



Pagosa Springs CDC Monthly Board Meeting Minutes
January 15, 2025 | 5:00 PM | Ross Aragon Community Center

In Attendance: Sherry Waner, Rosanna Dufour, Mont McAllister, Warren Brown, Jenelle Syverson, Chelle Keplinger, Brooks Lindner (Zoom), Emily Lashbrooke, and Kathleen McFadden.

Absent: Todd Mees, Bruce Stuart

Chair Sherry Waner determined there was a quorum and called the meeting to order at 5:08 PM.

Warren motioned to approve the December 11, 2024 board meeting minutes. Jenelle seconded. The motion carried.

Financial Update – Chelle Keplinger

The financial statements have been improved to reflect all PSCDC assets including the workforce houses, providing a clearer picture of our financial position. There will be more changes to the balance sheet next month as housing project assets will be properly allocated instead of showing on the income statement. The organization is expecting a loss this year, which was anticipated. The final December numbers are not yet available as the reconciliation process is still ongoing.

Mont moved to approve the November 2024 financials as presented. Rosanna seconded. The motion carried.

2025 Budget Review & Approval

The Board reviewed the updated budget, which incorporated changes discussed during the January 8 work session. There was one correction needed to properly categorize the health insurance contribution.

Chelle moved to approve the 2025 Budget subject to the ICHRA modification. Warren seconded. The motion carried.

Executive Director Report – Emily Lashbrooke

USDA Deed Restriction Issue: Emily had to work to modify the deed restriction for a USDA-funded home sale to comply with Fair Housing Act requirements. The original restriction requiring the buyer to work in Archuleta County was found to be a violation.

Workforce Development Grant: The organization received an extension on their \$271,000 workforce development grant and an additional \$100,000 to support broadband training

initiatives in Pagosa Springs and Cortez. The state broadband office is spearheading this initiative, and the organization will work with the local broadband sector partnership to help coordinate.

Workforce Housing Progress: All 10 workforce homes are nearing completion, with certificates of occupancy expected by January 20-25. There are five additional applicants in the process of qualifying and getting pre-approval from a bank. The organization has 5 additional applicants in the process of qualifying. - Phase 2 Housing Application: The Phase 2 housing application is still in underwriting, with the Department of Housing raising concerns about the work requirement in the deed restrictions.

Legal Counsel Change: Tyler Denning is no longer the organization's attorney, and they are bringing on Shay Denning, the original attorney, to provide legal counsel going forward.

Rosanna motioned to execute an agreement for legal services with Shay Denning. Jenelle seconded. The motion carried.

Land Banking Opportunity: PSCDC put in a letter of intent to apply for the land banking funds to cover the holding fees and taxes on the 11 Bonita Court properties, which are about \$18,000 per year. The LOI was approved and we were granted the right to apply. The County tried putting these lots out to bid but didn't receive adequate bids, so they pulled them from the market. We are exploring the possibility of partnering with the housing authority or other builders to construct homes on the lots at 140% AMI or below, with PSCDC retaining ownership until the homes are built. The Board discussed the need for a resolution to apply for funds, the potential liability, and needing an MOU. Emily will provide additional information to determine whether or not to apply, and if needed, create a resolution for the Board to approve via email next week.

Housing Needs Assessment: The housing needs assessment survey received nearly 700 responses. Consultants are still working on compiling the data, and the final report is expected in mid-to-late February. The Board discussed the importance of taking the time to get the housing needs assessment right, as it will be a very important document that will inform future housing strategies for the next seven years.

Impact Development Fund Loan: The Board discussed applying for a pre-development loan of up to \$250,000. The loan would cover the soft costs and pre-development expenses for Phase II, including engineering, soil testing, and surveying, without having to use PSCDC's capital. The Board discussed the potential for a 0% interest rate if the loan is paid within 90 days, as well as the fact that these budgeted pre-development costs would eventually be wrapped into the construction loan. The Board was supportive of this approach to avoid depleting reserves.

Warren motioned to approve a resolution to allow Executive Director Emily Lashbrooke to execute documents to make an application for the pre-development loan up to \$250,000. Mont seconded. The motion carried.

Business Forum Conclusion Report: The business forum was a successful initiative to gain input from the business community. Emily talked with elected officials to understand what they want to know from the business community, and these questions were posed to the forum

attendees. The forum gathered important information, such as “What are you most worried about in the next two years” and “What is economic diversity to you?” Emily presented the results to the BOCC last week and will present to Town Council next week. She will send the detailed results out to the Board via email.

Ratify Old Business: The Board previously discussed a pay increase for Kathleen McFadden, contingent upon the budget approval from the Town for additional funding.

Jenelle moved to approve a pay increase for Kathleen McFadden as discussed in executive session. Rosanna seconded. The motion carried.

PSCDC & Main Street Report – Kathleen McFadden

PSCDC

Innovation Grant 2025 Winter Work Program: Our Workforce Innovation Grant has been extended through March 31, 2025, and we have been awarded an additional \$100,000 in funding. These resources will enable us to continue supporting workforce development initiatives in Pagosa Springs, including a Broadband 101 class and fiber splicing training program and a CDL training on January 28 (see attached flyer). Two interns also will continue with Aspen House through the end of March or until they meet the \$4k per student cap. I continue to upload required documentation into Connecting Colorado and exit participants who have completed our program.

EZ Tax Credit Certifications: I submitted 19 Enterprise Zone Tax Credit contributions totaling \$22,750 in donations to the OEDIT portal. Members receive a 25% state tax credit on cash contributions, making it a valuable opportunity to support community initiatives while reducing their Colorado state tax liability. We do not submit membership contributions from our nonprofit members.

Main Street Program

Cone Zone Care Committee: Cone Zone held a well-attended update meeting at Riff Raff Brewing on December 16, with a full house of engaged participants. CDOT awarded the Highway 160 Reconstruction Project to WW Clyde, with the project scheduled to begin in March or April 2025, depending on weather. A Pre-Construction Planning Meeting between CDOT and WW Clyde is scheduled for the last week of February to finalize initial project plans and coordination efforts. The Cone Zone Program continues to focus on keeping the community informed and prepared for the upcoming construction phase by working directly with the CDOT Project Information Officers Tracy Trulove and Meredith Greene.

CDOT Rendering: We are working through PSCDC channels to fund the creation of a rendering for the CDOT reconstruction project. This visual will showcase the future vision for downtown, helping businesses, residents, and visitors see the long-term benefits of a revitalized, pedestrian-friendly Main Street. By shifting the focus from short-term disruptions to the project’s positive impact, we aim to build excitement and support within the community.

Old Fashioned Christmas: At the Old Fashioned Christmas event on December 21, we distributed 1,400 handwarmers and 300 cookies, each with a card encouraging attendees to subscribe to our newsletter and enter a drawing to win one of 20 gift cards from downtown businesses. The campaign resulted in 73 new newsletter subscriptions, with the majority of entries coming from local residents and only a few from out-of-town visitors. All gift cards have been awarded, and this effort successfully engaged the community while supporting local businesses.

Business Assistance Program: Main Street continues working with PSCDC and Region 9 to offer a Business Assistance Program for those businesses affected by the reconstruction project. The program will provide a low-cost loan offering to ease the repayment burden. However, businesses have been very forthcoming in expressing that they do not want loans; they need grants. We are actively seeking grant funding to develop a more flexible program that combines loans with grant money or potentially offers standalone grants to better meet the needs of our local businesses.

Free Digital Training for Main Street Businesses: As part of our Main Street America national accreditation and membership, we continue to offer free access to MSA's Small Business Digital Trainers program. This program provides virtual and on-demand training to help small businesses enhance their digital presence and e-commerce capabilities to increase sales and customer reach through tools and platforms including website optimization, search engine optimization, social media marketing, online advertising, analytic tools, and ecommerce services.

MET Task Force: The task force met on January 13 to discuss updates on downtown parking alternatives during the reconstruction project, including a draft communications plan and a Downtown Public Parking handout with map to direct people to alternative parking areas. Tourism has offered to pay for the printing and Main Street will handle the logistics of distributing the map to the community. The next meeting is scheduled on March 10 at 3 PM (after the CDOT Pre-Planning Meeting at the end of March).

Middle School Revitalization Project: We finalized and submitted the T-Mobile Hometown Grant proposal for the renovation of the middle school greenhouse, with results expected in **February**. The goal of the grant program is to support the development of stronger, more prosperous small towns and rural communities, offering up to 100 grants annually, with each grant up to \$50K and no required match. Our proposal includes the renovation of the middle school greenhouse in partnership with Growing Spaces, and the installation of a Wi-Fi hotspot in collaboration with Echo IT Consulting. The detailed budget is \$28.6K, which is within the funding range.

Renovating the greenhouse is a key part of our broader effort to revitalize the middle school's exterior and surrounding area to improve the aesthetic appeal of our downtown corridor. The project also supports the school's ongoing commitment to health and wellness, as it has been recognized twice as a Healthy School Champion and received the Governor's Award for being the healthiest school in Colorado. A functioning greenhouse will not only enhance these values but also provide an invaluable educational resource for students.

By improving the school's appearance at such a critical location on Main Street, this project will have a positive ripple effect throughout the entire downtown area, strengthening the connection between local businesses and educational institutions.

America 250/Colorado 150: I attended the America 250/Colorado 150 kick-off meeting on January 9, where the Southwest Colorado Local Operating Committee outlined plans for the Colorado 150th anniversary of statehood and America's 250th anniversary. The committee is focusing on four key initiatives:

1. **Passport to Southwest Colorado:** A project aimed at engaging youth by creating an interactive passport that encourages exploration of the region's historical and cultural sites.
2. **Power of Place:** A collaborative initiative to explore how the region's geography, climate, and culture shape its community and future through educational programs and exhibits.
3. **Sing Colorado!:** A celebration of Colorado's musical heritage, involving both adult and youth choirs across the region, with concerts and musical events to reflect the state's rich traditions.
4. **Oral Histories:** A collection of oral histories that captures the lived experiences of individuals who have witnessed or participated in events that have shaped Southwest Colorado.

Several of our Main Street projects align well with these four key initiatives, providing an opportunity to integrate into the America 250/Colorado 150 celebrations. We have a strategic plan refresh scheduled for January 27-28, during which we will discuss these initiatives and align our 2025-2026 projects accordingly.

Multijurisdictional Housing Coordinator Report – Jeff Sams

Housing Needs Assessment (HNA) Continue to work with Emily Lashbrooke, James Dickhoff and Pam Flowers including biweekly meetings with ECONorthwest. The survey was closed out on December 20th. Our next meeting with EcoNorthwest is on January 9th, where we will review the results of the survey. Also, need to confirm when final report will be available. Target is end of January/early February, but we did move out some of the survey deadlines which may impact delivery of the final assessment.

Phase 1 CDC Chris Mountain Work Force Ownership Housing: Continued contact with buyers that have applied to purchase. We have several buyers in the final stages of loan approval and working with them to make sure they are ready for our Home Opportunity Process. Our next Home Opportunity Process (Lottery) has been pushed to the end of January. The CDC is planning another open house towards the end of January or early February. The last one was very well attended and proved to be a great way to promote the program. We are pushing hard to make sure all homes are placed under contract. Several meetings with Lenders to review financing options. Pushing to review interest rate buy-down options, down payment assistance, and other programs to drive down the monthly payment.

Deed Restrictions have been approved by the County. This was the final approval, and the Deed restrictions can now be used for Phase 1.

Workforce Housing Guidelines will also need to be in place prior to the sale of Phase 1 homes. I have completed an RFP and once approved it will be posted to start the process of finding a consultant to create and implement these guidelines. The Guidelines will be referenced by Town and County officials, Other Government Agencies (including state agencies and those working on Prop 123), Developers, those looking for housing, etc.

The Formal Application process for Land Banking Funds is being released and we were approved to move forward. This program has funds available to purchase land and have that purchase amount forgiven once developed. The goal of the program is to set aside land for future workforce housing projects. The formal application is not due until February 10th.

Potential Developments

- Pagosa Views is still working towards submitting subdivision applications for getting their project being built.
- Town's Enclave property with development agreement with Servitas is on hold as they look at other financial and construction options. I had an initial meeting with this developer. They are still wanting to move forward with a multifamily development. There is a discussion around rent amounts and what that target should be since that was a previous requirement from the Town. We are looking at different models to see what makes the most sense. We are setting up regular meetings to keep on track. I recently visited a Modular Construction Company, [Vederra](#), to review options that could be utilized for this property as well as others.
- Colorado Outdoors, LLC is moving forward with a proposed middle income (60-140% of AMI) apartment rental project east of the Pagosa Springs Medical Center. At this point we are waiting for their major subdivision development application. Once that is submitted, we will have a better idea of what steps will be needed for the proposed workforce housing apartments. The County recently changed it's position on buying a lot in this potential development which will result in the site for the workforce housing apartments moving to the site previously

contemplated for the County Admin Offices. The Town received a \$2 million DOLA More Housing Now grant that will be used towards the costs of the public infrastructure needed to serve the housing project.

- Timberline Apartment LITCH project next to Walmart has broken ground. I had an initial meeting with their team and reviewed the overall project. The projected rental range is broad, which helps us hit multiple income ratios in the lower income brackets, with units serving 30%-80% of AMI. The target is to have occupancy late 202, but could move into 2026.

Other Work in Progress

I have also been attending several meetings with Region 9, DOLA and other Prop 123 groups and updates. It helps to keep up with changes and helps me understand what is going on in the industry.

Continued attending C.A.S.T. (Colorado Area Ski Towns) Housing Task Force Meetings. This group has had a big focus on Workforce Housing. Emily presented a bill to change the AMI requirements to allow a petition process to increase the AMI level. They were all in agreement and will support a bill.

Continue to review alternative construction methods, mostly focused on modular construction. Met with first manufacturer and will continue to look at other companies.

Started working towards Phase 2 of the Chris Mountain Workforce housing project. Many buyers that have inquired are looking at purchasing in 2025. Will be working to get them qualified.

Discussion

The Quarterly Membership Meeting will be on January 29, 2025, at the Ross Aragon Center from 8:00 AM to 9:30 AM. The next board meeting is February 12, 2025.

Meeting adjourned at 6:22 PM.