

John Galusha, Chairman  
Arica Andreatta, Commissioner  
Karl Sporleder, Commissioner



## HUERFANO COUNTY GOVERNMENT GRANT APPROVAL MEMORANDUM

**Date:** August 8, 2023  
**To:** Huerfano County Board of County Commissioners  
**From:** Carl Young, County Administrator  
**Re:** Strong Communities Infrastructure Grant Program – Gardner Main Street  
**Attachments:** Draft Application

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**Summary:** This is a request to approve the submission of a letter of intent for a DOLA Strong Communities Infrastructure Grant Application to advance the Gardner Main Street Development. If we are invited to apply, and are awarded the grant, this project would cover the installation of storm sewer, sanitary sewer, water, electric, and cable. The total size of this project is \$3.6M with \$3M being requested from DOLA and \$600K in local match. I anticipate applying for Prop 123 Funds, utilizing County ARPA funds, and applying for private grants to complete the capital stack for this project.

### **Requested Motion/Action:**

Motion to approve submission of a Strong Communities Infrastructure Grant Letter of Intent for the Gardner Main Street Development with a tentative request of \$3M and a tentative match amount of \$600K.

**Grant Program:** The Strong Communities Infrastructure Grant Program provides grants to local governments for infrastructure to develop community benefit-driven infill affordable housing that meets critical housing needs as identified by the local government. Colorado counties and municipalities can apply for funds to support affordable housing development located in or adjacent to downtowns, municipal core business districts, transit oriented development areas, or where onsite child care is offered.

Infrastructure grants provide funding for infill infrastructure projects that support affordable housing and are within or adjacent to a downtown area, core business district, transit oriented development, or include onsite early childhood care and educational services. These grants have a suggested maximum of \$4 million with a match of 20%.

### **Our Project:**

Continuing our efforts in around the Gardner Main Street Development, our project will be to place public utilities including roads, water, sewer, and electric on land the County has purchased and set aside for affordable housing and other uses.

Specifically, the proposed project would cover the installation of storm sewer, sanitary sewer, water, electric, and cable. Together these costs are estimated at \$3,042,475. I expect to have Road and Bridge complete the earthwork in house, which will save us an estimated \$321,320. I propose to submit this number for the purposes of this letter of intent. However, by the time we get to the full

application, if we are selected to submit an application, I expect that this project size will shrink to fit within the grant's affordable housing only scope. If funded, the project must be completed by October 31, 2026.

**Alignment with County Objectives:**

This project aligns with the following strategic priorities:

- **ECONOMIC DEVELOPMENT:** Maintain an active, organized, and cooperative economic development program that encourages sustainable growth, prioritizes retention and expansion of existing businesses and reducing poverty rates along with efforts to grow and attract new businesses
- **HEALTH AND WELLNESS:** Support the development and improvement of community programs and amenities that enhance public health and wellness through recreation, arts, and culture with a particular focus on youth development
- **INFRASTRUCTURE AND FACILITIES:** Maintain, preserve, and improve the quality of County-owned infrastructure and facilities, particularly the County Road System

**Financial Considerations:**

This is a DOLA grant funded with Federal dollars. The grant requires a 20% match and has a maximum of \$4M in funding. In this letter of intent, I propose seeking \$3M from DOLA, which would require a \$600K match to complete the estimated project. This puts the total project budget around \$3.6M which includes a 20% contingency.

You have set aside \$250K in ARPA funds for housing projects. I anticipate using a substantial amount of these funds for this project and applying to private foundations for additional match as well. I do expect some portion of this financing will have to come from a loan, whether held by a County enterprise or a developer.

The total estimated cost of public infrastructure for this project is just over \$7M. The grant only covers affordable housing related infrastructure, in proportion to the full project. If market rate housing, that is housing not limited by income restrictions, grant will only provide funding based on the ratio of affordable housing units to market rate units. We should also note that, not all of that infrastructure serves housing and some of that cost can be handled by the County as in-kind.

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Signature of the Chair

Approved

Approved w/ Changes

Denied