

# MEMORANDUM

**TO:** Garfield County Housing Authority Board of Directors  
Regional Housing Authority Steering Committee

**FROM:** Kathy McCormick, Colin Laird, Geneva Powell, and Andy Knudtsen

**DATE:** January 21, 2003

**RE:** January 23 Meeting Packet

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The purpose of this memo is to provide background information that will be helpful in our discussion on January 13<sup>th</sup>. 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. We have also met with a sub-committee / working group that included Tom Stone, Jean Martensen, Joede Scheoberlein and ourselves to discuss in greater detail the topics presented in this memorandum.

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.

## JAN. 23 MEETING AGENDA

1. Update
2. Introduction of Housing Trust Fund Concept
3. Discuss Organizational Options (Board Make-up)
4. Revenue Questions (as necessary)
5. Review Project Timeline

# HOUSING TRUST FUND CONCEPT

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.

### **Sub-Committee Discussion Highlights**

- The primary need in the Roaring Fork Valley is to provide greater resources to address housing needs in the area. Separating the revenue generating strategy from policy and administration provides greater clarity to the duties and tasks of groups that are involved in housing in the area.
- The Housing Trust Fund Concept is another way to talk about the ballot issue. It is not limited; however, to relying solely on new revenues for support. Other options include payment in lieu, foundations and fund-raising. The idea that generating additional resources might not need to rely solely on a ballot initiative was intriguing.
- Furthermore, the Housing Trust Fund Concept clarifies the identity of a new entity when compared to existing organizations.


## 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 chart pdf file.)

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

### Board Oversight

*Least to most interface with GCHA Current and Future Operations*



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

### Sub-Committee Discussion Highlights

- The advantage of developing a Regional Housing Trust Fund is that the GCHA would not have to change its current structure or operating approach. As the effort progresses it may be advantageous to expand the GCHA board, but GCHA would only make changes if it makes sense to GCHA and not as a need of another effort.
- Keeping a separate board for the Housing Trust Fund that is solely responsible for fund allocation may be advantageous. Since this would be the primary function of the regional entity, it would be a new role for the area. If it were separate, the housing authority could more easily apply for project funding if it were to undertake new developments.
- There was discussion of creating a “policy review group” that might consist of board members from the GCHA and the Regional Housing Trust Fund/Housing Authority that would jointly discuss housing policy issues in the region and make recommendations to local governments for action.

**Questions for January 23:**

1. Is there general agreement that separating funding/resource development from policy, administration and housing development provides a clearer focus about what the role of the regional entity would accomplish?
2. What role(s) would local governments want to have in approving projects for funding? For board appointments?
3. Would local governments be willing to allocate payment in lieu funds to a regional Housing Trust Fund?
4. Who would the Housing Trust Fund staff report to? Would they be able to share space/resources with GCHA, as discussed previously?
5. How would the two boards interface during the campaign period?
6. Does this approach allow GCHA to continue with “business as usual” and only modify its board structure if the tax initiative is successful?
7. 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. ***We will review these at the meeting and modify as needed.***

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