



Date: 9-23-2024

To: Mayor Kudron and the Trustees

From: Kim White, Community Development Director

RE: Consideration of Resolution 62-2024, to Adopt the Small Housing Innovation Program Pre-Development Report

**Purpose:**

Consideration of Resolution 62-2024, to Adopt the Small Housing Innovation Program (S.H.I.P.) Pre-Development Report for the Mary Drive Lots.

**Background:**

In September of 2022, The Town was selected to participate in the CHFA's small-scale housing technical assistance program to explore the feasibility of developing workforce and affordable housing on a site identified in the Grand Lake Municipal Lands Master Plan. This development will conform with Town plans and was supported by the feedback received through community outreach efforts.

During the outreach of the Municipal Lands Master Plan, Town staff conducted multiple surveys to get community and stakeholder input on what to do with the site. A majority of the respondents indicated a preference for housing on this site over a potential transportation center, citing the need for affordable housing as the major reason. The conceptual design however, takes into consideration the need for a future bus route to enter the property safely reducing possible disruptions on the highway or Mary Drive.

Town staff organized a "Housing Fair" in February of 2023, where this plan was presented alongside other housing and finance agencies and received positive feedback from the public. The attached documents contain a proforma for projected costs and conceptual layout of the site for a mix of housing units with a commercial unit. A traffic study (Exhibit B) was also conducted and the proposed uses for the commercial unit must be general office space to prevent a requirement for turn lanes on highway 34.

The next phase of the project is outlined in the attached CHFA S.H.I.P. report (Exhibit A), but briefly cited here for reference:

- Determine project roles:
  - a. Who will be the applicant and guarantor for funding?
  - b. Who will lead development work and oversight of a general contractor?
  - c. Who will lead tenant/buyer eligibility, selection, and contacting?
  - d. Who will manage the rentals for the long term?
  - e. Assign a project manager/owner's representative to coordinate the project and keep momentum.
- Further explore and confirm funding sources, including CHFA, Colorado Division of Housing, Colorado Health Foundation, ARPA, Colorado Trust, and Rural Philanthropy.

- Create a tenant selection plan in coordination with local government entities and the Colorado Division of Housing. Examples from peer communities such as Gunnison and Basalt can help to inform this process.
- Research prefabrication, in-kind donations of labor and materials, and other cost-saving measures to address high construction costs.
- Continue to refine the financial projections.
- Apply to the Colorado Division of Housing for grant funding.
- Apply to lenders for construction and permanent loans.
- Select a contractor through a competitive process
- Construct the project.
- Coordinate lease-up to eligible households.

**Fiscal Impact:** To adopt the report, there will be no fiscal impact.

**Suggested Action:**

I move to approve Resolution 62-2024 to Adopt the Small Housing Innovation Program Pre-Development Report for the Mary Drive Lots