

MEMORANDUM

TO: Regional Housing Working Group
FROM: Kathy McCormick, Colin Laird, Geneva Powell, and Andy Knudtsen
DATE: January 13, 2003
RE: Background Information

The purpose of this memo is to provide background information that will be helpful in our discussion on January 13th. Since our November meeting Kathy, Colin, Geneva, and Andy have discussed a number of next steps for consideration by the Garfield County Housing Authority Board (GCHA Board) and the Regional Housing Authority Initiative Steering Committee (RHAi Steering Committee) at the January 23 joint meeting.

The purpose of this meeting is to discuss potential approaches/solutions to issues to the following issues:

- How can we use the regional housing authority law to build the resources and capacity for developing more affordable housing in our area with out duplicating existing services?
- How to we pursue the potential funding opportunity within the regional housing authority law and protect the integrity of the Garfield County Housing Authority? Is there a way to pursue funding and make any necessary changes after the success of a funding initiative?

Included in this packet is background information on Housing Trust Funds, an approach for board oversight, and a timeline for key decision making.

Our goal for this meeting is to develop a recommendation on an action plan to the larger group at their January 23rd meeting.

JAN. 13 MEETING AGENDA

1. **Discussions since the November GCHA and RHAi**
2. **Introduction of Housing Trust Fund Concept**
3. **Discuss Organizational Option (Board Make-up)**
4. **Revenue Questions (as necessary)**
5. **Review Project Timeline**

Housing Trust Fund

There are a number of important issues relating to creating additional funding for affordable housing in the region, including the success of a tax initiative, oversight, board structure, tax district boundaries. One approach that has the potential to address many of these concerns *and* allow the regional to pursue dedicated revenue for affordable housing is a Housing Trust Fund.

What is a Housing Trust Fund?

A Housing Trust Fund has a dedicated source of revenue that is used exclusively to promote and preserve housing for low to moderate-income households. A variety of funding sources may be used for a trust; however, the most successful ones have a public revenue source that is committed through legislation or ordinance.

How is a Housing Trust Fund Different From Our Past Discussion?

It is another way to talk about a Regional Housing Authority. The main difference is the focus on the issue of additional funding. Instead of local governments creating a Regional Housing Authority with a number of different functions (as we have discussed to date), it would only have one – raising money for affordable housing. Although we would be using the state enabling legislation to essentially create a regional housing authority, the necessary intergovernmental agreement would detail that the new entity would be called a Housing Trust Fund (potential names include “The Fund for Community Housing”) and operate only as a Housing Trust Fund.

Notes: The boundaries of a taxing district would remain the same – Basalt to Glenwood Springs.

Why introduce this concept now?

We have spent a lot of time discussing and evaluating the role of a Regional Housing Authority, particularly as it relates to existing housing efforts and the Garfield County Housing Authority. When we began to look at a Housing Trust Fund, we realized that the Regional Authority could be set up to oversee the ballot initiative process and look for other revenue sources. If this effort were not successful, then the Regional Authority could fade away. If it were successful, it could operate solely as an entity that allocated funds in the area or be folded into the GCHA (with an expanded board). In other words, this approach would not require any changes to the existing GCHA operating structure until it was known if the initiative were successful and if there was agreement that allocating funds for area housing initiatives were a task it should undertake.

What if the tax initiative did not pass?


There are several examples of Housing Trust Funds that do not have dedicated revenue sources or public dollars. For example, Polk County Iowa has a fund that was established in 1995 by a consortium of six non-profit organizations. It uses HUD Funds, state dollars and private sector funding from more than 25 foundations, corporations and individuals. Another was done in Santa Clara County California that has been funded from area employers, county funds, local governments, private foundations and other organizations.

These examples illustrate that revenue generating approaches do not always have to be associated with a tax or other fees. Consequently, there may be a number of reasons to create a housing trust fund even without a dedicated funding source.

Organizational Options

Among the concerns expressed about forming a Regional Housing Authority at the November 2002 meeting was the impact the effort might have on the current GCHA operations. Several alternatives have been discussed, including having an expanded board and a policy board with an operations committee that addresses day to day operating options. One way to address this concern is to form a Regional Housing Authority Board (i.e., a Housing Trust), whose sole responsibility is to oversee the allocation and use of funds that would be raised with a tax initiative, fund raising and/or payment-in-lieu funds. In other words, a regional housing authority/trust could start with its sole purpose to generate and allocate revenues. If the tax initiative were successful, then the group could fold itself in with the GCHA. If not, GCHA could continue with its present course of action and not be hindered by undertaking this effort. (See draft organizational charts.)

The following table attempts to illustrate how this might work. This is for discussion purposes only.

Board Oversight		
<i>Least to most interface with GCHA Current and Future Operations</i>		
		
Primarily Funding	Funding/Development	Funding/Develop/Operations
<ul style="list-style-type: none"> • Finalize Funding Sources • Establish Guidelines for Use of Funds • Conduct Allocation Process • Oversight of Use of funds • On-going fund administration • Board Oversight • Housing Needs/Education • Facilitate development 	<p>All of funding duties, plus:</p> <ul style="list-style-type: none"> • Seek out development opportunities • Partner with others (own/manage projects) • Acquire properties 	<p>All of funding and development duties, plus:</p> <ul style="list-style-type: none"> • Administer Deed Restrictions • Enforce Regulations • Conduct Development Review • Public Housing/Section 8 Administration

Questions:

1. Who would the Housing Trust Fund staff report to? Would they be able to share space/resources with GCHA, as discussed previously?
2. How would the two boards interface during the campaign period?
3. Does this approach allow GCHA to continue with “business as usual” and only modify its board structure if the tax initiative is successful?
4. Other questions

Timeline and Tasks

Following is a timeline of some of the broad tasks to be addressed to initiate a Regional Housing Effort with the goal of having a successful ballot initiative. These tasks are broad in scope.

Date	Task
Jan-03	Board Structure / Oversight Housing Trust Fund Concept Outline Use of Revenues Outline Allocation Process Outline Decision Making/Approvals for Use of Funds
Feb-03	Finalize Board Structure Identify/Agree Revenue Sources <ul style="list-style-type: none">• Cash in lieu• Tax Revenue Streams• Fund Raising Outline of job duties/interface to GCHA Finalize Operations Budget/In-kind
Mar-03	Agreements on duties of Trust Draft of IGA Finalize Job Description Outline Public Education Process Outline Staff Recruitment and Interview Process Operating Funding Agreements
Apr-03	Initiate Opinion Poll Initiate Staff Recruitment Participating Boards Adopt IGA
May-03	Education Process Refinements
Jun-03	Staff Interviews Staff Hired Solicit support for Public Education Effort
7/1/2003 - 11/04	Establish Campaign Budget Develop Collateral Materials and Initiate Campaign Plan Evaluate and Identify Additional Revenue Sources Successful Ballot Initiative