



COLORADO
Department of Local Affairs
Division of Local Government

HB21-1271 DOLA Innovative Housing Strategies: Planning Grant Program Application

Local Government/Organization: [Craig, City of](#)
Submitted [2022-01-31T10:04:55](#)
EF41004RCU
Reviewed On:
Reviewed By:
Reviewer Notes:

Application Overview ☐

The Planning Grant Program provides grants to local governments (municipalities, counties, city/counties) to help them better understand their housing needs and adopt policy and regulatory strategies in order to promote the development of affordable housing and qualify for the Incentives Grant Program. Communities not intending to apply to the Incentives Grant Program may still apply to the Planning Grant Program.

A. APPLICANT/CONTACT INFORMATION ☐

1. Local Government/Organization: [Craig, City of](#)

In the case of a multi-jurisdictional application, select the other participating eligible organizations:

2. Principal Representative:

(In the case of a multi-jurisdictional application, principal representative of the lead organization.)

Honorific: [Mayor](#)
First Name: [Ryan](#)
Middle Name:
Last Name: [Hess](#)
Suffix:
Role: [Chief Elected](#)
Mailing Address: [300 W. 4th Street](#)
Address 2:
City: [Craig](#)
State: [CO](#)
Zip Code: [81625](#)
Phone #: [970-629-5469?x00000](#)
Email Address: rhess@ci.craig.co.us

3. Responsible Administrator (will receive all mailings) for the Application:

Honorific:
First Name: [Peter](#)
Middle Name:
Last Name: [Brixius](#)
Suffix:
Role: [Responsible Administrator](#)
Mailing Address: [300 W. 4th Street](#)
Address 2:

City: [Craig](#)
State: [CO](#)
Zip Code: [81625](#)
Phone #: [970-826-2023? x00000](#)
Email Address: pbrixius@ci.craig.co.us

B. CHIEF ELECTED OFFICIAL INFORMATION ☐

Please provide contact information for the chief elected official.

Name

[Ryan Hess](#)

Title

[Mayor](#)

Street Address

[300 W. 4th Street](#)

City

[Craig](#)

ZIP Code

[81625](#)

Phone Number

[970-629-5469](#)

Email Address

rhess@cityofcraig.org

C. PROJECT DESCRIPTION ☐

Please address all the questions in the narrative sections below.

Project Title

[The Future of Housing for Craig](#)

Amount of Grant Funds Requested

The amount requested should equal the total "State Funds Requested" line from the project budget template.

[127,350.00](#)

Adopted Strategies

Select which qualifying strategies your community has already adopted.

[Use of vacant publicly owned real property within the local government for the development of affordable housing|Creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units|Lessened minimum parking requirements for new affordable housing developments](#)

Project Strategies

Select which qualifying strategies your community plans to pursue.

Creation of a program to subsidize or otherwise reduce local development review or fees, including but not limited to building permit fees, planning waivers, and water and sewer tap fees, for affordable housing development|Creation of an expedited development review process for acquiring or repurposing underutilized commercial property that can be rezoned to include affordable housing units, including the preservation of existing affordable housing units|Granting duplexes, triplexes, or other appropriate multi-family housing options as a use by right in single-family residential zoning districts|Classification of a proposed affordable housing development as a use by right when it meets the building density and design standards of a given zoning district|Authorizing accessory dwelling units as a use by right on parcels in single family zoning districts that meet the safety and infrastructure capacity considerations of local governments|Allowing planned unit developments with integrated affordable housing units|Allowing the development of small square footage residential unit sizes|Lessened minimum parking requirements for new affordable housing developments

Project Description

Describe which qualifying strategies your community is pursuing. Describe how the project aligns with or addresses any associated studies or planning work (e.g., housing needs assessments). The Planning Grant Program can fund housing needs assessments, but they must be combined with work to adopt a qualifying strategy. Describe if your community should earn any extra points (i.e., adding community benefits and/or creating an innovative approach).

Launching from our recently completed Housing Needs Assessment Study, the City of Craig has identified 3 top strategies that are in alignment with HB21-1271 that we wish to pursue. These strategies are as follows: 1) Code Adjustments 2) Program Investigation 3) Technical Assessments Code Adjustments will explore opportunities to amend the Craig Land Development Code to enable housing projects that can encourage affordability. Specific strategies that will be explored under this category include, Commercial Repurposing, Density By-Right, Affordability By-Right, ADUs, Affordable PUDs, Compact Residential Units, and Parking. Investigating code options and alternatives, while conducting inclusive and equitable public engagement with respect to these strategies will help us identify preferred code language. Based on the information generated, we will develop specific ordinance changes for the City Council to consider adopting to address affordability. Our Land Development Code was adopted in 2007 and is in relatively good shape to accommodate changes. Program Investigation will focus on exploration of creating a funding opportunity that is self-replenishing to minimize the risk of up-front infrastructure development costs. Specific strategies to be explored under this category include Fee Reductions/Subsidies and Infrastructure Funding. The City would like to explore creation of a program that would establish a fund that would pay for water, sewer, and other infrastructure up front to minimize developer risk. Repayment into the fund could take place through a special assessment or through payment of permit fees once the lot is developed, with fee reductions or waivers for affordable housing projects. In this way, the initial seed funding could be revolved and used many times over in the community to perpetuate our affordable housing strategy. Technical Assessments will leverage the opportunities presented under the prior two project initiatives to identify parcels with outstanding affordable housing potential and will complete technical studies necessary to answer feasibility concerns. Specific strategies to be explored under this category include, Fee Reductions/Subsidies. Whether its traffic studies, water and sewer capacity, road alignments, or park connections, community infrastructure is essential to supporting housing development. The City of Craig's Housing Assessment has identified several potential opportunity sites, yet developers are reluctant to invest the upfront capital to answer whether projects are feasible. Completing these technical studies serves as reduction in upfront costs necessary to advance affordable housing projects. Utilizing a series of workshops, the community will be engaged in identifying properties that could be home to innovative housing projects. Working with landowners, developers and builders, our team will work to explore infrastructure opportunities and test-drive our Code Adjustments to explore the financial feasibility of development. These studies will also help align our code adjustments and inform refinements prior to adoption in our Land Development Code. Finally, this information could be used in support of a Phase II Infrastructure Incentive Grant this fall. One specific property we want to consider is the Woodbury property owned by the City, which has been identified as the top developable property by the Housing Needs Assessment Study due to its existing infrastructure and proximity to local amenities. We would like to explore development concepts for affordable housing, implementing the new code adjustments provided under Task 1. Additionally, we plan on identifying infrastructure elements that could be constructed using City forces, including paving of streets and parking lots.

Incentives Grant Program

Does your community plan to apply for an Incentives Grant Program award once at least three qualifying strategies have been adopted?

Yes

Readiness

Describe the project timeline. Have you completed an RFP process? Are you waiting on approval?

The Housing Needs Assessment Study was completed in November of 2021 with a final report presented to the City Council on November 9th. The Housing Study consultants are now working on the Action Plan portion of the Assessment with a final report expected by March of 2022. As part of the Study, 19 properties have been identified as prime, developable properties within Craig and Moffat County, with 7 of those properties listed as high or moderate priorities. During the duration of the study, City staff has spoken to four different developers that are wishing to begin construction on 3 of the high priority properties that were identified by the City. We anticipate that once the Action Plan portion of the Study is complete in March of 2022, construction at any one of these locations could begin in the Fall of 2022 or Winter of 2023.

Capacity

Describe organizational experience with and capacity to manage grants and to manage the overall project. Provide the name and position/title of the person managing the project. Also describe staff capacity to maintain/enforce the planning tools you are pursuing once adopted.

The City of Craig has hired Williford, LLC as well as Urban Rural Continuum and Cappelli Consulting as the team who is responsible for the Housing Needs Assessment Study and Action Plan to help identify and alleviate specific gaps in the housing market. This team has over 40 years of combined experience when it comes to dealing with affordable housing issues. Willa Williford is the owner and Project Lead for Williford, LLC. The City of Craig has also contracted with Ayres Associates to help with the planning and logistics of the strategies that Craig is wishing to pursue which include, Code Adjustments, Program Investigation, and the Technical Assessments. The Ayres team also offers urban planners to help cultivate our vision, landscape architects to help visualize a new future, transportation engineers to connect everyone together and economic developers who can craft market-based incentive packages to drive investment. The Principal Urban Planner and Project Lead for Ayres is Matt Ashby. At the Staff level we have also included our City Manager, Economic Development Manager, Building Inspector and Road & Bridge Director who will be responsible for maintaining and enforcing the planning tools once adopted.

Impact on Housing

How will this project support or incentivize the development of affordable housing in your community? Describe relevant housing data and/or policy priorities identified by existing plans. How does this project fit in to your overall goals to create affordable housing in your community? How are you addressing long term affordability?

The project is expected to have an ongoing and lasting impact on housing. First, the Code Adjustments will provide the City with an opportunity to examine and modify our Land Development Code to enable modern residential housing patterns as a by-right use. Rather than having to direct developers through a complex Planned Unit Development process or variance application, the code language can create a "path of least resistance" that accomplishes our vision and goals for a diverse mix of housing opportunities. These will likely include a range of sizes and styles, ranging from "missing middle" options like rowhouses and small apartment buildings, to accessory dwelling units. Without the grant program, it is unlikely that we would be able to address the comprehensive and cohesive suite of code adjustments that our Housing Assessment has identified. Second, our Program Investigations will enable our team to consider establishment of a program to support infrastructure partnerships with private developers. We want to explore strategies for replenishment of this fund through mechanisms like tax increment financing, and reimbursement fees to reduce the burden of long-term financing for market-rate attainable housing. Additionally, the infrastructure fund could consider waiving the fee payments for affordable units. As the fund replenishes itself, funds would become available to support future additional projects. Exploring the feasibility of this type of program is one of the innovative solutions we see as changing the game long-term in Craig. Third, the Technical Assessments will help our team to identify broad infrastructure short-comings and begin the capital planning process to address gaps that are stifling affordable housing development. Completing specific analysis will help several catalyst projects to move forward in the near term, while filling in the information gaps for larger areas of the City. We also look forward to the catalyst project at the City's Woodbury property and anticipate it will establish a new model for public-private partnerships that will benefit affordability into the future. More specifically, the above listed priorities will help address the main market demands that were identified by the Housing Needs Assessment Study. These include the need for 75 additional housing units, which include 1- and 2-bedroom units, rental housing that is under 50% AMI, (or roughly \$735/month for 2 people), new, quality construction, and smaller homes where people can become first time homebuyers or downsize as empty nesters.

Political Support

Describe the political and stakeholder support for the project currently and describe in detail the community engagement process planned around developing the qualifying strategy(ies). What is the certainty that the planning work will be adopted by elected officials?

The political and stakeholder support has been overwhelming positive for the promotion and strategies to help support future housing developments. Elected officials, members of the community, employers, and stakeholders firmly understand that demand for housing is at a critical level. The Housing Needs Assessment concluded that 80% of local employers think housing availability and affordability is a moderate to severe problem within Craig with over half (57%) indicating that recruiting and retaining qualified employees is a moderate or significant problem. During the process of conducting the HNA, a Steering

Committee was created in order to receive input from members of the community that included elected officials, representatives from the Hospital, School District, Chamber of Commerce, Moffat County, non-profits, employers, local contractors and many others. Overall, the community as a whole has been vested in supporting the Housing Needs Assessment and Action Plan and will continue to support any strategies that are needed to initialize and support new housing developments.

Equity, Diversity, and Inclusion

Describe how you will engage stakeholders and assess the impact of this work's outcomes on marginalized and vulnerable populations. How will you consider these impacts in your public engagement process?

The City of Craig is committed to a public engagement process that enables folks from all walks of life to engage in our housing discussions. The Housing Assessment Steering Committee includes members from the Memorial Regional Hospital, Moffat County School District, The City of Craig, Moffat County, local contractors, local non-profits, Realtors and Property Managers and The Chamber of Commerce. Our upcoming workshops and listening sessions will also provide welcoming settings that are accessible to seniors, non-English speaking populations, and diverse socio-economic populations. To aid in addressing Spanish-speaking populations, the City will provide translations of materials to welcome diversity in housing discussions. Craig's school district is the heart of our community, and engagement of our student population is essential to involving the next generation. We will collaborate with the school district to identify opportunities to conduct workshops within our schools, while creating engagement activities that fit within the curriculum. Online tools will be explored with survey mechanisms and other online activities available for residents who aren't comfortable with attending traditional workshops.

Local Match

A minimum 25% local match of the total project cost is required. If you are requesting a reduced match, describe why this is necessary and when you consulted your DOLA Regional Manager about a reduced match.

The City of Craig has proactively taken steps to address affordability in advance of HB21-1271 by pursuing and completing the Craig Housing Needs Assessment Study. Due to the leveraged investment already made, the City of Craig is requesting that the \$33,000 expended for the Housing Study be taken into consideration as part of the overall matching portion. Current match \$14,150 + Prior leveraged match \$33,000 = Total Match \$47,150 or 27% of overall cost

D. PROJECT BUDGET



Project Budget

Fill out and upload the Project Budget Template, which can be downloaded on the DOLA website at <https://cdola.colorado.gov/1271>

IHOP Planning Grant Program Total Project Budget_City of Craig.xls

Staffing Plan

Do you plan to hire temporary/contract staff or consultants to complete the work? If you are considering hiring temporary/contract staff instead of a consultant, provide more details about the work they will do and the cost. They must be solely devoted to the work funded by this project.

The City of Craig currently has a contractual relationship with a consultant on several housing related measures. We would like to continue working with them with this grant for further support because of their institutional knowledge and high level of experience with these types of projects. If needed, The City of Craig is willing to undertake the RFQ process as well.

E. TABOR COMPLIANCE



Voter Authorization

Does the applicant jurisdiction have voter authorization to receive and expend state grants without spending limitations?

Yes

Voter Authorization Explanation

If yes, please explain.

If no, would receipt of these grant funds (if awarded) result in the local government exceeding revenue limitations, prompting a refund?

The City of Craig "debruced" in 2001

Attorney Affirmation

Affirm that the local government's attorney has confirmed this TABOR statement.

[Yes](#)

F. OFFICIAL ACTION

Official elected board, council, or commission action is required.

Date of Official Action

[02/08/2022](#)

Board or Staff

Identify if this date refers to application approval by elected board, council, or commission, or by authorized staff.

[Approved by elected board, council, or commission](#)

Authorization Documentation

Upload documentation of official action.



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Application Approval Notification_City of Craig.pdf