



## CITY COUNCIL ACTION FORM

<b>Department</b> Administration	<b>Presented by</b> Drew Nelson - City Administrator	<b>Date</b> July 6, 2021
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### **ITEM**

Request for Funding – Jane’s Place

### **BACKGROUND**

As identified in the attached letter, the Chaffee County Community Foundation (CCCF) and the Chaffee Housing Authority (CHA) are partnering on a project to create a 17-unit mixed-use development focused on the Salida workforce at the intersection of State Highway 291 and West 3<sup>rd</sup> Street, known as “Jane’s Place”. CCCF has requested funding from the City of Salida to cover pre-development costs in the amount of \$50,000. As noted earlier in the City Council worksession, the per-unit investment from the City of Salida is a reasonable expenditure in order to further the City Council’s desire to provide safe, affordable, and dedicated workforce housing options to Salida citizens.

### **FISCAL NOTE**

\$50,000. Staff has identified a potential funding source in stimulus money provided via the American Rescue Plan. The City was the recipient of \$764,000 in funds from the ARP, which allows for expenditures related to affordable housing programs.

### **STAFF RECOMMENDATION**

Staff recommends approval of an expenditure of \$50,000 in American Rescue Plan dollars, payable to the Chaffee County Community Foundation to offset pre-development costs for the Jane’s Place development.



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**SUGGESTED MOTION**

A City Councilperson should make a motion by stating, "I move to approve the expenditure of \$50,000, payable to the Chaffee County Community Foundation, to offset pre-development costs for the Jane's Place development", followed by a second and a roll call vote.

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## Jane's Place Investment Request

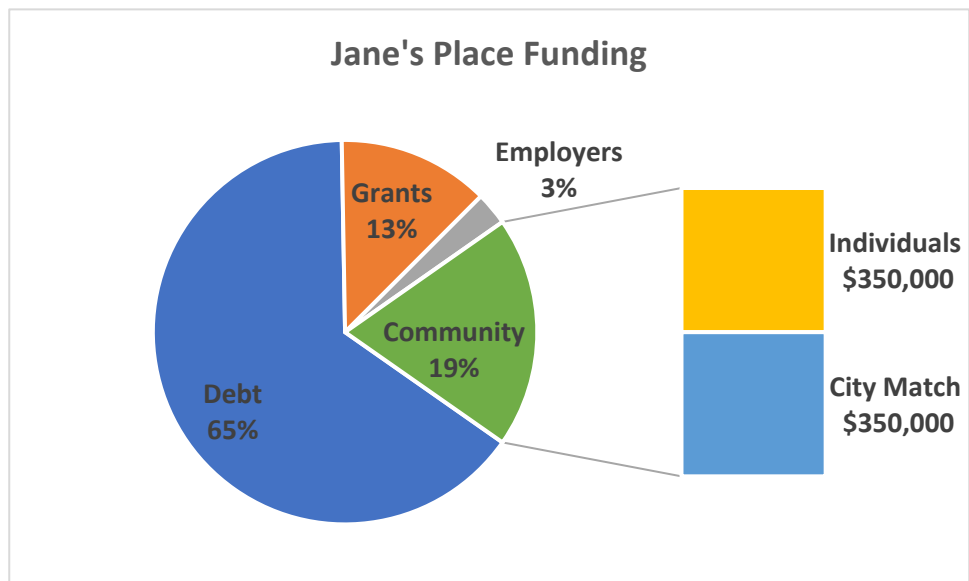
July, 2021

Mr. Mayor, City Councilmembers, and City Administrator Nelson,

I am honored to once again elevate Jane's Place to you for your consideration – your leadership, values, and actions have propelled this project forward, and now I look forward to discussing with you how you can leverage a financial investment to ensure this vital project comes to fruition.

As you know, CCCF and the Chaffee Housing Authority recognize the importance of funding sources in ensuring a project's flexibility to truly serve its community and the needs of a diverse population. This concept is at the foundation of the capital stack for Jane's Place. Whereas tax credit projects and many other state and federal housing funding sources impose strict income and lease length limits on developments, Jane's Place will use traditional debt mixed with philanthropy and community support – enabling the resulting housing units to serve those who need it the most while maintaining affordability by capping rents at 30% of tenant income.

While construction prices are fluctuating an incredible amount, we anticipate the project costs to be \$3,600,000, and in order to keep terms and debt service at optimal levels, we're seeking no more than 65% of project costs in the form of debt. As you can see, we're seeking various other philanthropic forms of support from grant funders, local employers, and the community directly.



We know you have a deep commitment to addressing the housing crisis – your leadership on this issue is clear county-wide. We ask

for you to continue this leadership with a matching commitment to Jane's Place – matching every dollar raised from individuals with a dollar from the City – up to \$350,000. The community support has already been substantial, with individuals giving over \$310,000 to date, so we are very close to our goal and a commitment from the City will help us close the final \$40,000 gap.

While we do not need the majority of this investment until we are ready to file for permits (mid-to-late September), we ask you to consider paying \$50,000 of this total commitment immediately to CCCF to help us ensure we can cover the project pre-development costs.

I look forward to discussing this with you in person on Tuesday, and until then, be well. Thank you.

*Joseph Teipel*  
Joseph Teipel