



Region 10 Executive Committee Meeting Minutes
December 8, 2022
In Person at Region 10 office with a Zoom Video Conference

1. **CALL TO ORDER and INTRODUCTIONS**–Meeting was called to order at 12:03 pm.
 - a. **Staff:** Michelle Haynes (R10 Director), Trish Thibodo (Community Development), Eva Veitch (Community Living Services), Corey Bryndal (Broadband Project Director), Courtney Rodwell (Program & Office Assistant)
 - b. **Board Members:** Kris Holstrom (Board Chair, San Miguel County), Dave Frank (City of Montrose), John Clark (Town of Ridgway), Don Suppes (Delta County), Vince Rogalski (GVTPR/STAC), Greg Hart (Town of Cedaredge), Dave Roberts (Town of Lake City), Jim Gelwicks (City of Gunnison), Roland Mason (Gunnison County), Greg Sund (Town of Crested Butte), Roger Rash (Montrose County), Mike Bordogna (San Miguel County), Michael Bacani (Town of Mt Crested Butte), Elyse Casselberry (City of Delta), Jon Waschbusch (Treasurer, Montrose County), Chris Haver (Town of Crested Butte), Mary Bachran (Town of Paonia)
 - c. **Guests:** Dynamic Planning: Ethan Mobley, Mike, Claire Peabody, Jeff Moffat, Andrew Coburn, JoAnne Rogalski
2. **APPROVAL OF AGENDA**
 - a. Addition: Acknowledgement of departing board members

Motion to approve agenda: M/S: Roger Rash/Mike Bordogna as accepted with addition. None opposed.
3. **APPROVAL OF MINUTES for October 27, 2022, Board Meeting**

Motion to approve: M/S: Jim Gelwicks/Dave Frank as accepted. None opposed.
4. **Business Items:**
 - a. Thanking Of Board Members that are leaving:
 - i. Roland Mason & Ben Tisdell. Both have been Past Chairs of the board and instrumental in organization expansion.
 - b. Regional Housing Report: What are the housing issues:
 - i. Stakeholder Interviews
 1. We wanted something beyond just a housing need study. The needs become stale quickly. A study in 2018 is no longer valid.
 2. For Region 10 engagement, there was request to increase centralization of data, and Educational advisory role.
 3. Project Ideas:
 - a. Region 10 lead economic study for underutilized sites.
 - b. Gap right now on unfilled jobs that support the cost of housing
 - c. 20% Hispanic population in the Region – Desire for Spanish materials for real estate or how to enter the real estate market.
 4. Host a space or meetings for housing needs. Recruit a network of housing industry experts to share success and obstacles.
 - ii. Gaps
 1. Production Gap: we cannot keep up with demand
 2. Affordability Gap: folks cannot afford homes
 3. Construction Labor Gap: there is a gap now and there will continue to be that gap if we do not keep up with it
 - iii. Housing Demand Analysis:
 1. To start, worked to navigate existing data sources out there, understand nuances and gaps in data especially for rural area, and consider questions from the Interviews
 2. Used scientific programming to scrape a lot of information for a website. Once the surveys are updated, they can easily update results for most current data. Augmenting that stale housing Data. Tried to make it reproducible, standardize format and eliminate nuances
 3. Demographic findings
 - a. Aging: Age class change from 2010 to 2020 as the region is aging in place and seniors in the area are increasing, affecting the housing crisis in the region especially because there is a burden on the workforce.

- b. Net Migration: We currently have a negative Natural Increase (Natural Decline) but Net Migration exceeds the rate of Natural Increase Net migration is you incoming workforce, but they will need housing not be supplied by what is currently here
 - i. Two components of housing demand:
 - 1. Catch-Up what do we need to build today. Job vacancy rates helps to estimate this number. If we were to fill all these jobs today how many units, we would need. Statewide we use a 7% job catch-up rate as the number of jobs needed, resort communities where that number is higher,
 - 2. The data can be broken apart by county and summed up regionally. Estimating around 2300 units needed to fill the current job vacancies
 - 3. To determine keep up need for the future used job estimates needs from the State Demography office – then determine number of units
 - a. Estimate 4300 units over the next 10 years
 - 4. Believe that the total number of units is a conservative estimate for the number of units needed for workforce housing units. This number does not include senior housing units that will be needed. Remote workforce growth is also not included. And workplace replacement numbers are not estimate.
 - ii. To estimate costs, we assumed that multi-family units have not been built in the past, but these will be an important part of solving the workforce housing units.
 - 1. Single family homes in the region are no longer an affordable housing option, so multiple family options are included in the estimate,
 - iii. 6600 units, what if we were to build this full number of units over the next ten years and how does that measure up to current build needs? Question: How much of past growth is single family housing, how much of it is workforce, how much of it is vacant (second homes).
 - iv. IF you don't build during down times the current state is the result.
 - c. Mike Bordogna noted San Miguel County numbers may be off because of Second Homeownership. Base population is 8200 but we average 20000 people in the area per month. Response: Dynamic planning does not edit the data models because they come out of –when it goes next to the demand it becomes under-represented.
 - d. Michelle noted that we did ask them to focus on workforce housing, so some of this does not include senior housing, secondary homes, etc.
 - e. Gunnison: there is a demand for employment and so in those high demand housing
- iv. Affordability Gap
 - 1. The increase in wages has not kept up with home prices. If you look at the area median income that is needed to purchase the area median home price is not even close.
 - 2. Listings, 63% of houses on the market are priced above \$500,000 and that is not affordable. If you look at the bottom scale of the home price the purchase price does not reflect a safe/accommodating space.
 - 3. The difference between what it costs to build a home vs worker in Region 10 there is still a huge gap. \$80,000 per door to about \$300,000 per door.
- v. Economic Impact Analysis (IMPLAN-Economic Impact Software)
 - 1. In Colorado, even though there is a national downturn there is still a population increase.
 - 2. What is it going to cost to build all this housing and how many workers will be required to do that? Approximately \$2.4 Billion to build the housing needed over 10 years which is \$240 million per year) That does not include land costs. Includes mix of Single-Family, Multi-Family and Mobile Home.
 - 3. In 2020 there were 2400 construction jobs, and we estimate a need to double that number to produce the number of homes needed. Current home builders are focused on housing units that are not affordable housing units.
 - 4. Tax revenues: there will be funding coming in on an annual basis that building of housing will create and there will be revenue to help subsidize or mitigate impact.
 - 5. . Estimate \$137 million on an annual basis that is secondary and tertiary impact spending.
 - 6. For every dollar that is spent in residential construction there are additional economic impacts that may be affected (how much water will be used, how much nitrogen will be produced, environmental impacts, etc.)
- vi. Where do we find the \$2.4 Billion to build needed housing--Real Estate Developer and Consultant

1. Private development developers have been good at high end development, and with Low Income is (the only technical definition) tax benefits.
2. There are no solutions for the middle gap. Potential solutions could be:
 - a. Partner the free market high-income developers with the low-income developers that brings them together for solutions
 - b. Public-Private Partnerships between private and nonprofit/government
 - c. Innovative new practices to drive down the cost curve
 - d. Availability of new capital, either ongoing or one-Time
3. Develop Skilled Labor: because at the end of the day if you do not have enough people to build you will not be able to produce.
4. Our numbers are big numbers, but they are 1% of the state's numbers. Potential Solutions:
 - a. The key to housing issue: we need more developers. Supply of Labor
 - i. We want local Region 10 developers however if we are going to address the catch-up gap we need out of region developers. There are incentives that you can offer to developers to get them out here to help develop. Consider using: Tax incentives, Subsidies, Fee reduction, Land availability.
 - ii. Need to create stipulations with the incentives that link it to affordable
 - iii. Property Tax Tax incentive can increase the revenue up to 20% for the developer, you must produce rents at a certain level to receive the incentive.
 - b. Modular construction:
 - i. There are questions to whether or not it does save costs.
 - ii. Multiple year studies say yes there is cost reduction at \$80-\$100 per sq foot for mountain communities.
 - iii. These are climate controlled factory built, off-site built homes.
 - iv. Labor requirements for building off-site homes is less per home.
 - c. Labor Market
 - i. Before the pandemic it was really difficult to get people to smaller towns.
 - ii. But now that the cities are over-built the investments are going to benefit by producing in rural areas. This means
 - d. New state programs
 - i. Department of Housing is about to spend \$300 million on housing and 60% is slated for rural Colorado
 1. Applications go live in January
 2. Specifically for Workforce housing – for those in the Middle income
 - ii. Grant programs:
 1. Infrastructure program for Municipalities
 2. Non-Profit grants
 - e. Support for small contracting businesses:
 - i. Both for traditional stick built construction but also modular labor market
 - ii. Technical College of the Rockies does have a modular specific training program
 - iii. Journeyman and Apprenticeship programs
 - iv. We need to show them that there are funding options for these programs
 - f. It will take a higher level of collaboration
5. Q&A
 - a. John Clark: there is no such thing as Free-market workforce housing any longer. Excited to see that Region 10 is taking the lead and looking into how we can approach this regionally like we did broadband. We need to also acknowledge that we have had a lot of NIMBYISM in the region but we do now need a mix of income. The missing middle is the Workforce.
 - b. Kris: The regional approach is nice because it is region wide. Affordable housing mitigation fee is being update in Zoom
 - c. Mike: Shipping became a big issue with the Pinon Park project in San Miguel County. Is there anyone who has spoken to some of the existing companies about opening a factory in Montrose. Response: there has been some discussion, but no plans.
 - d. Don: We have been dealing with this issue for so long now. The private sector option does not seem feasible because you cannot support it with. Could we work with some of the Tiny Home developers to have them step up their production into the modular home production because the tiny home market has been saturated? As counties if we can find

- regional practices to help direct land use codes, building codes, fire protection codes. All these requirements are making it difficult for municipalities to develop.
- e. Michelle: How do we maintain building in the downturn time? Is one thing we are continuing to look at long-term in economic development.
 - f. Kris: The project in Norwood is 80-120% ami and they focus on housing.
 - vii. Email: Ethan@dynamicplanning.co.
- c. **Discussion of Employee Benefits** – Would like some Guidance, it does fit within our budget.
- i. With renewal of health insurance, worked to reduce the deductible
 - ii. Family Leave: we are requesting to not opt out of the Family Leave. Our sick leave benefits do meet the requirements to opt out of the Family Leave program, but we felt that this was a good way to fill in the benefits for employees. Split the cost 50:50 with the employees.
 - 1. Dave Frank: The reason we opted out was because our current program already filled the gap. So, I think you have to evaluate which fills the gap better. City of Montrose currently allow employees to bank up to 480 hours.
 - 2. If an entity opts out of the program, individuals can opt in.
 - iii. New benefit of life insurance policy, it is less than \$2,000 a year for all our employees, and provides up to \$50,000 benefit if needed.
 - iv. Employee Assistance Program for extra support to our employees for coaching and consulting.
- d. **Action Item:** Approval of Enterprise Zone Projects
- i. **Adaptive Sports Center** Gunnison County – Operations: Visitor Attraction previous Capital Campaign
 - ii. **Valley Food Partnership:** Operations: Business Assistance supporting ag sector
 - iii. **Mountain Roots Food Project:** Capital Campaign: Community Facility.
 - iv. **One Delta County:** Operations: Economic Development Organization
 - v. **Uncompahgre Watershed Partnership:** Capital Campaign: Infrastructure water river and mining reclamation
 - vi. **Montrose Veterans Memorial Park:** Capital Campaign: Visitor Attraction
 - vii. Jim Gelwicks: If an organization is in financial distress and is having difficulty paying bills does this allow them to solve that financial problem. They do have to have a certificate of good standing; we do not look at financials for their application. There is no liability to the

Motion to approve: M/S: Don Suppes/Dave Frank as accepted with addition. None opposed.

5. Reports:

- a. **Executive Director/Financial Report** – Presented by Michelle Haynes
- i. Income Statements: cash flow we do have the mortgage in the bank for this building and so we have been utilizing that for Olathe until grant funds are reimbursed.
 - ii. Olathe: final construction number was \$300,000 short and we have requested from USDA to put that from operations to construction because we think we can make up the difference in Operations with more grant funding.
 - iii. Travel & meetings is high and that is because of the RSVP Program. We are going to re-class that so we can see it better.
 - iv. Agency wide R&E by category: grants and contracts, when you get to regional broadband capital, we budgeted \$0 to be able to reflect our operations revenue rather than capital grant revenue. Some of the grants depend on how we can deliver on those grants. That capital money is off setting the operations. It is fair to say that these monies are restricted in their use, and they cannot be moved from expenditure line to expenditure line.
 - v. Update on Cascade Remodel: Construction on this building went up \$75,000 about 10%. We did an immediate value add and it was a divider wall in the conference room and that saved \$50,000. We have emailed Stryker to see if there is any additional engineering. The loan on the building is \$515,000 and we have a line of credit for \$150,000. It looks more like a \$750,000 project we are looking at the remainder of the cost would come out of our reserves. There was board discussion on value of waiting on project; most members supported moving forward. Michelle: will go back to Stryker and share concerns to see if they can help us out anywhere, we have a couple of ideas about small things.
 - vi. Organizational Structure: Region 10 is organized as a non-profit organization. When looking at our CDOT application we do define ourselves as a Public Entity. I am meeting with an attorney to see if we can continue to operate with us being recognized as a nonprofit when we need to be and be a public entity when we need to be.
- b. **Small Business Resource Center** –Nancy Murphy
- i. Region 10 had to reapply as the host for the SBDC and the group at the state is shoring up and as a result we were one of 4 and we submitted our application last week.
 - ii. Today Callie & Ann are in Denver at the State Food Summit.

- c. **Business Loan Fund – Dan Scinto**
 - i. Loan Inquires down, assuming because of interest rates.
 - ii. We are working on 6 new applications since he put the report together
 - iii. Interest rates are high, so plan accordingly.
- d. **Community Development – Trish Thibodo**
 - i. Brownfields workshop in February to educate on understanding Brownfields, how you approach it as a community, where they can get additional support.
 - ii. Considering May Infrastructure regional economic development strategy, working with the state to see if they are planning similar meetings.
- e. **Community Living Services – Michelle for Eva Veitch**
 - i. Medicare Counseling is ending Open Enrollment this month, the volunteers have been busy providing counseling for seniors on their options for coverage.
 - ii. RSVP Program hit 300 volunteers in it's first year—a great accomplishment for the team.
 - iii. The team is working on the 4-Year AAA plan and we will bring in in February or March
 - iv. Consumer Directed Services is beginning to support home-based services. We are piloting in the remote areas of the region that have limited service.
- f. **Broadband – Corey Bryndal**
 - i. Broadband Workshop in Crested Butte, January 29-30.
 - ii. There is a meeting in January with WAPA to discuss access to the infrastructure.
 - iii. We are working with CDOT on the fiber for the I70 corridor.
 - iv. There were questions regarding the utilization of the Ouray County line-Corey has reached out to the incumbent providers, but without success.
- g. **Gunnison Valley Transportation Region Committee – Vince Rogalski**
 - i. CDOT and STAC are working on 2023/24 Fiscal budget. We will get the budget back in January and in March of 2023 the final budget will be approved.
 - ii. \$1.834 billion dollar budget. It has more than doubled in the last 20 years.
 - 1. With I-70 shut down last year there was a lot of usage on the Norther Cottonwood Pass and CDOT allocated \$1 million to redesign and now they are looking at \$23 million for construction and there is some concern about CDOT applying for a grant for a County Road that is going to be retained by the County.
 - iii. TAP (Transportation Alternative Program): Region 3: \$2.6 million, Region 5: \$1.2million
 - iv. Goals of the Interdisciplinary Review of the CDOT programs: we think that the chairs of the Regions and the STAC should be the review but now the state wants to take it on. We would like to not change the review of those Programs. It is important that we get to make those decisions and not the state.
 - v. We haven't had a TPR meeting, and we are suggesting a meeting in January the 2nd/3rd week to see where we are with TAP. Looking at January 12th 10am-12noon. Michelle will look at that and send out an invite.

6. Round-Table

- a. **Mary Bachran:** December 12 we are interviewing applicants for our City Administrator. We did receive and IHOP grant.
- b. **Ben Tisdell:** This is my last Region 10 meeting as a commissioner, and I just wanted to say thank you to everyone.
- c. **Dave Roberts:** Town has put up a group of lots for workforce housing. We are having people partner with us and sign leases ahead of time. The school is looking at some and CDOT is looking at some as well.
- d. **John Clark:** Space to Create is now open and occupied and is 99.9% complete and it is exciting to see it complete. 3 of 30 might be open but there are applications in. Because it is affordable housing the application process is arduous.
- e. **Mike Bordogna:** We are excited to see the 24 units at Pinon Park going. Sunnyside is wrapping up and being completed. We are replacing one of our county road bridges due to a CDOT CCI grant. WE issued a RFP for planning consultant on the Diamond Ridge property for workforce housing near Telluride Airport. We are re-zoning 39 acres there. Next stage in Gondola replacement that is poised to be an \$80 million project of initial capital so that we can begin replacing that in 2027. Telluride Regional Area Medical Center. Excited to see the light-up of the redundant broadband project. Gondola is designated transportation, and the bulk of riders on it are for commuting, which helped us apply for grants.

7. **Next Meeting:**
 - a. Board of Directors Meeting, January 23, 2023 In-Person with virtual option available.
8. **Meeting adjourned 2:42 pm**
 - a. **Motion to adjourn: Mike Bordogna/Roger Rash.** None opposed.

APPROVED 1-26-2023