

MEMORANDUM

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

FROM: Andy Knudtsen, Kathy McCormick, and Colin Laird

DATE: February 24, 2003

RE: Regional Housing Authority Initiative / February 27 Meeting Packet

The purpose of this memo is to provide background information for our discussion on February 27th. As you will remember, at the January 23 meeting, there was consensus on the strategy of using the regional housing authority law to create a regional housing trust fund. Since that regional meeting, the consultant team and the joint working group have discussed various ways to set up a housing trust fund (including organizational structure, staffing, and funding).

By way of introduction to this memo, we include a summary of the discussion at the joint working group meeting on February 10. As will become clear in reading this summary, the working group believes it may be advantageous to try to capitalize the trust fund with limited (non-dedicated) funds to help build the case for a subsequent ballot question to create a dedicated revenues for the fund. With a modest fund, the trust staff could begin to help make one or two current housing projects permanently affordable and give the general public a tangible example of how a housing trust fund with dedicated revenue through a sales tax would benefit the residents and businesses of the region.

MEETING GOALS:

- Reach consensus on housing trust fund organizational structure
- Agree on trust operating budget and general staff description
- Make recommendations on trust operating budget cost sharing
- Make recommendations on trust fund capitalization

FEB. 27 MEETING AGENDA

1. Background – Joint Working Group Meeting
2. Housing Trust Organizational Structure, Staffing and Budget– Revised draft
3. Housing Trust Development Phasing Plan & Revenue Options
4. Cost Sharing Formulas

1. BACKGROUND -- JOINT WORKING GROUP FEB 10 MEETING NOTES

Participants: Tom Stone, Jean Martensen, Geneva Powell, Kathy McCormick, Andy Knudtsen, Colin Laird

The joint working group met today to discuss a variety of issues relating to the creation of a regional housing trust. After discussing a number of housing trust models (one without dedicated revenue, one with dedicated revenue, and one capitalized by the private sector); the working group came up with the following suggestions for the larger group to consider. (See [Housing Trust Models](#) attachment or visit www.hmccolorado.org/housingauthority.htm)

The group talked about the value of pursuing all three sources of funds. For example, if local governments contribute to the fund and other sources, such as employer contributions or foundation dollars are available, then the amount to be raised through a tax initiative would be reduced. Also, the initiative could be couched in terms of funding the gap not met by the other efforts.

CONSIDER CAPITALIZING THE HOUSING TRUST FUND UP FRONT RATHER THAN WAITING UNTIL THE FALL OF 2004 TO ASK A BALLOT QUESTION.

Rationale

1. The success of a ballot will be due in part to voters understanding what additional public resources could do to create more affordable housing. Up front capitalization of a regional housing trust fund give the entity resources to complete one or two small projects before a tax question goes before voters and can give voters one or two tangible examples of the potential of a housing trust fund.
2. It is unclear how the economy will be performing over the next 18 months. Making the Housing Trust fund contingent on the success of a ballot initiative holds the actions of the trust fund hostage to circumstances we know little about. Capitalizing the trust fund now means the work to raise resources to build affordable housing can begin immediately and on our own terms rather than the dictates of the national economy. Even if housing prices decrease slightly, creating and capitalizing the trust now gives local governments a tool to be in a better position when the economy and housing market heat up again. It also allows the fund to reprioritize its uses so that the program is able to respond to changing trends and new opportunities. For example, at this time the fund might be used to acquire existing properties that could be resold with a deed restriction.

In other words, the capitalization of the Housing Trust Fund can come in phases: first, local government monies (from a variety of sources); second, private sector and foundation money; and third, resources from a local tax.

3. Finally, if a major part of the job duties of a Trust Fund director will be to build a trust fund, having a initial commitment of funds (and a funding plan) will only increase their

effectiveness in working with potential private sector partners and developing the case for a ballot initiative.

CONSIDER CITY AND TOWN MANAGERS ON THE BOARD OF THE HOUSING TRUST FUND RATHER THAN ELECTED OFFICIALS.

Rationale

1. The demands on elected officials in the region have increased significantly over the last few years and it is likely that the number of demands on their time will continue to increase.
2. City and town managers are the local officials most likely to understand a community's budget and resources.
3. Funding decisions on a housing project are likely to come back to local elected boards for final approval so elected officials on a housing board are not as necessary to provide oversight and accountability.
4. The managers can ensure that the trust works for the local governments and is not a quasi-regional government.
5. Involving staff has the potential to provide continuity for the organization.

Alternatively, city and town managers could be on the board that reviews projects for funding and make the final funding recommendations. A governing board, made up of appointed citizens could also be named. This board would help with marketing, fund raising and providing input regarding regional housing priorities and the work plan for the housing trust fund.

CONSIDER MAKING REGIONAL HOUSING TRUST FUND MONEY THE FIRST MONEY INTO A PROJECT TO JUMPSTART AFFORDABLE HOUSING PROJECTS.

Rationale

1. Someone's money has to be first, but with the Regional Housing Trust Fund committing resources to a project first (with a list conditions about other moneys and approvals from local governments), it has the chance to provide commentary to local and state agencies about the financial feasibility, the market need and community support for the project (in general terms since local governments are the final decisions makers on the support for a project).
2. Local elected officials will want to know the Regional Housing Trust Fund's opinion on a project before it gets to them rather than having to send it to the Trust Fund after approvals.
3. Trust fund dollars may be the first committed, but do not have to be spent until specific funding conditions have been met, thereby providing assurance the projects are likely to occur.

CONSIDER HIRING REGIONAL TRUST FUND STAFF (ON A TWO YEAR CONTRACT) THROUGH A LOCAL GOVERNMENT.

Rationale

1. Less administrative work for the Trust Fund.
2. Better economies of scale when offering benefits and insurance to the staff person.

CONSIDER HAVING TWO BUDGETS, AN ADMINISTRATIVE AND OPERATIONS BUDGET AND A TRUST FUND BUDGET, FOR THE REGIONAL ENTITY

Rationale

1. Separating budgets is a clean way of separating the costs associated with the creation of the entity. This will become even more important if local governments capitalize the trust fund upfront.
2. The two budgets perform different functions. The A& O budget essentially ensures the ability to hire an executive director to run the organization. It is essentially a hard cost associated with doing business and needs to be predictable. On the other hand, the trust fund budget is the capital the staff has to work with in supporting projects. As in any business, capital can fluctuate from year to year. The amount of funds available to support projects will be dependent on a range of local budget issues that will vary from year to year. This will be true regardless of the funding source(s) that are pursued.

OTHER COMMENTS AND DISCUSSION POINTS:

1. Eagle County has offered office space in its annex in El Jebel. There may also be space that would be shared with the GCHA in the County building, which could provide a satellite office for staff.
2. The Trust Fund Board will need to purchase liability insurance.

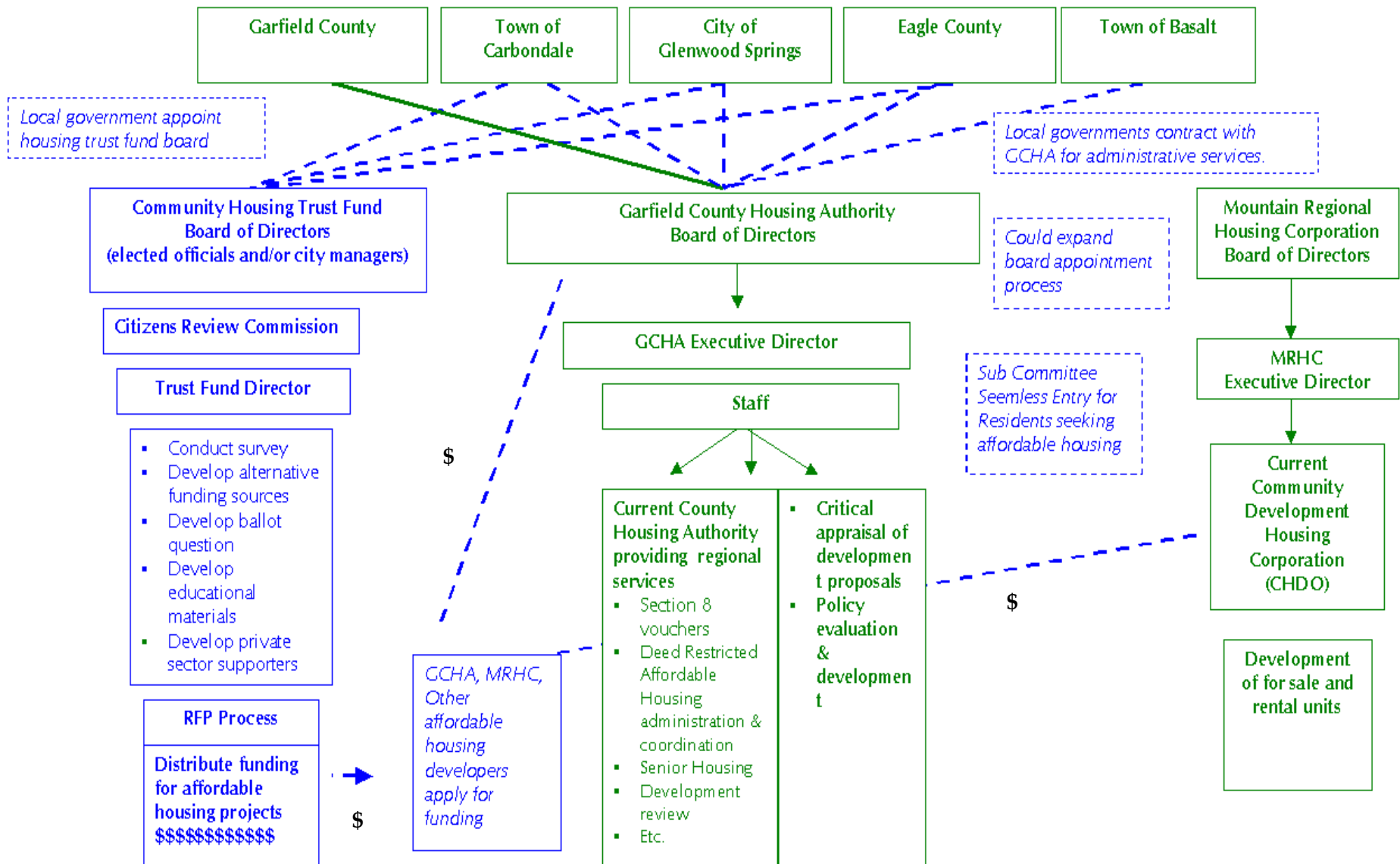
2. HOUSING TRUST ORGANIZATIONAL STRUCTURE, STAFFING AND BUDGET– REVISED DRAFT

The enclosed organizational chart reflects discussion at the joint working group meeting concerning the board of the housing trust. Based on the housing trust model in Washington State, ARCH Housing, we have included the possibility of city, town and county managers serving on the board of the trust (by themselves or with elected officials).

ORGANIZATIONAL STRUCTURE

Regional Housing Trust Fund Organization Chart- Revise DRAFT 2-27

Green = existing Blue = proposed



STAFFING OVERVIEW

The following section describes some of the duties of the proposed housing trust fund staff and the types of support they are likely to need.

Executive Director

Initially, the trust would need a single staff person. This person will focus on fund development and laying the groundwork for a ballot question. This will include evaluating opportunities to receive other federal funding, hosting fund raising events, working with employers or any other sources that may be deemed appropriate for this effort.

Although fund development will be a primary duty for this position, part of the fund development strategy (as suggested in the joint working group meeting), could be the development of an affordable housing project before asking a ballot question. For instance, there are a number of housing projects currently in the development process. Trust staff could be a key broker in ensuring there is a permanently affordable component within these projects (more than might be required through local ordinances) by providing funding through the trust fund or accessing state and federal funding. Consequently, staff will need development experience and an entrepreneurial approach to leverage initially limited funds within the housing trust.

Staff will also oversee allocation of dollars. Initially, this may occur as interested parties complete an application for funding that would support housing developments. In the future, as the trust grows it will likely use a request for proposals process. In both cases, funding decisions will reflect local needs and priorities.

Lastly, staff will work with the local board of directors overseeing the work of the fund, as well as staff from non-profits, housing authority, for-profit developers and local governments. This may largely be an information sharing and facilitative role.

Support Needs

The types of support needed for this effort would include:

- **Accounting.** This would include assistance with payroll, managing payables and revenues and related accounting functions (this could be done through a cooperative agreement with one of the local governments).
- **Legal.** Provide legal assistance regarding organizational structure and contracts and other related issues (this could also be provided through a cooperative agreement, although it is likely that there some specialized services will be needed).
- **Operating.** This includes general assistance such as setting up meetings, maintaining files and general office support. As discussed, initially the Housing Trust Fund staff may be able to work with support staff from the Garfield County Housing Authority.
- **Office space:** This could be a shared space from one of the one of the local governments.

Budget

The following provides an estimated budget as though a staff person were hired at the beginning of the year. Realistically, staff should be on board for this effort by June 2003. Consequently, the salaries and benefits budget would be approximately half of the projected cost. It also assumes a 3% increase in wages and other costs, each year for the next three years. Lastly, the

miscellaneous/contracts includes approximately \$15,000 for a survey to evaluate a ballot initiative. It will also cover some costs, such as professional liability insurance and expenses that have not yet been anticipated.

Categories	Annual Budget	2004	2005
Salaries			
Director	\$60,000	\$61,800	\$63,654
Benefits	\$13,800	\$14,214	\$14,640
Total Salaries and Benefits	\$73,800	\$76,014	\$78,294
Operating Expenses			
Legal	\$2,500	\$2,575	\$2,652
Travel	\$2,500	\$2,575	\$2,652
Training	\$2,400	\$2,472	\$2,546
Telephone	\$1,000	\$1,030	\$1,061
Supplies	\$1,200	\$1,236	\$1,273
Printing	\$600	\$618	\$637
Postage	\$600	\$618	\$637
Miscellaneous/Contracts/Survey	\$35,000	\$20,600	\$21,218
Total Estimated Operating	\$45,800	\$31,724	\$32,675
Total Budget Estimate	\$119,600	\$107,738	\$110,969

(See **Section 4 Cost Sharing Formulas** for examples of how local governments may equitably share the costs associated with the staffing and operation of a regional housing trust fund.)

3. HOUSING TRUST DEVELOPMENT PHASING & REVENUE OPTIONS

As mentioned at the January 23 meeting, there are a variety of ways to develop resources for a housing trust fund. At its February 10th meeting, the joint working group suggested that we considering a phased approach for “capitalizing” the fund (getting resources to support the development of permanent affordable housing). They discussed how such an approach could help make the case for a dedicated revenue source to support the development of affordable housing.

This section explores how a phased approach to capitalizing the Trust Fund could work, what level of resources might be needed in each phase to help the local governments achieve their affordable housing goals.

PHASE I -- INITIAL NON-DEDICATED FUNDING

Phase I is a one- to two-year period, extending from 2003 through a ballot question in November 2004. During this time, the trust fund staff will be working on the following activities:

- Evaluating opportunities to receive other federal funding, hosting fund raising events, working with employers or any other sources that may be deemed appropriate for this effort.
- Developing a prototypical project that can be used as an example of the Trust’s effectiveness.
- Laying the groundwork to establish a permanent funding source.

An initial affordable housing project could be created using subsidy and expertise from the Trust. Rather than develop a project from scratch, the Trust would work to structure partnerships among developers, non-profits, and public organizations to create a project to illustrate the role and value of a housing trust fund.

The following example provides a subsidy estimate to better understand one level of development / capital funding to create a modest amount of permanent affordable housing during Phase I. The analysis is based on the current development costs of the Cardiff Glen site, and reflect the costs of land, financing, construction, off-site improvements, and developer profit. The level of quality and finishes on the units in the development are similar to what would be constructed for an affordable housing project. It has been assumed that the Trust would consider a development with a mix of units, such as townhomes and flats, that range in size from two to three bedrooms, as shown below in **Table 1**.

Table 1
Subsidy Estimates – Costs
Lower Roaring Fork Regional Housing Initiative

Unit Type	Number	Cost	Total Cost
3-Bed Townhouse	3	\$239,500	\$718,500
3-Bed Flat	3	\$190,000	\$570,000
2-Bed Townhouse	3	\$219,500	\$658,500
2-Bed Flat	3	\$170,000	\$510,000
Total	12		\$2,457,000

Source: Economic & Planning Systems, Inc.

If the Trust targeted buyers with household incomes in the range of 80 percent to 120 percent of AMI (roughly 1/3 of the population in the region), potential revenue from this project is shown below in **Table 2**. (Household income figures are based on a household size of three persons.)

Table 2
Subsidy Estimates – Revenues
Lower Roaring Fork Regional Housing Initiative

Unit Type	Number	Revenue	Total Cost
80%	5	\$159,076	\$795,378
100%	5	\$198,740	\$993,700
120%	2	\$238,488	\$476,976
Total	12		\$2,266,054

Source: Economic & Planning Systems, Inc.

The difference results in a project subsidy of \$191,000, which is approximately \$16,000 per unit.

LOCAL, STATE, & FEDERAL HOUSING FUNDING SOURCES

There is a smorgasbord of potential funding for affordable housing at the local, state, and local level. Housing Trust staff would continually work to leverage local dollars to attract state and federal dollars. Some funding sources include:

Local Housing Funding

Downpayment Assistance

A consortium of local realtors, lenders, and mortgage brokers has established a program that generates approximately \$30,000 to \$40,000 per year. Approximately 80 percent of the funding is generated through fundraisers and 20 percent is provided from interest on escrow accounts. The group uses the funds to help first-time home buyers with grants used to cover closing costs. Up to \$2,500 is available per person and the group receives about 10 to 15 requests per month. There is a high level of professional encouragement by realtors and mortgage brokers to contribute to the fund. For example, grant recipients are typically clients of participating agents and brokers. The fund relies heavily on community participation at its annual fund raisers, such as the Balloon Extravaganza and the annual golf tournament.

Business License Fees (potential)

There are a total of 1,932 business establishments in the Lower Roaring Fork Valley. These businesses range in size from one employee up to 499 employees, and the data is grouped by size and location in **Table 3** below. The locations reflect the zip codes boundaries of the area, and those in 81621 are shown as Basalt businesses, 81623 are shown as Carbondale, and 81601 and 81602 are shown as Glenwood Springs.

If local communities adopted a business license fee, or increased the existing fee as shown below, there is the potential to generate over \$53,000 annually. The business license fee is reasonable as housing need is directly related of employment levels. Additionally, if the Trust is successful, local businesses will benefit as there will be a larger employee pool from which to hire.

In the example shown below, the fee is based on a simple graduated scale. Businesses with one to 19 employees would pay \$25 per year. The next level would include businesses with 20 to 99 employees and would pay \$50 per year. The highest level, those with 100 employees or more would pay \$100 per year. In total, more than \$53,000 could be generated with this tool.

Table 3
Potential Business License Fee Revenue
Lower Roaring Fork Affordable Housing Task Force

	Basalt	Carbondale	Glenwood Springs	Total	Potential Fee	
					Per Bus.	Revenue
Employees in Establishment						
1 to 4	227	418	560	1,205	\$25	\$30,125
5 to 9	73	99	172	344	\$25	\$8,600
10 to 19	40	59	122	221	\$25	\$5,525
20 to 49	22	28	78	128	\$50	\$6,400
50 to 99	3	5	10	18	\$50	\$900
100 to 149	0	6	9	15	\$100	\$1,500
150 to 499	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	\$100	\$100
Total	365	615	952	1,932		\$53,150

Source: US Census 2000, NAICS by Zip Code; Economic & Planning Systems

State and Federal Housing Funds

Tax Credits

The Tax Credit program was established in 1986 and is intended to increase the supply of low-income rental housing. Each state is allocated annual supply of credits based on its population, which are then allocated to developers, typically in a competitive process. The Colorado Housing and Finance Authority (CHFA) distributes the credits in Colorado based on criteria it has established over time. In general, CHFA looks for projects with long-term affordability restrictions and targeted populations that include representation of lower income levels, often ranging from 60 percent to as low as 40 percent of AMI. After receiving an allocation, developers typically sell the credits to private investors. Generally, investors are recruited by syndicates and ownership rights are controlled by limited partnership agreements. The money private investors pay for the credits is paid into the project as equity financing. This equity financing is used to fill the gap between the development costs and the traditional financing sources that could be expected to be repaid from rental income. Investors who purchase tax credits provide equity to an affordable housing project that can range from 70 to 80 percent of construction costs, depending on the circumstances of each development.

HOME Funds

HOME funds are federal housing subsidies that made available to state and local agencies. The program was created by Congress in 1990 and is designed to increase the level of affordable housing for low income households. The program has stringent requirements related to income eligibility and affordability. No funds can be used to assist households earning more than 80 percent of AMI. Unlike, Block Grants, HOME funds must be used exclusively for housing projects.

The following activities are eligible for funding: Rehabilitation, conversion, new construction, acquisition, relocation costs, CHDO “soft costs,” and some administrative costs.

HOME funds are made available to entitlement communities that have the minimum population threshold and meet other requirements of the program. In Colorado for Fiscal Year 2000, seven cities and four counties received HOME funds directly from the federal government. The balance of the state’s funding, nearly \$7.0 million, was provided to the State’s Division of Housing, which makes it available to specific projects throughout the year. The State’s criteria for funding is based on several factors, including level of need, targeted population, geographic distribution, extent of local matching funds, etc. An average grant can range from \$10,000 to \$12,000 per unit.

Block Grants

The community Development Block Grant program (CDBG) is a federal program that began operation in 1975. It is run by HUD. The primary objective of block grant funds is to improve communities by providing “decent housing, a suitable living environment, and expanded economic opportunities” all “principally for persons of low and moderate income.” Each state is allocated funds annually, based on its population. The entitlement communities in each state receive funds directly from HUD (jurisdictions are those municipalities with more than 50,000 people or counties with more than 200,000), while the balance of funding is directed toward the state.

While the intended purpose of the Block Grant program is to direct these funds to low and moderate income households, the broad definition of eligible uses often dilutes the impact to this portion of the population. Eligible services include housing rehabilitation and construction, services (such as child care, health care, transportation, police, etc.), public works (streets, sidewalks, sewers, etc.), construction or rehabilitation of parks and recreation facilities, economic development activities (job training, business loans, commercial building rehabilitation), and administration costs.

HUD requires communities to document that the use of funds is consistent with the parameters of the program. As part of the documentation, HUD requires communities to develop five-year consolidated plans for the use of block grant and other federal funds. In many cases, the consolidated plans specify uses of funds and make changes to the plan difficult. The most effective efforts to steer block grant funds to a specific use in a specific area is to modify the consolidated plans, when they are up for renewal.

Rural Development

The staff of the regional Rural Development office in Grand Junction report that few of its funding sources have been used in the Lower Roaring Fork area, although there is potential for use of the funds here. Rural Development has a variety of programs intended to assist households in non-urbanized areas. Its most effective programs are in the form of loans instead of grants. Loans for repair are available at one percent for up to \$20,000 for households earning less than 50 percent of AMI. Grants up to \$7,500 are available to seniors, 62 or older, also at or below the 50 percent level. There are also programs to help renters become homeowners. These include loan programs that offer very low interest rates for household earning up to 80 percent of AMI or loan guarantees that enable purchasers to secure conventional loans at reasonable rates for households earning up to 125 percent of AMI. The most significant aspect of both programs is that purchasers are able to secure 100 percent financing, are not required to provide down payments, and can sometimes get financing at one to two percent. Finally, Rural Development offers a “self-help” program, where a

local housing agency is provided funding to supervise and assist selected families in constructing their own homes.

HUD

In some cases, HUD makes direct grants to specific communities. These are difficult to achieve; however, based on the recent efforts of the Rural Communities Assistance Corporation (RCAC) and representatives from five counties (including the Mountain Regional Housing Corporation), an allocation has been made that can be used locally for limited purposes. Representatives from Grand, Summit, Eagle, Garfield, and Pitkin Counties are in the initial phases of forming the organization to administer the fund, which was capitalized by HUD in 2002 with \$1.0 million. In general, use of the fund is limited to down payment assistance loans and predevelopment loans, with a maximum of 20 percent available for each of the five counties involved. The criteria for making loans to organizations within each county has not been determined and no loans have been made at this time. It will be important for the Trust to work closely with the MRHC and the five-county organization to learn what the criteria will be for its loans and if funds can be directed to local down payment assistance programs.

PHASE II - DEDICATED FUNDING

Phase II involves creating a dedicated funding source to capitalize the housing trust fund (i.e., a sales tax for a ten year period) and enable the fund to achieve the affordable housing production goals discussed by the steering committee last fall. Building on the previous discussions of goals, this analysis considers the goals of making 5, 10, and 15 percent of the housing stock in the region permanently affordable. (As a point of reference, roughly 3% of the housing stock in the Basalt to Glenwood Spring area is permanently affordable at this time.). These three options are described below and are further detailed in **Table 4**.

- **A goal of 5 percent** translates to 39 units or an annual production of 4 units per year. The annual cost (including development and operations) of \$167,120 could be funded with a sales tax of 0.03 percent.
- **A goal of 10 percent** translates to 586 units or an annual production of 59 units per year. The annual development subsidy of \$940,000 with the annual operating cost of \$120,000 results in a total annual cost of \$1.06 million. A sales tax of 0.19 percent would generate \$1.06 annually.
- **A goal of 15 percent** would require the community to develop 1,133 units, or 113 per year of the next ten years. The annual cost (including development and operations) of \$1.9 million could be funded with a sales tax of 0.35 percent.

Sales tax estimates are based on the State of Colorado's definition of taxable sales for Basalt, Carbondale, and Glenwood Springs. As a point of reference, the Regional Transportation Authority's sales tax rates are 0.2 percent for Basalt, 0.5 percent for Carbondale, and 0.4 percent for Glenwood Springs.

Table 4
Summary of Alternatives
Lower Roaring Fork Regional Housing Authority

Goal		5%	10%	15%
Existing Units	10,941			
Production				
Total Unit Production		547	1094	1641
Less Existing Units*		(340)	(340)	(340)
Less Inclusionary Zoning		(168)	(168)	(168)
Net Goal		39	586	1,133
Subsidy				
Per Unit		\$16,000	\$16,000	\$16,000
Total Subsidy Costs		\$625,177	\$9,378,353	\$18,131,530
Annual Need over Ten Years		\$62,518	\$937,835	\$1,813,153
Annual Production		4	59	113
Administration Costs		\$120,000	\$120,000	\$120,000
Total Annual Costs		\$182,518	\$1,057,835	\$1,933,153
Revenue				
Aggregate Sales Tax Base		\$557,068,143	\$557,068,143	\$557,068,143
Sales Tax Rate		0.03%	0.19%	0.35%
Revenue Potential		\$167,120	\$1,058,429	\$1,949,739

Source: Economic & Planning Systems, Inc.

*existing units includes Catholic Archdiocese projects in Glenwood and Carbondale.

4. COST SHARING CONTRIBUTION FORMULAS

One of the challenges facing the Lower Roaring Fork housing effort is determining an equitable share of financial participation by each of the jurisdictions in the area. Contributions are needed to cover housing trust operating costs (and potentially a first development project), until a permanent funding source can be established. Two alternative cost sharing approaches are provided below.

EXAMPLE I -- NORTHWEST COLORADO COUNCIL OF GOVERNMENTS

The method used by the Northwest Colorado Council of Governments to determine the annual local government dues is provided below. NWCCOG applies factors to the population and property valuation for each of its member communities. These factors have been developed by the NWCCOG's finance director, based on extensive analysis of historical payments. Population is assessed at a rate of 0.6300 and property valuation is assessed at a rate of 0.000012. When applied to the region, the COG generates approximately \$112,000 from five counties and \$50,000 from 20 municipalities each year.

This approach provides the basis for the method shown below in **Table 5**. Because of the smaller geographic area and lower levels of population and assessed valuation, the factors have been increased to generate enough to cover annual operations of a housing trust fund. The proportions have been maintained, as each factor is five times the level used by the NWCOG.

Table 5
Alternative Funding Scenarios
Regional Housing Trust Fund

	Population			Valuation			Total
	Population	Factor	Revenue	Valuation	Factor	Revenue	
Garfield County							
Carbondale	5,196	3.150000	\$16,367	\$78,196,509	0.000060	\$4,692	\$21,059
Glenwood Springs	7,736	3.150000	\$24,368	\$135,047,635	0.000060	\$8,103	\$32,471
Unincorporated	<u>4,276</u>	3.150000	<u>\$13,469</u>	<u>\$169,813,312</u>	0.000060	<u>\$10,189</u>	<u>\$23,658</u>
Subtotal for RE-1	17,208		\$54,205	\$383,057,456		\$22,983	\$77,189
Eagle County							
Basalt	1,952	3.150000	\$6,149	\$61,133,630	0.000060	\$3,668	\$9,817
Unincorporated	<u>5,466</u>	3.150000	<u>\$17,218</u>	<u>\$76,347,330</u>	0.000060	<u>\$4,581</u>	<u>\$21,799</u>
Subtotal for RE-1	7,418		\$23,367	\$137,480,960		\$8,249	\$31,616
Total	24,626		\$77,572	\$520,538,416		\$31,232	\$108,804

Source: 2000 US Census; Eagle and Garfield County Assessor's Office; NW Cog; Economic & Planning Systems

EXAMPLE II – ARCH TRUST FUND (Local Demographic and Economic Factors)

Table 6 below, is based on the parity program developed by ARCH Housing in Washington State (See [Housing Trust Models](#) attachment or visit www.hmccolorado.org/housingauthority.htm). In this cost sharing model, five socio-economic factors have been summarized, including population, property valuation, sales tax revenue, employees, and property tax revenue. The figures for Eagle and Garfield Counties reflect the population or revenue within the RE-1 boundaries. The County totals are provided as a point of reference. It should be noted that information for unincorporated areas cannot be collected for every category. Basalt's data reflect the portion that is within Eagle County.

For each category, the percentage represented by each jurisdiction has been calculated. These percentages have then been used to frame the high and low ranges of participation. For example, Basalt's population represents eight percent of the total population in the Lower Roaring Fork Valley. This data point becomes the low end of the range for Basalt, as no other data points fall below eight percent. The high and the low percentage point for each community has been identified and then used to establish its range.

To estimate annual contributions, an annual operating budget of \$120,000 has been used. This has been applied to the percentage points to identify potential dollar amounts. The data show that if all communities used their lowest percentage, the total participation would equate to 81 percent of the need, or \$97,000. Conversely, if all jurisdictions participated at the high end of the range, 178 percent of the needed revenue would be collected, or \$213,000. The average, which is \$120,000 and reflects 100 percent of the need, is the mean of the available factors for each jurisdiction.

The advantage of this model is that it provides latitude to each of the members. Similar to the ARCH Trust Fund example, each community is provided with a range and the annual contribution may vary within that range. The goal is to find a method that equitable distributes the cost and generates enough funds annually to cover operating costs. The model will be refined with the goal of focusing the upper and lower limits, based on discussion by task force members.

Table 6
Alternative Funding Scenarios
Regional Housing Trust Fund

	Population		Valuation		Sales Tax		Emp. by Zip		Property Tax Rev.		Range			Potential Rev.			
	Pop.	%	Valuation	%	Revenue %	Emp.	%	Levy	Income	%	Low	Ave.	High	Low	Ave.	High	
Garfield County																	
Carbondale	5,196	21%	\$78,196,509	15%	\$74,811,342	16%	4,143	28%	4.010	\$313,568	21%	15%	20%	28%	\$18,000	\$24,280	\$33,600
Glenwood Springs	7,736	31%	\$135,047,635	26%	\$309,647,217	68%	8,589	57%	5.815	\$785,302	52%	26%	47%	68%	\$31,200	\$56,466	\$81,917
Unincorporated	<u>4,276</u>	<u>17%</u>	<u>\$169,813,312</u>	<u>33%</u>	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>		<u>==</u>	<u>==</u>	<u>17%</u>	<u>25%</u>	<u>33%</u>	<u>\$20,400</u>	<u>\$29,992</u>	<u>\$39,147</u>
Subtotal for RE-1	17,208	70%	\$383,057,456	74%	\$384,458,559	85%	12,732	85%		1,098,870	73%	58%	77%	129%	\$69,600	\$92,743	\$154,664
Eagle County																	
Basalt	1,952	8%	\$61,133,630	12%	\$69,145,530	15%	2,226	15%	6.618	\$404,582	27%	8%	15%	27%	\$9,600	\$18,410	\$32,400
Unincorporated	<u>5,466</u>	<u>22%</u>	<u>\$76,347,330</u>	<u>15%</u>	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>		<u>==</u>	<u>==</u>	<u>15%</u>	<u>18%</u>	<u>22%</u>	<u>\$18,000</u>	<u>\$22,118</u>	<u>\$26,635</u>
Subtotal for RE-1	7,418	30%	\$137,480,960	26%	\$69,145,530	15%	2,226	15%		\$404,582	27%	23%	23%	49%	\$27,600	\$27,257	\$59,035
Total	24,626	100%	\$520,538,416	100%	\$453,604,089	100%	14,958	100%		1,503,452	100%	81%	100%	178%	\$97,200	\$120,000	\$213,699
County Totals																	
Eagle	41,659	100%	\$2,042,993,630	100%			28,686	100%	4.530	\$9,254,761	100%						
Garfield	43,791	100%	\$817,673,220	100%			15,693	100%	8.369	\$6,843,107	100%						

Source: 2000 US Census; Eagle and Garfield Assessor's Office; Municipal Finance Departments, Economic & Planning Systems, Inc.