Housing Solutions in Chaffee County

Ballot Initiative Committee
June 2024 Presentation

2 Ballot Measures to Address the Housing Crisis

#1 - 0.5% sales tax increase that will include Chaffee County, Salida, and Buena Vista to generate approximately $3.5 million in the first year that will go directly to housing.

#2 - A separate "debrucing" measure that will ask voters if the CHA can keep revenue from all sources including state and local grants to support the operations of the Authority WITHOUT RAISING TAXES.

Chaffee Housing Authority's Role

Chaffee Housing Authority (CHA) is an independent government organization, formed in late 2020 through a joint agreement between Chaffee County, the City of Salida, and the Town of Buena Vista.

- CHA's **purpose** is to be a community leader partnering for inclusive and secure housing.
- CHA **envisions** a thriving community with housing for all.
- CHA's **mission** is delivering housing units and stability through partner-driven development, education and advocacy, and impactful programming.

Why is the money needed?

Close the Capital Gap (70-80% of funds): Even with low interest loans resulting from CHA partnerships, rising interest rates and cost to build yield a housing unit which is still out of reach for the bulk of Chaffee County Workforce. Money from sales tax will close this gap.

Operating: While the current funding from municipalities and lodging tax is substantial, it isn't enough to solve the crisis. The CHA must be able to develop a deed restricted program - procurement, rental compliance, oversight for 1100 units. In addition, it must have the ability to function independently and be a reliable resource for partnerships. The creation of the proposed 250 units over 10 years will take human resources, legal and professional fees. It will also support the CHA being independent from the County organization.

The 10 year pro forma proposes an operating budget which may be more than needed. Expertise from CHA, municipalities to finalize

Deed restricted units in the works or as a possibility

1. **CHA** - 75 units for Jane's Place and 75 units projected in the next 2-3 years. Update? This depends on 2nd ballot measure passing.

2. **Buena Vista** - 218 "workforce units" as part of major subdivisions/site plan

3. **Salida** - 400 units coming online.

Possible: CHA funding 250+ units over the next 10 years if community will support. it

Total: About 950 units over the next 10 years.

Current Situation

Chaffee County has **very few rental housing units** compared to the demand.

Rapidly increasing home values have made **purchasing a home unaffordable** to most local workers and families which **threatens our businesses and our community**.

1105 units needed in Chaffee County by 2027 (2022 Housing Needs assessment)

2024 Ballot Measure Survey Results

Debrucing Measure is Existential

- This is a standard measure that organizations across the state have successfully pursued.

- **The Ask**: Can CHA can keep revenue from all sources including state and local grants to support the operations of the Authority WITHOUT RAISING TAXES?

- If we don't pass this measure, CHA can't accept state money to help solve for local issues.

Debrucing Measure

- This is necessary according to **CHA's attorney** under the Colorado Constitution.

- The **Taxpayers Bill of Rights** – Article X Section 20 of the Colorado Constitution, requires that a "district" under TABOR can only increase its revenue in any year from the prior year by inflation plus local growth unless the voters approve the removal of that limitation.

- CHA is considered a **multijurisdictional housing authority** and a district under TABOR.

- **Single jurisdictional housing authorities** are not subject to TABOR.

Sales Tax Measure - Rationale

- CHA has also decided to pursue a sales tax measure on the ballot in November 2024 that **will raise approximately $3.5M dollars in year 1** while costing taxpayers $.50 per $100 spent annually to fund construction projects and develop programming to help solve the affordable housing crisis in Chaffee County.

- There is a **SUNSET clause of 10 years** on the measure to hold CHA accountable and in order to gain voter trust.

- A sales tax increase is being pursued following a **community survey** we conducted in February.

- Voters share that they would be supportive of an increased sales tax because it is **equally spread across the community**, and would also make it so **visitors** to our community would **contribute to a solution**.

- **Other options**, like an increase in **property taxes**, do not have support to pass.

How the Sales Tax Could Be Used

If the sales tax measure passes, CHA would leverage the **funds to construct up to 250 units over 10 years** in partnership with developers and the community **using several different strategies** that have been effectively **used in other rural resort mountain communities** also struggling with the affordable housing crisis.

How the Sales Tax Could Be Used

Strategies include but are not limited to:
- **partnering with developers** to subsidize their affordable housing developments to keep rents affordable
- **ADU incentives** for homeowners wishing to build deed restricted ADUs
- **land banking** for future projects
- **repurposing** motels or commercial space to apartments
- **converting existing units to deed restricted units** through a buy down program, and creating a rental subsidy program to prevent homelessness, prevent displacement from the community and retain our existing housing stock
- **down payment assistance program**

Next Steps

- **CHA is currently working on an educational campaign to help leaders in our community understand why these measures are critically important.**

- **CHA will continue these educational efforts until the measures are adopted and moved to the ballot by our local governments.**

- **Chaffee County, Buena Vista, and Salida must each refer the measures to the ballot by July 2024. CHA's attorney is drafting resolutions for the jurisdictions to vote on.**

- **Following the measures being referred to a ballot, an Issue Committee will focus on educating and campaigning in support of the measures.**