RFTA Planning Department Monthly Update

October 14th, 2021

Housing

Lack of housing was the main topic of discussion at the Colorado Resort Transit Agencies (CREST) meeting at the September CASTA Conference. Many agencies see affordable employee housing as essential to recruiting and retaining drivers. CASTA has scheduled a CREST+Employee Housing Forum for November 1 from 10:30 am -12:30 pm in Summit County. The plan is to have each agency/town talk about their housing model, what works well, what does not, and what they have in the works for the future.

On Friday, October 1, David Johnson attended an affordable housing tour and workshop in Breckenridge. The Town has been progressive and successful in its efforts to preserve existing housing stock for the workforce, and expand the stock of affordable housing. On average, they have added 44 deed restricted units a year for the last 20 years and created a pipeline of projects. Their current inventory is about 1,129 units, and 574 coming on line.

The Town's workforce is diverse, and they have been successful in accommodating a variety of households (single family, duplexes, Condos, townhomes, apartments) and at various incomes (40% AMI-180% AMI). It is important to consider the needs of the residents in designing the neighborhoods and to focus on building community, and not just heads in beds. "For those of us with a roof over our heads," says the Town's Planner Lauri Best, "sometimes it is easy to forget how stressful housing insecurity can be. So, in addition to thinking this is all about labor supply and community character it is important to think about the obligation we have to support our work force and try to lift some of that burden, and mitigate some of the challenges around housing that impacts all aspects of their lives and health outcomes."

The Town conducted a needs assessment, pre-COVID, which identified a need for almost 3,500 units Countywide, the majority for lower AMI rentals ($1,800 month for 2-bed unit). The needs assessment also warned of concerning commuting patterns throughout the County. The ratio affordable units in Town has dropped from 40% to only 27% while the number of jobs has only increased by 20%.

In spite of the history of success, the Town readily admits it cannot build enough units, so it is supplementing new construction with programs to preserve existing inventory that has historically served the workforce and convert some of the vacation homes back to resident occupied units. In the last couple of years, 36 deed restrictions on existing units have been accomplished by either buying the unit (a Buy Down) or by paying the owner for a deed restriction (Housing Helps). The Town notes that preserving existing housing as affordable is quicker and greener than new construction.

The community has and will continue to evolve. "What Breckenridge looks and feels like in the next 100 years will depend to a large degree on how we as a community address our greatest challenges," says Best. "And,

while we can look to other peer communities for best practices, ultimately the solution needs to be local base based on our own unique circumstances and opportunities."

Grants and Funding Update

Grants Summary
The first priority for grant development is likely to be the Glenwood Springs Maintenance Facility. Labor, materials and shipping costs have soared over the past several months and some may have reached record highs. Agencies that are building infrastructure are facing significant sticker shock, and are struggling to determine how to fix the gap between comprehensive cost estimates and actual costs. Since this is not at all unique to RFTA, nor to FTA or USDOT or grant program administrators, RFTA remains hopeful that future grant opportunities will likely allow backfill or re-scoping.

These are the grant programs that RFTA is considering from the Glenwood Springs Maintenance Facility.

FTA Section 5339 – Bus and Bus Facilities Program
Notice of Funding for this traditional transit grant program was released September 20, and grants are due to CDOT in November. CDOT creates a consolidated proposal on behalf of all rural transit agencies and sends it to the USDOT, per guidance. While RFTA has a traditional recipient, funds for infrastructure are limited. Slightly over $400 million is available nationwide.

SB17-267 (MMOF) and SB21-260
The Multimodal Options Fund, originally created in 2018 under Senate Bill 2017-267, sought to expand and improve the quality and accessibility of alternative modal transportation choices throughout all regions of the state, with a particular intent of addressing the lack of these choices in rural Colorado. Funding in the program, limited initially in one-time appropriations of State money, was made eligible for transit, transportation demand management, multimodal technologies or studies, and bicycle/pedestrian projects.

Within its broad transportation measures, SB2021-260 made several changes to the MMOF program, including fundamental changes that expand its overall purpose and provide long-term funding for related projects. In addition to changing the name to the ***Multimodal Transportation & Mitigation Options Fund***, it expanded the program to be eligible for projects that mitigate transportation emissions of Greenhouse Gases (GHG) throughout the state. It also adds a specific focus in the goals of the program to expand the choices and accessibility to alternative transportation modes for Colorado's Disproportionately Impacted Communities. These are defined in the Bill as communities with higher concentrations of low-income, minority or housing cost-burdened individuals.

The original one-time appropriation of approximately $80 million in FY2019-20 were quickly awarded throughout the Transportation Planning Regions (TPRs) of the state and continue to be implemented in over 100 eligible local projects. With the implementation of the new program in 2019 came many successes, but also some hard lessons and some unexpected administrative challenges.

SB2021-260 makes $124 million of federal stimulus funds immediately available for local projects and a potential total of $288 million for local projects over the next ten years. Considering the increased focus on multimodal investments with steady program funding, and the programmatic changes to MMOF from SB260, CDOT is recommending we take advantage of this time to consider modifications to the adopted Funding Distribution Formula for the program to align more closely with the expanded goals defined in the program. This time also presents opportunities to consider the lessons-learned by both sponsors of local MMOF projects

and by CDOT in administering the program to find ways to streamline the use of its funds, simplify administrative challenges and address the shortfalls in the existing MMOF Match Reduction Policy.

MMOF Annual Funding Projections

	Projected Revenue	State	Local
FY2022	$ 146,840,000	$22,026,000	$124,814,000
FY2023	$ 27,025,000	$ 4,053,750	$ 18,377,000
FY2024	$ 27,025,000	$ 4,053,750	$ 18,377,000
FY2025	$ 37,525,000	$ 5,628,750	$ 27,302,000
FY2026	$ 37,525,000	$ 5,628,750	$ 27,302,000
FY2027	$ 10,500,000	$ 1,575,000	$ 27,302,000
FY2028	$ 10,500,000	$ 1,575,000	$ 8,925,000
FY2029	$ 10,500,000	$ 1,575,000	$ 8,925,000
FY2030	$ 10,500,000	$ 1,575,000	$ 8,925,000
FY2031	$ 10,500,000	$ 1,575,000	$ 8,925,000
FY2032	$ 10,500,000	$ 1,575,000	$ 8,925,000
TOTAL	**$ 338,940,000**	**$50,841,000**	**$273,694,050**

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The biggest issues are re-defining match formulas so that more cash-strapped agencies and entities can use the funds, and to adapt program requirements to the emerging GHG rules and to 2020 census data that may more accurately define equity and hardship. CDOT will reconvene the 2019 MMOF Work Group in September to develop and recommend updates to the MMOF Distribution Policy and the MMOF Match Reduction Policy. To quickly facilitate the distribution of funds to MPOs/TPRs so that their project selection processes can begin promptly, draft distribution and match formulas will be presented to STAC in October. STAC and TRAC will then have opportunity for final review of the recommended formulas in November before final adoption by the Transportation Commission on November 18. Project selection will begin this month.

Next Steps / Timeline

September	October	November
Convene MMOF Work Group Develop Distribution & Match Formulas	Review Formula Recommendations (STAC, TC) Distribute Project Status Report **Discuss & Begin Project Selection**	STAC & TRAC final recommendations TC Adoption of Formulas & Match Policy Project Status Report to CDOT

NOTE: CDOT to develop recommendations for state MMOF funding; 10-yr plan options; and MPO needs for modeling help to comply with GHG rule