



Workforce Homeownership Initiative Executive Summary

Program Summary: The Foundation’s proposed “**Workforce Homeownership**” initiative (a 2-year pilot program) is a comprehensive effort designed to offer both education and financial support to regional workers, helping them purchase a home. Working with families at or below 150% AMI, the initiative aims to strengthen the resilience of Telluride’s workforce and enhance the long-term sustainability of our region.

Revolving Fund: All funds deployed will be in the form of a loan ultimately repaid back into the fund (with incentives to the homeowner do that as soon as possible) so that the funds can be redeployed to other qualifying members of our regional workforce.

The Need: Affordable workforce housing in our region has been and remains a key concern for the resiliency and sustainability of our community. The cost of housing in the region, combined with today’s high interest rates is making a challenging housing situation even more difficult.

Since the establishment of the Foundation’s Community Housing Initiative and taking over management of the Trust for Community Housing’s Housing Opportunity Fund (HOF) 18 months ago, many leaders in the region have requested that the Foundation consider developing a more robust form of financial assistance to help members of our essential workforce purchase housing.

Since its inception in 2019 the HOF has awarded \$218k to 88 families serving over 169 individuals. The HOF offers a maximum of a \$5,000 forgivable loan to qualifying families purchasing a home and a maximum of a \$1,000 grant for those qualifying families needing financial assistance to move into a new rental.

The HOF will remain intact (with possibly a new name), serving those needing assistance for rentals only. Those requesting financial support to purchase a home will be directed to the Foundation’s new Workforce Home Ownership Initiative.

The Foundation’s Role: The Foundation will act as the convener for this pilot program. We will bring stakeholders together to help support the program then leverage/match those funds with other sources of funding with a proposed budget of \$2.4M for the 2-year pilot program. To date, the Telluride Foundation, through committed support from our general fund as well as private donors has raised over \$500k for this program.

The Pilot Program will offer three distinct programs:

- 1. Home Buyer Education:** We recognize that there are a multitude of programs to assist first-time homebuyers for affordable workforce housing. The challenge often is that homebuyers are unaware of the programs available to them. The Foundation will launch a homebuyer education program to help members of our regional workforce better prepare for purchasing their first home as well as provide information about all the programs available in our region that provide financial assistance.
Proposed Goal: Over the 2-year pilot program, provide education to 100 potential homebuyers to help them prepare for their first home purchase as well as access existing mortgage assistance programs offered by private and public institutions.
- 2. Down Payment Assistance (DPA):** In the form of a shared equity loan the program will provide financial support (up to 20% of the cost of a home – not to exceed \$50k for any one household) to help qualifying families with their required down payment allowing them to access the lowest possible interest rate, avoid paying Private Mortgage Insurance and come to the closing table with the funds they need to purchase a home. With support from the 3 regional governments and taxing districts, applicants who live or work in the R-1 School District may qualify for an additional \$50k in DPA.
Proposed Goal: Serve 20 households over the course of the 2-year pilot program helping them purchase a home and remain in the community.
- 3. Mortgage Rate Buy Down (MRBD):** in the form of a low interest loan (max loan \$15k) to allow the buyer to “buy-down” the interest rate charged for their mortgage, lowering their monthly payment which helps them qualify for a mortgage and makes homeownership more affordable. With support from the 3 regional governments and taxing districts, applicants who live or work in the R-1 School District may qualify for an additional \$15K in MRBD.
Proposed Goal: To serve 25 households over the course of the 2-year pilot program.

DPA & MRBD Program Guidelines under consideration:

Eligible Homeowners:

- Borrower (at least one borrower in a co-borrower situation) must work full-time (no less than 1,400 hours annually) in the Telluride Foundation’s service area for at least the past 12 months.
- Borrower(s) may not presently own any other property (residential, commercial, improved or land)
- Borrower(s) may not have liquid assets more than one time their household income. Liquid assets do not include retirement accounts.

- Borrower(s) must have a household income at or below the following income limits (150% Area Median Income).
 - One Person: \$115,125
 - Two People: \$131,532
 - Three People: \$148,032
 - Four People: \$164,437
 - Five + People: \$177,657

Eligible Properties:

- Must be a residence (single family home, townhome, condominium)
- Vacant Land does NOT qualify for this program
- Home purchase price may not exceed \$850,000.
- Home must be, and remain, the borrower’s primary residence.
- Home must be or become “Deed Restricted:

Administration: The Impact Development Fund (IDF) a nonprofit CDFI (Community Development Financial Institution) will administer the program. IDF will qualify the applicants, process, underwrite, originate and carry the loans on their balance sheet (IDF will be the Lender of Record). IDF will provide quarterly statements documenting each outstanding loan, detailing all payments and balances. IDF will also service all loans working directly with the homebuyers as well as collect final amounts due upon sale or refinance. When loans are repaid, funds will stay with IDF until re-deployed. Should the DPA or MRBD programs terminate for any reason, IDF will return all funds to the Foundation as loans are repaid.

IDF FEES: IDF will charge a \$10,000 flat fee to set up the first program (DPA) and \$2,500 for each additional program (ex. MRBD). An additional fee (see chart below) will also be charged annually based on the number of loans IDF is servicing. IDF also charges \$350 - \$750 to originate and service any loan they process which is charged to the Borrower.

Annual Portfolio Servicing Fee:

Number of Loan Files:	1-10	11-25	26-45	46-65	Over 65
Non-Escrow	\$1,500	\$2,500	\$3,500	\$4,500	Call for Pricing

Budget/Funding: We have estimated that a \$2.4M fund is adequate to pilot the program for 2 years.

Program Sponsors: It is our goal to gather significant community-wide support which will significantly increase our ability to raise additional funds from private donors and state and federal agencies. Program Sponsors will hopefully be the Town of Telluride, Mountain Village, San Miguel County, Telluride Fire District, Telluride Hospital District, San Miguel County Library District, Telluride R-1 School District. Each of the taxing districts has expressed interest in supporting the program.

Additional Funding Opportunities: Private Donations, Foundations, Federal/State Grants.

Timeline: Program launch is scheduled for Q1 of 2025.

The Future: We are confident this initiative will provide valuable insights into the needs and impact of what we believe will be a vital service for our regional workforce in the years to come. As the 2-year pilot concludes, the Telluride Foundation, along with our sponsors and supporters, will carefully assess the program's effectiveness and determine whether to expand upon its success or wind it down.



Workforce Home Ownership Initiative - Pilot Program Budget

Expenses	Year 1	Year 2	Total
Homebuyer Education Series	\$25,000.00	\$25,000.00	\$50,000.00
Rental Grants (avg 1,500 grant x 20 per year)	\$30,000.00	\$30,000.00	\$60,000.00
Down Payment Assistance (avg \$80k x 8 in Year 1 & x 12 in Year 2)	\$640,000.00	\$960,000.00	\$1,600,000.00
Mortgage Buydown (avg \$20k x 10 in Year 1 & x 15 in Year 2)	\$200,000.00	\$300,000.00	\$500,000.00
IDF One-time Setup Fee	\$12,500.00		\$12,500.00
IDF Annual Fee	\$1,500.00	\$3,500.00	\$5,000.00
Telluride Foundation Administrative & Fundraising Expenses	\$85,000.00	\$85,000.00	\$170,000.00
Total Expenses	\$994,000.00	\$1,403,500.00	\$2,397,500.00

Revenue *	Year 1	Year 2	Total
Telluride Foundation Initial Investment	\$200,000.00	\$100,000.00	\$300,000.00
Telluride Foundation Annual Fundraising/Private Donatons	\$180,000.00	\$180,000.00	\$360,000.00
Telluride Foundation State/Federal Grants	\$175,000.00	\$175,000.00	\$350,000.00
San Miguel County	\$200,000.00	\$100,000.00	\$300,000.00
Town of Mt Village	\$200,000.00	\$100,000.00	\$300,000.00
Town of Telluride	\$200,000.00	\$100,000.00	\$300,000.00
Telluride Fire District	\$50,000.00	\$5,000.00	\$55,000.00
Telluride R-1 School District	\$200,000.00	\$100,000.00	\$300,000.00
SMC Library District	\$50,000.00	\$50,000.00	\$100,000.00
Telluride Hospital District	\$50,000.00	\$50,000.00	\$100,000.00
Homebuyer Education Sponsors	\$10,000.00	\$10,000.00	\$20,000.00
Total Revenue	\$960,000.00	\$515,000.00	\$2,485,000.00

* All Revenues are estimates

** Funds contributed by the Town of Mountain Village will be restricted to funding R-1 School District loans only



September 12, 2024

Mountain Village Town Council Members
Town of Mountain Village
455 Mountain Village Blvd. Suite A
Mountain Village, CO 81435

Dear Town of Mountain Village Town Council Members,

I am writing today to provide additional background information for the Telluride Foundation's upcoming presentation at the next Mountain Village Town Council meeting.

Our hope is to discuss the possibility of securing funding from the Town of Mountain Village to support a regional mortgage down payment assistance program for the workforce living and/or working in the Telluride Foundation's service area. The Foundation is launching and managing this program. We intend to have similar conversations (and requests for funding) with the Town of Telluride and San Miguel County as well as with the R1 School, Telluride Hospital, Telluride Fire & Library districts. All funds committed will be used to supplement the Foundation's fundraising efforts to support this program which we plan to launch in the first quarter of 2025.

We would like to reassure the Mountain Village Town Council that any funds received from the Mountain Village for this program would be used exclusively to support homebuyers who presently work and/or live in the R-1 School District and that your funds will be leveraged by funds raised by the Telluride Foundation through charitable donations and grants.

Funds Requested:

\$300K: \$200K for 2025 and \$100k for 2026. This support can be provided in one lump sum or overtime as funds are needed to support the program. Unless otherwise agreed upon, Mountain Village funds will supplement funds raised by the Telluride Foundation for each loan processed. For example, if a member of the regional (R-1 School District) workforce applied and qualified for a \$75,000 loan, \$37,500 would be funded through the Foundation's DPA Fund and \$37,500 would be funded through Mountain Village funding.

Redeployment of Funds: As loans are paid off, all funds received (including any interest or shared appreciation earned) will remain committed to the program to help grow the overall assets of the program and redeploy funds as needed.

Termination of the Program: Should this program terminate for any reason, original amounts contributed by the Mountain Village will be returned to the Mountain Village as loans are paid off.

Thank you so very much for your consideration.

Elaine Demas

Vice President, Operations
Telluride Foundation