

Affordable Housing – 5 Year Scenario *(discussion purposes only)*

	2020	2021	2022	2023	2024	Total
REVENUE						
HOUSING PMT IN LIEU	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000
DUPLEX/RANCH HSE RENT	\$38,000	\$39,900	\$41,895	\$43,990	\$46,189	\$209,974
RED LADY RENT/SALES	\$6,555	\$6,555	\$6,555	\$6,555	\$6,555	\$32,775
EXCISE TAX	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$1,500,000
TOTAL REVENUE	\$384,555	\$386,455	\$388,450	\$390,545	\$392,744	\$1,942,749
EXPENSES						
Sub-Total Maintenance and Current	\$608,500	\$94,150	\$95,778	\$97,486	\$99,281	\$995,195
Possible Future Projects						
TOWN RENTAL BUILD			\$250,000			\$250,000
REDDEN MOBILE HOME RENTAL	\$170,000					\$170,000
PARADISE PARK PHASE 3	\$80,000	\$200,000				\$280,000
GREEN / INDEED		\$250,000	\$250,000	\$250,000	\$250,000	\$1,000,000
SLATE RIVER ANNEXATION	\$0	\$0	\$0	\$20,000	\$1,580,000	\$1,600,000
TOTAL EXPENSES	\$858,500	\$544,150	\$595,778	\$367,486	\$1,929,281	\$4,295,195
In year surplus / (defecit)	-\$473,945	-\$157,695	-\$207,327	\$23,058	-\$1,536,536	-\$2,352,445
Ending Fund Balance	-\$4,458	-\$162,153	-\$369,480	-\$346,422	-\$1,882,958	
Possible Funding Mechanisms						
SALE of Lot 5 Block 80	\$450,000	\$0	\$0	\$0	\$0	\$450,000
REGIONAL SUPPORT					\$500,000	\$500,000
Increase Excise Tax 1pp	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$300,000
Empty House Tax	\$0	\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000
Total Funding Mechanisms	\$510,000	\$810,000	\$810,000	\$810,000	\$1,310,000	\$4,250,000
Fund Balance After Funding	\$505,542	\$647,847	\$440,520	\$463,578	-\$572,958	

We must find approximately \$3mm of additional funding to achieve this five year plan and to get Fund balance back to positive.

CAP – 5 Year Scenario *(discussion purposes only)*

Climate Action Plan	2020	2021	2022	2023	2024	Total
Potential Projects & Expenses						
Energy Efficiency (Phase 1)	\$250,000	\$500,000	\$250,000			\$1,000,000
Roof Top Solar	\$250,000	\$500,000	\$250,000			\$1,000,000
GCEA Green Energy Program	\$15,000					\$15,000
GV Heat Support	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Fleet Conversion	\$60,000	\$50,000	\$50,000	\$50,000	\$50,000	\$260,000
Large Scale Solar	\$0	\$150,000	\$30,000	\$30,000	\$30,000	\$240,000
Land Preservation / Carbon Sequestration			\$1,000,000		\$1,000,000	\$2,000,000
Compost Facility	\$0	\$0	\$0	\$50,000	\$1,000,000	\$1,050,000
Additional Transit Routes	\$0	\$0	\$50,000	\$50,000	\$50,000	\$150,000
Mountain Express Fleet Conversion	\$0	\$0	\$500,000	\$500,000	\$500,000	\$1,500,000
Total Expenses	\$585,000	\$1,210,000	\$2,140,000	\$690,000	\$2,640,000	\$7,265,000
Possible Funding Mechanisms						
RETT allocation	\$330,000		\$250,000		\$250,000	\$830,000
Grant Funding	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000
Empty Home Tax		\$750,000	\$750,000	\$750,000	\$750,000	\$3,000,000
Cigarette / Nicotine Tax		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Open Space Fund			\$1,000,000		\$1,000,000	\$2,000,000
Total Possible Funding Mechanisms	\$580,000	\$1,050,000	\$2,300,000	\$1,050,000	\$2,300,000	\$7,280,000
Funding Surplus / (Gap)	\$5,000	\$160,000	-\$160,000	-\$360,000	\$340,000	-\$15,000

Recommendations

- Within existing funding sources, prioritize CAP and Affordable Housing over other uses of Capital Fund revenue. This would require tough decisions and delaying investments in building maintenance, Parks, capital equipment replacement, etc.
- Pressure the Valley Housing Fund to invest funds, \$1.5mm of which was contributed by the Town of Crested Butte, back into Crested Butte projects.
- Consider placing a Empty House Excise Tax on the 2020 election ballot. This could be the fastest and cleanest way to generate significant capital to invest in CAP and Affordable Housing. “Trophy” 2nd / 3rd / etc. homes are a significant driver of Town’s current housing crisis and also generate proportionally high GHG emissions. In five years or less, this tax could largely help fund both Council 5 year goals around affordable housing and CAP.
- Consider selling 308 3rd Street while the market is at an all time high. The \$2mm+ generated from this sale would largely fund the Affordable Housing 5 year plan or a significant portion of CAP.

Dear Town Council Member,

As you contemplate the empty home tax, as nonprofit professionals and full-time residents we want to express the importance of second homeowners to our community. We worry, ironically, that if we are not careful, the Town could accelerate the loss of community. Community is a muscle. The more we exercise it, the stronger we become. The muscle grows when we do the hard work of building relationships, coming together to solve problems, and learning and growing from our failures. Too much emphasis on treating community members as a transaction will atrophy that muscle. While taxes will always have a role in town politics, taxes need to be considered in the context of a problem and available tools. Currently, the discussion feels like we are losing sight of the power of community-based problem-solving.

Like full-time residents, second homeowners come in all types and flavors, from around the world, with varied experiences and socioeconomic backgrounds. Many of them have been here for decades, with community engagement passing from one generation to the next. They are our volunteers, our board members, our donors, our advisors, our loyal patrons, our neighbors and our friends. When there is a community need or issue, they have always been part of the solution.

As non-profits we rely heavily on second homeowners. They play a significant role in our ability to advance our missions in service to the public. Their support enables many nonprofit employees to be full-time community members. Without them, the Adaptive Sports Center, Center for the Arts, Land Trust, Music Festival, Nordic Center, Wildflower Festival, Rocky Mountain Biological Laboratory and Tough Enough To Wear Pink would not have been able to increase our capacity to connect people to the outdoors, provide community art opportunities, and address climate change.

We appreciate the challenges that the Town is facing, and the temptation of an income stream levied on people who do not vote locally. Ultimately, we do not know whether adoption of an empty home tax is a good or bad idea. Our experience is that our community will be stronger if second homeowners are part of community conversations and planning to find creative, sustainable solutions to the biggest issues facing this community; their community. As the conversation moves forward, let's recognize their importance!

Sincerely,

Ian Billick, Executive Director RMBL

Michelle Bivens, Executive Director CB Wildflower Festival

Noel Durant, Executive Director CB Land Trust

Chris Hensley, Executive Director Adaptive Sports Center

Christie Hicks, Executive Director CB Nordic Council

Heidi Sherratt, Executive Director Cattlemen's Days Tough Enough To Wear Pink

Erica Vernon, Executive Director CB Music Festival