



IHOI: Innovative Housing Strategies - Final Round

Local Government/Organization: [Craig, City of](#)
Status: [Partially Complete](#)
Filed On: [2023-01-03T11:22:02](#)
Filed By: [GRANTS_WEB](#)
Reviewed On:
Reviewed By:
Reviewer Notes:

Application Overview

The Innovative Housing Incentives Grant Program (IHOI) provides grants to local governments to promote the development of affordable housing that is driven by community benefits and that focuses on critical housing needs as identified by the local government. Qualifying communities (i.e., those that have adopted at least three strategies from the menu of qualifying strategies listed in the program guidelines) can apply for funds to support an affordable housing development project directly or through programs that support affordable housing development or preservation in the long term.

Only those jurisdictions that submitted a letter of intent (LOI) by September 30, 2022 and that have been invited to apply may submit an application for this final round of funding. For more information on the program or to review the program guidelines, visit the program webpage: cdola.colorado.gov/1271

Please Note: The Principal Representative and Responsible Administrator contacts in Section A **must be two different people** with different email addresses in order for the application to be accepted.

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](#)
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](#)
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

Mailing Address

300 W. 4th Street

City

Craig

Zip Code

81625

Phone Number

9706295469

Email Address

rhess@ci.craig.co.us

C. PROJECT INFORMATION

C1. Project Title

Please use the following naming convention: "Community Name- Project Name" (e.g., Town of Anywhere- Sycamore Multifamily Apartments).

8th Street Redevelopment Project

C2. Project Location/Address

Include census tract FIPS code. More informations about FIPS code here: <https://www.policymap.com/2012/08/tips-on-fips-a-quick-guide-to-geographic-place-codes-part-iii/>

The parcel is located at 8th St. between Russell St. and Tucker St, Craig, CO/FIPS 080810005002021

C3. Project Summary Statement

Provide a concise statement of the project, in approximately 100 words (500-700 characters).

Example: "The city will use grant funds to cover a portion of infrastructure costs, including water and sewer systems, in the development of a planned unit development (PUD) which will create 50 modular units of for-sale and for-rent affordable housing. The property will be held in a land trust and units will remain affordable in perpetuity. The city will begin to issue certificates of occupancy in 2024."

The Craig Housing Authority intends to use the funds to cover the cost of infrastructure in support of a 20 unit for sale development. The Housing Authority is acquiring the property for a nominal fee from the Memorial Regional Health (via Moffat County). The units will be deed restricted for thirty years to ensure long term affordability.

C4. Project Description

%3Cp%3E%3Cem%3EDescribe%20the%20project%20in%20detail.%3C%2Fem%3E%3C%2Fp%3E%0D%0A

Through a collaborative partnership with Memorial Regional Health, the City of Craig, the Craig Housing Authority and the Moffat County School District, the 8th Street Redevelopment project will provide 20 new units of attainable workforce housing to the community. Memorial Regional Health is contributing the parcel at a nominal cost in part because it recognizes the need for housing to attract and maintain employees. The project will encompass four, five-plexes. Each of the five-plexes include two (2), three-bedroom units at 1,368 sq/ft at each end, bookending three (3) two-bedroom units at 1,152 sq/ft in between. In total, the project will feature 12 two-bedroom units and 8 three-bedroom units. Each of the units will include a small back yard space and parking access through an alley. The front facades will include a step-up front porch with new sidewalks connecting the project to the surrounding neighborhood and amenities. The project site is located within one-block of an elementary and the middle school and a short five-minute drive to the high school. The project is walkable to the City's downtown district, the local Senior Center, a major grocery store, as well as two city parks and the Craig Swimming Complex. Memorial Regional Health is just over two miles from the project site for an easy seven-minute drive for potential employees. The City has committed \$800,000 of its ARPA funds in support of this project and has received a housing grant to assist with the technical assessments, planning, analysis, and code updates. The Housing Authority has also submitted a letter of intent for the DOH Transformational Housing program with the hope of adding additional grant funding and/or below market financing. The Housing Authority is moving forward with planning and design for modular units purchased through Fading West Building Systems in Buena Vista, Colorado. To date, the Housing Authority has contracted with EV Studios, the exclusive design team for Fading West and has completed preliminary conceptual designs. To date, we have completed the civil drawings and topographic map and will be taking the site plan to the Craig Planning Commission for approval in February. The City has approved expedited review for affordable housing projects as one of its qualifying strategies along with local building permit fee waivers. The Housing Authority expects to have a formal purchase and sale agreement in place by the end of January. The Housing Authority intends to act as the developer and will market the units to households earning at or below 140 percent of the AMI. The Housing Authority is also working with the hospital and the school district to prioritize units for income qualified employees of both institutions. The Moffat County School district has identified teacher housing as a critical element to attracting quality educators to the region. The Housing Authority is planning to deed restrict the units to maintain affordability for a minimum of 30 years. The deed restriction would include limits on upward appreciation and ensure future buyer would need to be income qualified. The Housing Authority would act as homeowners association providing for maintenance of common areas and snow removal. In 2022, the City of Craig established the Craig Housing Authority in recognition of the need for workforce housing. As part of that effort, the City identified both the hospital site and an additional site adjacent to Woodbury Park Drive in Craig as development opportunities. The Woodbury Park Drive site is considered surplus public property that can be used for housing.

C5. Unit Creation

Describe the number of affordable housing units and total housing units this project will create. Differentiate, if necessary, the total number of units in this current phase versus future, approved phases.

The Project will generate a total of 20 units of for sale housing. Specifically, the units will include 12 two-bedroom units and 8 three-bedroom units. All the units will be sold as affordable to households up to 140 percent of the AMI and the project will be completed in a single phase.

C6. Project Type

Some projects may need to comply with the state's High Performance Certification Program (HPCP), which establishes goals for sustainable building performance. DOLA will work with applicants to find solutions to overcome any hurdles. The following questions will help us identify if and how HPCP may apply to your project, as well as paths

forward. Please answer each of the following questions. To ease the review process, number your responses in the space provided.

1. Is this a renovation or new construction project, or other (describe other)?
2. Does this project involve demolition of vacant or abandoned properties?
3. Will units be for rent, ownership, or both?
4. Will the total square footage of the project be greater than 5,000 square feet?
5. Does state funding (from any and all state sources) comprise 25% or more of the total project budget?

1. Is this a renovation or new construction project, or other (describe other)? The project will be new construction, using modulars from Fading West Modulars in Buena Vista. 2. Does this project involve demolition of vacant or abandoned properties? The project site was formerly the location of Memorial Regional Hospital. The Hospital has built a new facility and the hospital site was remediated and demolished two years ago. It has been vacant since that time. 3. Will units be for rent, ownership, or both? Ownership. 4. Will the total square footage of the project be greater than 5,000 square feet? Yes. 5. Does state funding (from any and all state sources) comprise 25% or more of the total project budget? The Housing Authority is applying for additional funding through the DOH Transformational Housing grant program. If awarded, then 25 percent of the total project budget will be from state sources.

C7. Housing Needs & Population Served

Describe your community's affordable housing needs and how this particular project addresses those needs (i.e., housing types needed in the community and addressed by this project, based on current or best available data, jurisdictional housing needs assessment, or other relevant housing plans or policies). Provide links. If you do not have recent data from a plan or study, provide any information you have that gives assurance there is a need for the project (e.g., number of people on a housing authority waiting list for a certain unit type).

Which populations does this project intend to serve? Include AMI levels as well as housing unit type (e.g., for individuals or families). What is the impact of serving these specific populations in your community?

In 2021, the community commissioned a comprehensive housing needs assessment (<https://www.ci.craig.co.us/residents/housing.php>) which indicated a need for 75 homes are needed to meet market demand. The housing needs specifically identified the following populations as lacking housing options: *Renters seeking to buy a home *New employees seeking to purchase a home *Growing families seeking to move into a larger home *Empty nesters and seniors seeking to downsize and open housing opportunities for others The assessment also identified limited new construction as an ongoing issue in the market. The project is targeted a households earning at or below 140 percent of the AMI. In addition, the City and Housing Authority are collaborating with Memorial Regional Health and the Moffat County School District to prioritize the units for local employees who are income qualified. This includes professional hospital staff and local teachers.

D. PROJECT BUDGET

D1. Amount of Grant Funds Requested

1,500,000.00

D2. Use of Grant Funds

Describe which specific project components (sub-scope) the IHOI grant funds would be used for. How would these grant funds be spent and by when?

The grant funds would be used to complete the horizontal infrastructure work in support of the project. This would include the extension of the water line and sewer line to the project site. The site will also require substantial stormwater improvements and import of fill to raise the center point to ensure adequate drainage. The site will also include alley improvements to all for rear access and unit parking.

D3. Timeline and Phasing

Describe the project timeline, including information on when each phase is expected to begin, major milestones for each phase, and predevelopment work that has been or will be completed. Identify any major risks to the timeline being delayed beyond the anticipated completion date. Explain the status of the project in the entitlement/local government permitting process. As a reminder, all IHOI grant and matching funds must be **fully expended by April 30, 2024**, prior to program closeout on June 30, 2024.

The Housing Authority has established the following timeline to guide our efforts over the course of the development project. To date, the City has completed the following: *Preliminary site concept plan that includes: o Building elevations with preliminary design based on existing modular products from Fading West Building Systems o Building locations that include street, alley, curb, and gutter *Preliminary civil engineering including topography, easements, and curb cuts. *Engineered estimates for the extension of the water and sewer lines to the project site. Below is a timeline of actions and anticipated completion dates. 1st Quarter - 2023 January *Complete the formal purchase and sale agreement with Moffat County acting on behalf of the Memorial Regional Hospital. Both the hospital board and the county board have approved the project and authorized staff to complete the sale agreement. *Submit the preliminary site plan permit application for review by the Craig Planning Commission with final approval expected in February. February *Complete the civil engineering, and landscape, and site design. *Complete community engagement and education session (tentatively scheduled for February 16). March - April *Complete selection of General Contractor in collaboration with Fading West Building Systems and EV Studios. *Initiate site improvements and infrastructure construction. (timing is dependent on grant funding) *Submit preliminary construction order with deposits (\$20,000/unit) to Fading West Building Systems. *Complete rezoning and site plan approval process. 2nd Quarter 2023 *Complete the Schematic Design and Design Development (ASMEP) building design for both the modular and non-modular portions of the buildings. *Complete the site improvements and infrastructure construction 3rd Quarter 2023 *Complete Construction drawings of buildings (ASMEP) for both modular and non-modular. *State permitting for modules (through Fading West) *Complete site-specific plans, plans and foundation designs. *Local permitting for General Contractor (through expedited review) *Initiate local marketing effort and begin the process of income qualifying households interested in purchasing the units. 4th Quarter 2023 *Module manufacturing (by Fading West) *Box deliver and installation (by General Contractor) *Module stitch and finish (by General Contractor) *Certificate of Occupancy (By General Contractor) - anticipate the first five plex to be completed by December 31, 2023 1st Quarter of 2024 *Complete final delivery, installation and stitch and finish. *Complete sales to income qualified households.

D4. Project Budget

%3Cp%3E

%253Cp%253E%253Cem%253EUpload%2520your%2520project%2520budget%2520as%2520an%2520XLS%2520file%252C%2520using%2520the%2520template%2520s%2520%252Fp%3E%0D%0A

IHOI Project Budget_City of Craig_1.18.23.xls

D5. Minimum Amount of Grant Funds Required

If awarded a partial amount, what is the minimum amount of grant funds necessary so the project can retain important aspects such as AMI levels, target unit numbers, affordability term lengths, etc.? Explain clearly what the impact would be between receiving your minimum and requested amount of funding.

While the City and Housing Authority are committed to moving forward with the project, for the housing authority to keep the units at an affordable price, estimated to be between \$260,000 to \$310,000 per unit, we would require the full \$1.5 million. The minimum the Housing Authority could accept and still move forward would be roughly \$1 million. At that point, the Loan to Value ratio for any financing would be challenging and we would need to revisit the sale price. This is also dependent upon the success of the grant application through the Transformational Housing program. If the Housing Authority is awarded additional funding through that program and/or able to access below market financing, we could revisit the grant amount for the IHOI program.

D6. Local Match

A minimum 20% local cash match of the total project cost is required. If you are requesting a reduced match, describe why this is necessary.

We are not seeking a reduced match and expect to meet the 20 percent match requirement.

D7. Single Audit

Do you anticipate triggering a single audit as a result of this project?

No

D8. Single Audit Cost

Have you built the proportionate cost for a single audit into your project budget?

No

E. PROJECT MANAGEMENT & COMMUNITY SUPPORT**E1. Project Management / Roles / Capacity**

- Provide the name and position/title of the ~~person managing the project~~, as well as any additional staff and resources (such as from key partner organizations) allocated to the project.
- Provide the name and position/title of the ~~person responsible for grant management~~. Describe capacity to manage grants. List the size and characteristics of past grants managed by the grant manager and other applicable staff.
- ~~Address capacity limitations~~. Describe local capacity to administer the project or program long term.
- Provide name of person or entity responsible for ~~managing the affordability of the units~~ long-term.

Project Manager: Peter Bixius, City Manager City of Craig, Executive Director Craig Housing Authority Grant Management: Entity Responsible for the Affordability the Units: Craig Housing Authority

E2. Community Leadership and Stakeholder Support

Describe the community leadership and stakeholder support for the project currently, including adopted plans, policies, and financial or in-kind commitments. Provide links to plans/policies. Discuss any challenges in getting support and what you did or plan to do to gain that support. Identify supporting capacity (e.g., partner organization or business, board members, consultants, etc.). Partners and stakeholders can demonstrate their involvement/commitment with letters of support and/or financial commitments.

The City of Craig has actively pursued the housing opportunity over the past 18 months. In addition to completing a housing needs assessment in 2021 (https://cms3.revize.com/revize/craigco/Document%20Center/Residents/Economic%20Development/Craig%20HNA_Final.pdf), the City of Craig established the Craig Housing Authority (CHA) in 2022. The CHA was approved unanimously by the City Council and will be serving as the development entity for the project. The City has been providing ongoing staff support and has engaged Ayres Associates to assist with the planning and implementation. Memorial Regional Health is contributing the land currently valued at \$67,500. The hospital board voted to approve the sale and is actively supporting the project. The Moffat County Board of Commissioners also voted unanimously to approve the sale to the CHA for the purposes of developing affordable housing. The Moffat County School District is also supportive of the project and will be assisting with marketing the units to income qualified teachers.

E3. Community Engagement

Describe your community engagement strategies, including how these efforts will address Equity, Diversity, Inclusion and Accessibility. How will you effectively reach historically disadvantaged communities such as people of color, people with low incomes, people with disabilities, people with limited English proficiency, and other traditionally underserved groups. Include a description of the efforts taken and/or planned to use an inclusive process of community and stakeholder engagement, particularly for community members who would potentially become residents in your proposed project.

The City is planning an extensive community engagement in February to review the proposed plan elevations, share information, and create opportunities for residents to sign up to receive project updates. The engagement will include information sessions with hospital employees, which are a target market for the project and the community at-large. We intend to host sessions in both the morning and evening to account for different schedules and we will publicize the events in the local newspapers. The project site is located adjacent to the downtown district and will be across the street from the local senior center.

F. SCORING CRITERIA AND BONUS POINTS

Scoring will be used as a guideline to evaluate and rank projects while ensuring statutory priorities are met. Click [here](#) to review the Scoring Matrix and points available.

F1. Affordability Mechanisms

What mechanism (e.g., deed restriction or other) will be used to ensure the units (either planned or being constructed) will be secured as affordable? What programs and/or policies will be used to monitor compliance with long term affordability? Note: bonus point available for over 30 years.

The CHA intends to deed restrict the units for 30 years. The deed restriction will be recorded at the time of sale and the CHA will manage income qualification for any future transactions.

F2. Development Pattern & Sustainable Development

Describe the development pattern that applies to your project (e.g., infill or greenfield development). Aside from impact fees, describe if any new infrastructure will be required as part of the project. Describe which efficient land use practices (e.g., adaptive reuse, increased walkability, density/gentle density, complete streets, etc.) are being incorporated into the project.

Because the project is in a previously built area, water, sewer, and electricity infrastructure are all directly adjacent to the development site. As a result, the project will not require extensive infrastructure expansions. More importantly, the City and MRH were able to complete the full environmental remediation and demolition of the out-date hospital building to make way for this housing project. The project will also include sidewalks that connect to the adjacent neighborhoods with excellent pedestrian accessibility. The downtown district, elementary, middle school, City Park, and the Craig Swimming Pool complex are all walkable from the site.

F3. Community Benefits & Proximity to Amenities/Services

Describe the community benefits this project or program provides or supports for the future residents and/or the broader community/neighborhood. Community benefits can include, but are not limited to, increased multimodal transportation access, access to early childhood education and childcare centers, energy efficiency of the units, or proximity to jobs and schools. Describe the project site's proximity to services and amenities such as alternative transportation options, employment opportunities, grocery

stores, schools, parks, public services, childcare, etc.

The project site will be walkable to the regional bus transit stop with access to employment opportunities in Steamboat Springs and at the Hayden Regional Airport. It is located one block from the elementary and middle school campus and 1.5 blocks from the Craig Swimming Complex and City Park. Connections4Kids, a local nonprofit supported by state grant funding, is located 1.5 blocks from the site (<https://www.connections4kids.org/>). The agency provides a range of services from health care, family support, parent education and childcare resources.

F4. Proximity to Hazard Areas

Describe the proximity of the project site in relation to hazardous areas (e.g., in the floodplain, adjacent to heavy industrial areas, high wildfire or landslide risk, etc.). Describe whether the project site has previously been impacted by hazards (e.g., has the location experienced flooding or wildfires before). Describe what hazard mitigation strategies are in place or are planned.

The site is within the 500-year flood zone according to FEMA. The site poses no risk for wildfires or other natural disasters outside normal weather conditions. Because the site is within a built area, fire and police services are readily available.

F5. Extra Points: Affordability Term

How long will the units remain affordable?

The units will remain affordable for 30 years.

F6. Extra Points: Rehabilitation

Does the project rehabilitate and repurpose a vacant or underutilized commercial or industrial building in a core commercial or industrial area for affordable housing? If so, describe the nature of the development and the location of the project. Include the former use of the vacant/underutilized building and how long it has been vacant, if applicable.

The project site was previously considered a brownfield site due to the use by the hospital. The site was remediated fully and demolished for use as a housing project.

F7. Extra Points: Energy

Will the project be built to higher energy efficiency standards than required by the local government or offset energy requirements through onsite renewable energy generation? Describe the energy standards that the project will adhere to (including the building code that will apply), as well as any other energy efficiency information.

The modules are designed to meet state and local codes including adopted amendments at the time of permit application as required by the state for offsite construction. The State is currently running the 2018 Codes. All module units include continuous insulation to mitigate thermal bridging. Modules by their nature are inherently energy efficient, both in their fabrication (significantly less construction waste) as well as their performance. By fabricating units in a controlled environment with engineered lumber, the modules are significantly tighter in dimensional tolerance than site constructed counterparts, which results in substantially tighter building envelopes.

F8. Optional: Additional Project Information

Optional: upload additional documentation as a PDF.

☐ Download

G. 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 result in the local government exceeding revenue limitations, prompting a refund?

The City of Craig "debruced" in 2001

H. OFFICIAL ACTION



Official elected board, council, or commission action is required to submit this application.

Date of Official Action

01/24/2023

Elected 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

Official Action Documentation

Upload documentation of official action as a PDF.

☐ Download

Optional: Additional Documentation

Optional: upload additional documentation if necessary. Examples include letters of support, MOUs, IGAs, etc. Combine multiple files into one PDF to upload.

☐ Download

HB21-1271 Incentive Grant Project Budget Template

Please note: the application portal requires you to upload this budget worksheet as an “.xls” file. The system will not allow the .xlsx file type.
If you have any issues uploading this budget, you can send your budget via email but you will need to upload something in the portal in order to submit your application.

Applicant (Community Name): City of Craig, Colorado
Applicant Contact: Peter Brixius
Applicant Contact Position/Title: City Manager/Executive Director
Applicant Contact Email Address: pbrixius@ci.craig.co.us
Applicant Contact Phone: (970) 826-2023
Date: 1/18/2023

Project	Total Estimated Project Cost (may be a sub-scope of total project)	Grant Funds Requested	Other Funding Amount (at least 20% local match of total project cost; no in-kind match)	Other Funding Source (municipal, state, federal, private)	Other Funding: Committed, Pending, or Waiver Requested?	Other Funding Notes
Site Development	\$ 2,179,225.00	\$ 1,500,000.00	\$ 679,225.00	Private/State	Pending	Site development includes the water, sewer, stormwater and street costs. It includes proportional share of contingency.
Real Property/Acquisition	\$ 67,500.00		\$ 67,500.00	Municipal	Pending	The property value is backed by an appraisal. The seller will be deferring the sale proceeds.
Building Construction	\$ 4,080,084.00		\$ 4,080,084.00	Federal	Partially Committed	This includes the purchase of the modular units at \$135/square foot and a 10 percent contingency on all hard costs. \$800,000 of ARPA funds are committed. We are submitting an application for funding through the Transformational Housing Program.
Architectural/Engineering Services	\$ 109,500.00		\$ 109,500.00	Municipal	Pending	EV Studios is providing the services as the exclusive architect to Fading West Building Services.
Administrative Costs	\$ 569,028.00		\$ 569,028.00	Private/State	Pending	The project is assuming a 10 percent developer fee with forty percent being deferred. We are submitted an application for funding through the Transformational Housing Program and will be applying for construction financing through the DOH
Consultant Services	\$ 607,054.00		\$ 607,054.00	Privatate/State	Pending	Consulting services includes marketing fees, attorneys fees, anticipated closing costs, and project management owners rep.

Note: Administrative Costs may not exceed 15%

Totals	\$ 7,612,391.00	\$ 1,500,000.00	\$ 6,112,391.00	Note: Total estimated project cost must equal state funds requested plus other funds.	
	Total estimated project cost (may be a sub-scope of total project)	Total grant funds requested	Total other funding (local match = at least 20% of total project cost)		
		19.70%	80.30%	Percentage of total estimated project cost	
	(Note: % will calculate based on subtotals in row 17)				