



**ANNUAL LEGISLATIVE MEETING
MINUTES
March 7, 2024
Denver, Colorado**

I. Call to Order and Introductions

Jonathan Godes, CAST President

II. Keynote Address: Governor Jared Polis

The Governor highlighted workforce-focused efforts including career tracks for teaching, nursing, forestry and firefighting with community colleges and their ability to offer four-year degrees.

The State is offering public transit service through Bustang, Pegasus and Snowstang with plans to expand. Mountain Rail from Denver to Craig is a great opportunity to utilize existing track and diminishing coal traffic for passenger rail. The Governor is excited about Eagle County's new RTA. Restoring RTD is a focus for the State.

Housing affordability is an issue statewide. The Governor has toured projects in Breckenridge and Winter Park and knows mountain towns are doing good work. Mountain communities can ask to be part of bills that don't currently apply to resort areas. The Governor thanked CAST for the work they have done on affordable housing.

Communities are climate dependent, and the state has the 2.0 GHG Reduction Roadmap which aims to address climate change.

Discussion:

Communities request more timely contracting and flexibility from DOLA.

The West Vail Pass Project has had a significant reduction in scope, with some critical safety components removed. Stakeholders want to see that project completed as designed, with all the safety components. The Governor will bring this up to CDOT.

Regarding a Real Estate Transfer Tax or Fee, the Governor stated his interest is in reducing the costs of housing and he is not interested in any new fees on housing. Members shared that CAST has discussed a RETF as a means to address the challenges mountain towns face on the revenue side. This would not be a statewide fee but only enable local jurisdictions to determine if they want to implement such a fee locally.

III. Welcome to Denver, Mayor Michael Johnston

Mayor Johnston grew up in Vail and his family owned a bed and breakfast, so he understands mountain towns. He wants to be a partner with resort communities. The mayor was the driver of Proposition 123 during his tenure at Gary Community Ventures and the City of Denver will continue to focus on housing. There is no more pressing need in the State than housing. There are more ways to pursue state and federal dollars for housing. He wants Prop123 to demonstrate it works and he would like to see that expanded.

The mayor was asked what he has learned and what he expects to see around the migrant crisis. The mayor stressed that migrants don't want charity, they want jobs. Meanwhile, businesses need workers. The federal government stands in the middle. Mayor Johnston is talking to the feds about work authorization and expediting the asylum system and asylum hearings. Mayor Johnston is collaborating with other mayors on allowing work authorization. The city has found housing for over 99% of the Venezuelan migrants that arrived in the last year. CAST communities are looking at Denver's experience as those issues are coming to mountain communities.

IV. Economic Update

Brian Lewandowski, Executive Director, Business Research Division, Leeds School of Business University of Colorado Boulder

A year ago, the market sentiment was pessimistic. It is a more optimistic story today. GDP and employment are growing. The labor market is still very tight. Even if all openings were filled by the currently unemployed, there would still be over 3M job openings. Personal income has been on a consistent rise, aside from COVID timeframe, but the rate of savings is low and stagnant. Inflation has been coming down and came down quickly since its January 2022 height, although Denver had higher inflation than the national figure. Consumer's intention to take vacations has been increasing since the pandemic. Colorado population change shows we continue to attract people to Colorado. Wages are starting to catch up with increased cost of living. Resident employment growth in ski counties is positive compared to the national average. Average wages are up in ski counties. National Tourism Industry: Arts entertainment and recreation employment has increased more than other tourism sectors. Not much growth in leisure and hospitality is anticipated. Taxable sales are collectively up 50% for ski counties, and the state is at 35%.

Anticipate a loss of construction jobs in Colorado. Regarding construction defects, it is hard to know how future legislation could impact the market.

V. Population Matters, Trends and Transitions

Greg Totten, Economist, Colorado Demography Office

The Demographers Office takes the approach that everything is connected. We are growing demand for jobs, but we aren't necessarily filling them. Births are down, deaths are up, and we have slowing net migration. The U.S. is aging, as is CO and ski towns. The Front Range will see 87% of the state's growth in the future. Eagle, Summit, and Pitkin Counties saw some population declines. It is hard to parse out data on who is a full-time resident vs part time. Net migration isn't as high as in the 90s and 2010s. Net migration in ski towns was negative 2020-2022, so saw a net

outmigration. Ski counties should see continued growth due to natural increases. Colorado will have a larger number of 65+ who already live here and will stay here. Colorado attracts a significant number of people in the 20-39 ages. Working from home is strong in Colorado with 18% in Glenwood Springs, Gunnison and Granby 19%, compared to 28% in Denver.

Future: As residents age and retire, ski towns will need new people to move in and take those jobs. Housing: Older adults moved here in 90s and started a family, but now want to downsize. There is a need for a housing mix. Vacant and second homes are at about 29% average in ski counties vs 4% as a statewide rate. Summit County is over 50%. Residents and the consumer base are becoming more diverse so this needs to be reflected in planning for the future.

VI. Legislative Update

Heather Stauffer, Legislative Advocacy Manager, Colorado Municipal League

Ms. Stauffer reviewed several bills, outlining CML's position. Last years' SB213 will be broken up into 4-5 bills. CML won't support preemptions or punitive measures. One of these bills will deal with ADUs. CAST wants to ensure there is flexibility for communities that already have ADU policies. The Transit Oriented Communities bill, as drafted, means local governments could lose out on HUTF funding. HUTF is for safety and maintenance of roads and there is no nexus for housing affordability. SB174-Sustainable Affordable Housing is CML initiated and includes the elements of SB23-213 that we all liked-needs assessments and housing action plans. It tasks DOLA with methodologies for action plans and assessments, so they are somewhat standardized. Allows for regional planning in place of local plans. They have gotten great input from CAST and sponsors have integrated much of that input.

VII. Interface of US Forest Service & CAST Communities

Scott Fitzwilliams, White River Forest Supervisor, USFS

The 2018 Farm Bill included Leasing Authority for the USFS. It needs to be renewed through the current farm bill, but there is a temporary extension to keep it going for now. The program looks to underutilized or unused administrative facilities and allows the USFS to long term lease for affordable housing. Local governments have a first right of refusal. USFS and Summit County signed a lease back in September and will be the first project in the nation. Some of the units will be dedicated to USFS employees. This is a matter of survival for USFS to keep employees in a community like Summit County. They are also working on a project in Steamboat. Ketchum, ID and Lake Tahoe, CA also have projects under consideration. Every project is going to be different, and it is a new model. There are potential sites in Eagle County. The USFS has talked to local governments where there are parcels the USFS is interested in leasing. The USFS needs to be part of the community housing conversation as it is by far the largest landowner in many mountain counties. Anna Bankston is the USFS expert, and the agency will create a regional center of expertise to help with future projects. We need to demonstrate to Congress that the program works. The discussion for the reauthorized program argues for up to 99-year leases, rather than the current 50 years. Comparable authority with the Bureau of Land Management is also being considered.

Mr. Fitzwilliams reported that there has never been more money in the Forest Service than now because of federal money for fuel reduction/wildfire crisis. He stressed that we need to be proactive on mitigation rather than spending all of this money on putting out fires. None of this

funding supports the other needs of the USFS such as the 5% raise for federal employees and the cost of the vehicle program which has doubled. He stressed that the Recreation budget is in rough shape - down \$58M in the White River National Forest from a year ago. They don't even have enough money to pump toilets. Mr. Fitzwilliams encourages CAST members to continue relationships with local forest supervisors. The USFS and communities that depend on the national forest need to do a better job of telling the story on the needs we have.

VII. New Business & Member Discussion

Approval of January 2024 Minutes: the minutes were approved unanimously.

Review CAST 2024 Calendar

Housing Task Force Update: The task force is active, meeting monthly. They are paying close attention to the CML bill. The group gave early feedback that was implemented into the bill.

- Vacancy Tax – Pursuing this top as an option for local governments to regulate and possibly tax vacant homes and second homes to use for workforce housing programs. A working group is socializing the idea.
- A new Employer/Tenant working group was recently formed.
- Real Estate Transfer Fee: CAST had sponsors and draft bill language, but the Governor is not supportive of the concept. Paul Wisor is leading this effort and has asked for a memo from a law firm saying that this is viable. The City of Denver Council is interested in putting forward an ordinance.

Member Announcements/Hot Topics:

Vail: Colorado Motor Carriers Association is suing Vail in federal court over their pilot central distribution project.

Telluride is being sued in federal court over their STR fee. They believe they are on solid ground, based on Estes Park case. (Estes: suit could still be filed in state court on TABOR challenges.)

CAST should consider support for HB1107 NIMBY litigation and judicial review bill.

Routt: Energy legislation on net metering. The utility CEO is starting a net metering task force. Share good ideas with Sony Macys.

Meeting adjourned at 4:00 pm