



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Planning	Bill Almquist - Community Development Director	December 5, 2023

ITEM

Resolution 2023-53: A Resolution of the City Council of the City of Salida, Colorado, Supporting Applications for State and Federal Grant Funds to Assist in the Implementation of Infrastructure for the South Ark Neighborhood and Committing Local Matching Funds

BACKGROUND

Following the master planning process for the South Ark Neighborhood, it is estimated that Phase I of the infrastructure development will cost approximately \$7.1 million (out of a total cost of approximately \$15 million for all phases). This first phase of infrastructure development would allow for the development of between approximately 150 and 200 homes (with a minimum of 50% of them being deed-restricted affordable to the local workforce). The \$7.1 million price tag, however, will not easily be footed by the City, esp. given other funding obligations in the coming years. Therefore, staff is pursuing a variety of additional funding avenues, including teaming up with other public partners and applying for grant funds that will help pay for public infrastructure. These types of grants are relatively rare, but have recently been advertised out of state and federal funding. Staff intends to apply for two separate infrastructure grants—the More Housing Now Initiative (max. award of \$2 million) and the Strong Communities grant (max. \$5 million), both run through the Colorado Department of Local Affairs (DOLA).

The required local match for the More Housing Now Initiative is 25% while the required local match for the Strong Communities Grant is 20%. To the best of staff's knowledge, the grants can also be used as matching funds to each other. At this point, staff is requesting that Council approve this resolution supporting applications for both of these grants, which are prerequisites of the applications, and commit to a maximum amount (at this time) of \$1.25 million, which represents 25% of \$5 million, which would leave a little bit of buffer in the case that up to \$5 million is received. If additional funds are required and not able to be met by partner contributions, staff will return for a revised request.

SUGGESTED MOTION

A council person should make the motion to “approve Resolution 2023-53 A Resolution of the City Council of the City of Salida, Colorado, Supporting Applications for State and Federal Grant Funds to Assist in the Implementation of Infrastructure for the South Ark Neighborhood and Committing Local Matching Funds”

Attachments: Ordinance 2023-53

CITY OF SALIDA, COLORADO
RESOLUTION NO. 53
(Series of 2023)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, SUPPORTING APPLICATIONS FOR STATE AND FEDERAL GRANT FUNDS TO ASSIST IN THE IMPLEMENTATION OF INFRASTRUCTURE FOR THE SOUTH ARK NEIGHBORHOOD AND COMMITTING LOCAL MATCHING FUNDS.

WHEREAS, housing, and especially affordable housing, is of paramount need to the community and the local Chaffee County workforce; and

WHEREAS, the City recently conducted a master planning process for the South Ark Neighborhood and is in support of the preferred master plan for the area to have up to 400 units constructed, including a minimum of 50% of the units legally-restricted as affordable; and

WHEREAS, buildout of the South Ark Neighborhood requires basic infrastructure of water, sewer, roads, and other utilities; and

WHEREAS, such infrastructure is estimated to cost in the vicinity of \$15 million, with the first phase of that infrastructure costing approximately \$7.1 million; and

WHEREAS, Phase I of the infrastructure will allow for development of approximately 150 – 200 of the total units, and the public provision of this infrastructure will greatly assist with creating the affordability of homes in the neighborhood; and

WHEREAS, the Colorado Department of Local Affairs awards and administers state and federal monies to partially fund local government infrastructure and housing projects through the Strong Communities Grant and the More Housing Now Initiative Grant, which may be applied in combination; and

WHEREAS, local matching fund requirements equal twenty percent (20%) of project cost for the Strong Communities and twenty-five percent (25%) for More Housing Now, and the funds from one award may be used to satisfy the matching requirements of the other, and those local matching funds are estimated to be up to \$1.25 million, potentially reduced by contributions from other public partner contributions, for Phase I of the project costing \$7.1 million overall; and

WHEREAS, 32 percent of sales tax goes to the Street Improvement Funds and 8 percent of sales tax goes to Capital Improvement Project Funds for projects such as those proposed for these grant applications, and short-term rental taxes and inclusionary housing fees-in-lieu go into the Housing Fund, and said Funds would be appropriate sources for required local matches.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO AUTHORIZING THE APPLICATIONS FOR STATE AND FEDERAL FUNDS TO SUPPORT THE IMPLEMENTATION OF INFRASTRUCTURE FOR THE SOUTH ARK NEIGHBORHOOD AND COMMITTING LOCAL MATCHING FUNDS.

RESOLVED, APPROVED AND ADOPTED this 5th day of December, 2023.

CITY OF SALIDA, COLORADO

Dan Shore, Mayor

[SEAL]

ATTEST:

City Clerk/Deputy City Clerk