,784	\$ -	\$ -	\$ 54,784	\$ -	\$ -
Interest Income	\$ 250	\$ 250		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Fund (split equally among members) & Contribution from members **	\$ -	\$ -							
Total Revenue	\$ 200,250	\$ 200,250		\$ 216,134	\$ 182,034	\$ 146,570	\$ 216,134	\$ 2,034	\$ (33,430)
Expenses									
Executive Director Contract Expense	\$ 160,000			\$ -	\$ -			\$ -	\$ -
Admin & Bookkeeping/Admin Assistant	\$ 22,800	\$ 22,800		\$ 23,000	\$ 23,920	\$ 24,877	\$ 23,000	\$ 23,920	\$ 24,877
Project Costs (implementation of EA strategy plan)				\$ -	\$ -		\$ 180,000		\$ -
General Operating (rent, utilities, office)	\$ -			\$ -	\$ -			\$ -	\$ -
Office Equipment/Supplies	\$ 888	\$ 2,500		\$ -	\$ -			\$ -	\$ -
Audit Fees	\$ 6,000	\$ 8,500		\$ 6,000	\$ 6,240	\$ 6,490	\$ 6,000	\$ 6,240	\$ 6,490
Legal Fees	\$ 11,000	\$ 2,500		\$ 2,500	\$ 2,600	\$ 2,704	\$ 2,500	\$ 2,600	\$ 2,704
Liability Insurance	\$ 1,582	\$ 1,600		\$ 1,600	\$ 1,664	\$ 1,731	\$ 1,600	\$ 1,664	\$ 1,731
Misc	\$ 1,000	\$ 1,000		\$ 1,000	\$ 1,040	\$ 1,082	\$ 1,000	\$ 1,040	\$ 1,082
Total Expenses	\$ 203,270	\$ 38,900		\$ 34,100	\$ 35,464	\$ 36,883	\$ 214,100	\$ 35,464	\$ 36,883
Net	\$ (3,020)	\$ 161,350		\$ 182,034	\$ 146,570	\$ 109,687	\$ 2,034	\$ (33,430)	\$ (70,313)

*Contracting of ED estimated to be Aug 1 with an annual salary of \$150K - removed

Audit costs changed to actual

Legal fees were possibly overestimated

Add office rent, computer

Assumption: RHA funds implementation of Economic Alliance 3-year funding strategy plan for housing

** Member contributions - Board recommended split		\$ 200,000	\$ 260,000	\$ 275,000	Total 3 yr	\$ 225,000	\$ 285,000	\$ 300,000	Total 3 yr
County	61%	\$ 122,000	\$ 158,600	\$ 167,750	\$ 448,350	\$ 137,250	\$ 173,850	\$ 183,000	\$ 494,100
City of Durango	32%	\$ 64,000	\$ 83,200	\$ 88,000	\$ 235,200	\$ 72,000	\$ 91,200	\$ 96,000	\$ 259,200
Bayfield	5%	\$ 10,000	\$ 13,000	\$ 13,750	\$ 36,750	\$ 11,250	\$ 14,250	\$ 15,000	\$ 40,500
Ignacio	2%	\$ 4,000	\$ 5,200	\$ 5,500	\$ 14,700	\$ 4,500	\$ 5,700	\$ 6,000	\$ 16,200
	100%	\$ 200,000	\$ 260,000	\$ 275,000	\$ 735,000	\$ 225,000	\$ 285,000	\$ 300,000	\$ 810,000
& Note additional \$15,000/member/year project fund					\$ 735,000				\$ 810,000

FUNDING AGREEMENT FOR
THE REGIONAL HOUSING ALLIANCE OF LA PLATA COUNTY

THIS FUNDING AGREEMENT FOR THE REGIONAL HOUSING ALLIANCE OF LA PLATA COUNTY (the "Agreement") is entered by and between the Board of County Commissioners of La Plata County, Colorado whose address is 1101 E. 2nd Avenue, Durango, CO 81301 (hereafter "La Plata County"), the City of Durango, Colorado whose address is 949 E. 2nd Avenue, Durango, CO 81301 (hereafter "Durango"), the Town of Ignacio, Colorado, whose address is 540 Goddard Avenue, Ignacio, CO 81137 (hereafter "Ignacio"), the Town of Bayfield, Colorado whose address is 1199 Bayfield Parkway, Bayfield, CO 81122 (hereafter "Bayfield"), and the Regional Housing Alliance of La Plata County (hereafter the "RHA") whose address is 124 East 9th Street, Durango, CO 81301 (collectively, the "Parties").

RECITALS

- A. The provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. § 29-1-203 allow Colorado governments to cooperate to contract with one another to provide any function, service, or facility lawfully authorized to each local government.
- B. The provisions of C.R.S. § 29-1-204.5 allow Colorado local governments to contract and cooperate with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority.
- C. Durango, Ignacio, and La Plata County established RHA as a multijurisdictional housing authority on August 5, 2004, by executing an Intergovernmental Agreement (the "IGA") to be effective as of that same date. The IGA was amended in 2008 to include the Town of Bayfield as a party to the IGA.
- D. The Parties have previously entered into funding agreements to provide some of the funds necessary for the operation of the RHA. The Parties wish to provide additional funding for RHA for 2023 and subsequent years according to the terms of this Agreement.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and obligations set forth herein, the Parties hereto agree as follows:

1. Term. The term of this Agreement shall commence as of the effective date hereof and shall expire, subject to earlier termination in the event of non-appropriation as hereinafter provided, on December 31, 2025.
2. Funding of RHA.
 - 2.1 2023 Funding Obligations – Generally. La Plata County, Durango, Ignacio, and Bayfield agree to provide funding to RHA for calendar year 2023 in the total aggregate amount of Two Hundred Eighty-Five Thousand Dollars (\$285,000.00). The Parties agree that the responsibility for funding the obligations set forth in this Section 2.1 will be shared by them in the following amounts and proportions:
 - 2.1.1 Funding for Project Costs. Sixty Thousand Dollars (\$60,000.00) shall be used by the RHA for projects. Each Party shall contribute the sum of Fifteen Thousand Dollars (\$15,000.00) to the RHA to be added to an account to be used solely to fund housing projects.
 - 2.1.2 Proportional Shares of Funding for Operational Costs. The Parties agree that the responsibility for funding the remaining Two Hundred and Twenty-Five Thousand (\$225,000.00), to be used by the RHA for operational costs and expenses, will be shared by the Parties in the following amounts and proportions:

La Plata County	61 %	\$137,250.00
City of Durango	32 %	\$ 72,000.00
Town of Ignacio	2 %	\$ 4,500.00
Town of Bayfield	5 %	\$ 11,250.00

2.2 2024 and 2025 Funding Obligations – Generally. Subject to the provisions of Section 4 herein regarding annual appropriations, the Parties agree to provide funding to the RHA for calendar years 2024 and 2025 in the amounts and proportions set forth below.

2.2.1 Funding for Project Costs. Each year during the term of this Agreement (i.e., in 2024 and 2025), the Parties shall each contribute the sum of Fifteen Thousand Dollars (\$15,000.00) to the RHA to be added to an account to be used solely to fund housing projects.

2.2.2 Proportional Shares of Funding for Operational Costs. The Parties agree that the responsibility for funding for 2024 and 2025 will be shared by the Parties in the following amounts and proportions:

Calendar Year 2024

La Plata County	61 %	\$173,850.00
City of Durango	32 %	\$ 91,200.00
Town of Ignacio	2 %	\$ 5,700.00
Town of Bayfield	5 %	\$ 14,250.00
		\$285,000.00

Calendar Year 2025

La Plata County	61 %	\$183,000.00
City of Durango	32 %	\$ 96,000.00
Town of Ignacio	2 %	\$ 6,000.00
Town of Bayfield	5 %	\$ 15,000.00
		\$300,000.00

2.3 Payment Dates. All entities shall make payments for the 2023 calendar year to RHA by February 1, 2023. Subsequent payments shall be made by February 1st of each subsequent calendar year.

2.4 Budgetary Surplus. Any surplus of funds that remain at the end of any budget year will be carried over for use by RHA, to the extent permitted by law.

3. Services Provided by the RHA.

3.1 Provision of Services by RHA to Third Parties. RHA may provide housing-related services to third-parties in order to generate additional operating income for RHA. RHA further agrees that such services shall be charged on an hourly or lump sum basis.

4. Appropriations. Since this Agreement involves the expenditure of public funds, this Agreement is contingent upon continued availability of such funds for payment. Should any party to the Agreement fail to annually appropriate funds for payment of the obligations set forth herein, this Agreement shall automatically terminate and none of the Parties shall have any obligation to provide funding to the RHA for the ensuing calendar year regardless of whether such funds were already appropriated by such Party's governing body.

The obligations of the Parties shall not constitute a general obligation, indebtedness or multiple-year direct or indirect debt, or other financial obligation whatsoever within the meaning of the constitution or the laws of the State of Colorado.

5. Notices. Except as otherwise provided, all notices provided or required under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given when actually received or three (3) days after being mailed, by certified mail, return receipt requested, and addressed to the Parties at their addresses appearing on the signature pages. Each party, by written notice to the other party, may specify any other address for the receipt of such instruments or communications.

6. Applicable Law. This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado. Venue for any proceeding shall be in La Plata County, Colorado.

7. Modifications. At all times during the performance of this Agreement, the Parties shall strictly adhere to all applicable federal, state, and local laws, and rules and regulations that have been or may hereafter be established. This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties hereto.

8. RHA Board Approval. The provisions of this Agreement have been duly approved by the Board of Directors of the RHA.

9. Effective Date. The effective date of this Agreement shall be the date when the last signature of the Parties is affixed to this Agreement.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one original Agreement.

11. Severability. If any term or provision of this Agreement shall be adjudicated to be invalid, illegal, or unenforceable this Agreement shall be deemed to be amended to delete the invalid, illegal, or unenforceable term and the remaining terms shall not be affected thereby.

12. Third Party Beneficiaries. The Parties to this Agreement do not intend to benefit any person not a party to this Agreement. No person or entity other than the Parties to this Agreement shall have any right, legal or equitable to enforce any provision of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year set forth below.

Dated this ____ day of _____, 2022 BOARD OF COUNTY COMMISSIONERS
OF LA PLATA COUNTY, COLORADO

Attest:

Deputy County Clerk

Matt Salka, Chair

ADDITIONAL SIGNATURES ON THE FOLLOWING PAGES

Dated this ____ day of _____, 2022 CITY OF DURANGO, COLORADO

Attest:

City Clerk

Barbara Noseworthy, Mayor

ADDITIONAL SIGNATURES ON THE FOLLOWING PAGES

Dated this ____ day of _____, 2022 TOWN OF IGNACIO, COLORADO

Attest:

Town Clerk Clark Craig, Mayor

ADDITIONAL SIGNATURES ON THE FOLLOWING PAGES

Dated this ____ day of _____, 20 TOWN OF BAYFIELD, COLORADO

Attest:

Town Clerk Ashleigh Tarkington, Mayor

ADDITIONAL SIGNATURE ON THE FOLLOWING PAGE

Dated this ____ day of _____, 2022 REGIONAL HOUSING ALLIANCE
OF LA PLATA COUNTY

Attest:

_____ By: _____
Title:

EXHIBIT A

This document serves to provide a scope of work and services to accompany the funding IGA for the Regional Housing Alliance. This scope is applicable to 2023, and can be revised and updated as the Regional Housing Alliance solidifies its roles, projects and work plan.

RHA: Organizational Deliverables

Note: any time frames in parentheses are from the first day of hire.

- Complete an organizational work plan using available data, the La Plata Economic Development Alliance report and other resources (2 months)
- Establish an office with a consistent presence
- Ensure a website and other communication materials are developed that properly communicate the RHA's work (2 months)
- Ensure that monthly board meetings occur (i.e., noticing, agenda, minutes, follow up).
- Ensure that all financial and administrative duties are handled, working with the RHA's fiscal agent (note: refer to contract for full list of duties)

RHA: Housing Deliverables

Through development of a detailed 1-year work plan, collaborate with the RHA Board to finalize organizational roles in ensuring that more housing is completed and the RHA is re-established as an organization. Through working with the board and key partners, define and determine the appropriate roles and projects for the RHA. These roles include but are not limited to:

- a) Setting up a land bank
- b) Tracking on housing opportunities (develop pipeline")
- c) Initiating projects through careful analysis and Board approval
- d) Completing entitlement and due diligence work on projects and offering other technical assistance (details to be further clarified)
- e) Working with the nonprofit partners including but not limited to HomesFund, Habitat for Humanity, and Housing Solutions for the Southwest to identify appropriate roles among and between these partners and the RHA (i.e., assistance with deed restrictions, unit development, grant writing and/or mortgage assistance)
- f) Serving in a key role in securing money for projects through grant writing, grant research and project development.

By the second quarter of 2023, develop a detailed funding plan that includes a 3-year budget and sustainable strategies for the RHA as an organization to help the RHA Board further define its role in attaining more funding for housing projects.

RHA: Partnerships, Policy and Advocacy

Work with all the partners in the RHA, including the municipalities and county, to understand their needs so the RHA can add value to the partners' work.

Work with the La Plata County Economic Development Alliance to define appropriate and clear roles in working on housing, including following up on recommendations in the 3 Year Investment Strategy.

Work with Region 9 Economic Development District to participate in conversations related to furthering and expanding regional collaboration in housing

Set up a clearinghouse and be a disseminator of educational materials and resources including grant resources, data, and program information to participating entities on an as needed basis (6 months).

Inform the RHA Board of key policy issues occurring at the statewide level by providing information for the Board to act upon as it deems appropriate and participate, as time permits, in statewide conversations related to housing with CCI, CCAT, CML, Housing Colorado and/or other entities and seek positions from the RHA Board when necessary.

Section H – Presentation(s)

Section I – Member Updates
