

ROARING FORK HOUSING AUTHORITY INITIATIVE

MEMORANDUM

To: Roaring Fork Housing Authority Initiative Steering Committee

From: Andy Knudtsen, Economic & Planning Systems 303-623-3557
Kathy McCormick, McCormick Associates
Colin Laird, Healthy Mountain Communities

Subject: Summary of Discussion August 26, 2002

Participants

Tracy Bennett, Town of Basalt, Town Council
Scott Chaplin, Town of Carbondale, Town Council
Russ Criswell, Town of Carbondale, Town Council
Jean Martensen, City of Glenwood Springs, City Council
Tom Stone, Eagle County, Board of County Commissioners
Walt Stowe, Garfield County, Board of County Commissioners

Susan Hunke, Mountain Regional Housing Corporation
Geneva Powell, Garfield Housing Authority
Fred Wall, Superintendent RE-1 School District
Kay Philip, Town of Basalt staff and MRHC board member
Gavin Brooke, WindRiver Companies

Colin Laird, Healthy Mountain Communities
Kathy McCormick, McCormick and Associates
Andy Knudtsen, Economic & Planning Systems

Meeting goals

The goals for the meeting included:

- Reach consensus on Regional Authority staffing and budget for Administrative and Policy Services

- Examine Regional Authority goals and revenue sources for Development Related Services

Existing Housing Organizations

Several community representatives attended the meeting and were invited to summarize their organization's purpose and/or recent activity regarding affordable housing.

RE-1 School District

Fred Wall reported that the school district just closed on 24 acres of land in Carbondale and plans to use a portion of the site for housing for district employees. The district is currently working on a project to develop 20 units on a site located in Basalt. They are also looking for opportunities for a housing project in the Glenwood Springs area.

Garfield County Housing Authority

Geneva Powell summarized the activities of the Garfield County Housing Authority (GCHA). The annual budget is approximately \$2.8 million, most of which is used for rental subsidies for Section 8 vouchers. The administration fee provided through the voucher program provides approximately \$300,000 for administration costs. The housing authority provides administrative services for its own programs as well as, Pitkin County Section 8 housing, and Garfield County's deed restricted housing stock (9 units to date). GCHA is also completing a contract to administer the deed restricted housing units created through inclusionary zoning Glenwood Springs' inclusionary zoning program (no units to date). The Housing Authority charges fees for services and administered the buyer qualification and selection for a recently completed County project. The housing authority has a staff of six.

Mountain Regional Housing Corporation

Susan Hunke, executive director for the MRHC, summarized their operations. The annual budget is \$78,000, which is funded by a number of grants from state and local sources. The organization is a Community Housing Development Organization (CHDO) which must receive support from local governments to match funds provided by the state. The organization administers the deed restrictions at Thompson Corner and receives revenue from the fees charged for the resale of these units. They are pursuing three developments including a 29-unit rental project in Rifle, a revised Bair Ranch project in Carbondale, and a 4 to 5 unit project in the initial stages of development located near Carbondale. The organization has a staff of one.

Kay Philip, a board member for MRCH, expanded on the discussion and reported that MRCH currently does many of the objectives identified by the steering committee. In reference to administrative needs, she reported that the MRCH staff and board spent more than 100 hours administering the deed restrictions at Thompson Corner over the past year. They would welcome the opportunity to turn the tasks and revenue over to a regional entity that could handle administration. The proposed scope for the organization concerns her, however, and she is very concerned about duplication of services. She summarized the following points from a prepared in a written statement:

- The additional layer of government would be expensive and unnecessary, as the services already exist.
- A full-time director would not be necessary and local governments and voters are not likely to approve the funding for one.
- A regional administrative entity is desperately needed, but not with the additional layer of staff and associated costs.
- Because the Garfield Housing Authority is already set up to administer programs, the regional entity should contract with them for services and focus on ballot language to establish a funding source.
- The MRHC (Mountain Regional Housing Corporation) is a non-profit community housing development organization that is focused on development. It will add staff, such as a project manager for specific projects, as it grows in the future.

- The regional housing entity should not duplicate efforts but should plan to help fund the MRHC.
- The vision for the organization should be a board that oversees the distribution of funds. Any development efforts should come at a later date.

Wind River Development LLC

Gavin Brooke, Director of Design and Development, suggested that the group look at the Boulder County Housing Authority as a model. It acts as a regional entity and works with nonprofits and local housing authorities in a number of jurisdictions within the County.

Regional Housing Authority Work Program

The committee moved into a discussion about the nature of the regional entity. It was noted that in previous meetings, the goals for this organization covered a broad spectrum ranging from administration to development. Because representatives of existing housing organizations expressed a vision that was much narrower, the committee discussed the issue of duplication.

The committee stated that its goal was not the duplication of services, but to expand the capacity and resources for addressing the housing need. It was noted that the housing need is very large and that there is enough work for all organizations. The goal is to coordinate efforts and to find ways to work cooperatively. The approach will be to “fill the voids and avoid duplication” by increasing the resources of all organizations to address housing need.

The committee discussed the range of tasks needing to be addressed and grouped them into four categories (shown below). It concluded that the services to be provided would be shared among the existing organizations, based on the strengths and interests of each. The specific delineation of responsibilities would be done at a later time, but it was recognized that each organization would have a role.

- **Administration:**
 - Organize and coordinate the regional board;
 - Facilitate regional dialogue among all jurisdictions;
 - Manage sales and resales of existing and future ownership development;
 - Manage leasing (income qualification) of affordable rental units;
 - Conduct renter/buyer qualification regarding income, employment, etc.
 - Enforce regulations in all housing developments;

- **Policy related work:**
 - Development review for all jurisdictions, including recommendations to staff and board regarding proposals from developers that fulfill recently adopted housing ordinances;
 - Work with advisory committees within various jurisdictions;
 - Monitor need throughout the lower valley;
 - Maintain consistent set of standards for all jurisdictions, specifically regarding deed restrictions;
 - Track the success (or lack of success) of various policies and advising local jurisdictions on revisions or additions to existing codes;
 - Track affordable housing inventory.

- **Development:**
 - Identifying opportunities for new rental or ownership development;
 - Establish and facilitate partnerships with non-profit or private developers, depending on opportunity and resources needed;
 - Pursue financing and other sources of funds to support local affordable housing developments.

- **Allocation of funds:**
 - Assuming that a tax initiative is passed, the regional entity would oversee the allocation of funds and/or funds collected as payment-in-lieu of providing units. This would involve additional discussion with the local governments about how they planned to use the payment in lieu dollars as well as establishing some guidelines for use of funds that might be generated as a result of a successful tax initiative.

A concern was noted that the two existing organizations and the proposed regional entity may all request funding from local jurisdictions and may compete for funds. To address the potential conflicts, it was suggested to go to the funding sources together and propose a joint funding request.

Staffing

The steering committee discussed staffing options. These included:

- No staff for the regional entity.
- Staff located within an existing organization, such as the Garfield Housing Authority.
- A staff member for the board.

The steering committee decided that it would like to have an autonomous staff member dedicated to regional issues. To save costs, the position could be funded at less than full-time or could be a contract position. There were some concerns about recruiting a person who might be less than full-time who had the qualifications that the board would want. The five jurisdictions in the Lower Roaring Fork would fund the position until a permanent funding source, or alternative funding source such as a business license fee, can be established.

Permanent Funding

The steering committee reviewed information about potential funding, particularly for a ballot initiative. The sources included a sales or use tax or both, not to exceed 1%, a property tax not to exceed five mills and a development impact fee of \$2 per square foot or less.

Establishing a goal was discussed as one option for quantifying the number of units to be produced in the area and also evaluate the amount of funds that would be needed to achieve the goal. To focus on having at least 5% of the housing stock (525 units) as affordable was discussed. To achieve this goal, it was assumed that about half the units (262) would be produced through the inclusionary zoning programs adopted by the different communities. Assuming a per unit subsidy of \$37,000 (the amount needed to buy down the cost of a unit to an affordable level) and that these funds would be leveraged on a 6:1 basis results in an annual revenue source requirement of \$1.2 million dollars.

The steering committee discussed the pros and cons of using a property tax. Some ideas included generated a property tax rebate, that would be given to an owner at the time they sold their home in the future. Property taxes in mountain communities are generally lower than other areas and a property tax increase of \$10 per month for residential might be tolerable; however, the cost to businesses is much higher. Because of this, the committee generally decided that a property tax may not be the best option.

A sales tax increase may be more plausible, although there are concerns about how this option could be received given the slowness in the economy at this time. Business licensing fees were discussed as an option to generate revenue to cover administrative fees.

There was also discussion about the average cost per home, which was used as a basis for establishing the amount of subsidy needed to meet the program goals. There was consensus that a price of \$222,000 was a reasonable base from which to evaluate revenue needs and options.

Next Steps for October 2 meeting

1. Revise budget options
 - a. E.D. position at reflect .75 FTE and 1 FTE on a contractual basis for two years.
 - b. Shared office with GHCA in Garfield County Courthouse
 - c. Include a survey in anticipation of the sales tax initiative
2. Show different cost sharing formulas for local government contributions to the regional authority budget (all equal, by population, by revenue, some weighted formula, etc.)
3. Check into Boulder County Housing Authority and Loveland Housing Authority as potential models for how to organize and operate the Roaring Fork Housing Authority
4. Develop services funding
 - a. More detail on potential property tax who pays –residential commercial split
 - b. Check numbers and assumptions
 - c. Tom Stone volunteered to meet with Douglas County representatives to learn more about their development model for building more affordable housing.
5. Obtain some job descriptions for executive director's from other housing authorities or comparable entities.
6. Create organizational charts to show work program and relationships between regional authority and GCHA and MRHC
7. Update info in Housing Authorities Matrix