



CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
Administration	Drew Nelson - City Administrator	July 18, 2023

ITEM

Letter of Intent – Jane’s Place Project Funding

BACKGROUND

The City of Salida is in receipt of a request from the Chaffee Housing Authority (“CHA”) to provide a Letter of Intent to offer gap funding for Jane’s Place that has recently been uncovered. In the request, the CHA has indicated that they are currently \$240,000 short in funding the project. In order to receive a grant from the Colorado Division of Housing (“DOH”), CHA needs to show how it can fully fund the project, including this new \$240,000 shortfall (see attached email). CHA has indicated that they are applying for other grants and a capital campaign through the Community Foundation that will take the place of the City’s commitment, but that this backstop is necessary in order to navigate the DOH’s grant process.

The City is still holding \$240,000 in funding through federal ARPA funds that was originally intended for the Open Doors program. Due to lack of interest in Open Doors, this funding was never used and can be reallocated to this Letter of Intent request in order to support Jane’s Place.

FISCAL NOTE

Up to \$240,000, depending on grant funding and a capital campaign results. This amount still remains in the City’s ARPA funds, but was originally designated for the City’s Open Doors policy and has never been used.

STAFF RECOMMENDATION

Staff recommends that the City Council approve the Letter of Intent to provide gap funding to the Chaffee Housing Authority for Jane’s Place in the amount of \$240,000, should it be necessary.

SUGGESTED MOTION

A City Councilmember should state, “I move to approve a Letter of Intent to be signed by the Mayor to the Chaffee Housing Authority to provide gap funding for Jane’s Place in the amount of \$240,000”, followed by a second and a roll call vote.

July 18, 2023

Ashley Kappel, Executive Director
Chaffee Housing Authority
448 E. 1st Street, Suite 209
Salida, CO 81201



448 E First Street, Suite 112
Salida, Colorado 81201

RE: Letter of Intent – Jane’s Place Project Funding

Dear Ashley:

The City of Salida (the “City”) is committed to seeing Jane’s Place being constructed as part of the solution to address the affordable housing crisis in Chaffee County. To that end, the City has previously contributed \$350,000 to the Chaffee Housing Authority (“CHA”).

The City understands that CHA is scheduled to present in front of the State Housing Board on July 25, 2023 to receive gap funding in the approximate amount of \$1.3M from the Division of Housing. The City further understands that an additional gap in funding currently exists in the amount of \$240,000 and that this gap is likely going to be filled by two grants that CHA has applied for as well as a final capital campaign that CHA is partnering with the Chaffee County Community Foundation on. Additionally, the City understands that the \$240,000 is needed for furniture, fixtures, and equipment (“FF&E”) and not construction funding and that CHA is pursuing additional in-kind and cost reduction strategies for the FF&E prior to issuance of a certificate of occupancy.

Therefore, in the unlikely event that CHA fails to secure the grant funding or the capital campaign falls short, the City agrees to contribute any shortfall up to the amount of \$240,000 to CHA at the time of certificate of occupancy to ensure that the buildings can be fully furnished and leased up in a timely manner.

Sincerely,

Dan Shore, Mayor
City of Salida



From: [Ashley Kappel](#)
To: [Drew Nelson](#); [Christy Doon](#)
Subject: Fwd: One last question...
Date: Wednesday, July 12, 2023 3:47:52 PM

Drew - Here's correspondence from DOH saying that will likely require a letter from the City a condition of contract execution.

Will follow up under separate cover with the draft letter of intent.

----- Forwarded message -----

From: **Atchley - DOLA, Andrew** <andrew.atchley@state.co.us>
Date: Tue, Jul 11, 2023 at 11:40 AM
Subject: Re: One last question...
To: Ashley Kappel <akappel@chaffeecounty.org>
Cc: Joseph Teipel <jteipel@buenavistaco.gov>

We will likely make a letter from the city a condition of contract execution. But I think we'd want that. I'm feeling good about the presentation on the 25th. We can set up a meeting to go over what the SHB presentation looks like. It should be pretty simple.

Lemme know!

On Tue, Jul 11, 2023 at 10:57 AM Ashley Kappel <akappel@chaffeecounty.org> wrote:
Hey Andrew,

We have not committed to any property manager yet and will do an RFP once under construction to find the right contractor.

Are you feeling good about the presentation on the 25th? Would the letter of intent from the City help? They haven't gotten back to me with a definitive answer yet but it hasn't been a no...

Thanks!
Ashley

On Tue, Jul 11, 2023 at 9:16 AM Atchley - DOLA, Andrew <andrew.atchley@state.co.us> wrote:
Hey!

Is CHA still planning on working with Total Concept as property manager? If so, we'll have to put a concern in the procon. If not, can you let me know *who* will be brought on as property manager?

Otherwise, we're good to go for 7/25 SHB.

Thanks!

--

Andrew Atchley
Housing Development Team Manager



We're Hiring! We're excited to expand the Division of Housing team. Click [here](#) for our newest job postings.

719-298-2903

[610 State Avenue, Alamosa CO 81101](#)

andrew.atchley@state.co.us / www.DOLA.Colorado.Gov

Under the Colorado Open Records Act (CORA), all messages sent by or to me on this state-owned e-mail account may be subject to public disclosure.

--

Andrew Atchley
Housing Development Team Manager



We're Hiring! We're excited to expand the Division of Housing team. Click [here](#) for our newest job postings.

719-298-2903

[610 State Avenue, Alamosa CO 81101](#)

andrew.atchley@state.co.us / www.DOLA.Colorado.Gov

Under the Colorado Open Records Act (CORA), all messages sent by or to me on this state-owned e-mail account may be subject to public disclosure.