

CITY COUNCIL COMMUNICATION



MEETING DATE: August 22, 2023

ITEM NUMBER: .

SECOND READING:

TYPE OF ITEM: Consent

PRESENTED BY:

Molly O'Donnell, Housing and Community Investment Director,
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SUBJECT/AGENDA TITLE:

A Resolution Of The Longmont City Council Approving The Intergovernmental Agreement Between The City And The State Of Colorado Department Of Local Affairs For Grant Funding For An Affordable And Attainable Neighborhood Project Under The Innovative Housing Incentive Grant Program

EXECUTIVE SUMMARY:

The City has been awarded \$1,870,000 from the State of Colorado Department of Local Affairs (DOLA) Innovative Housing Incentive (IHOI) Grant Program for the purpose of acquiring 905 Harvest Moon Drive, Longmont CO for a proposed Affordable-Attainable Neighborhood concept project. The IHOI Program provides grants to local governments that have implemented strategies to promote the development of innovative affordable housing projects. The program is funded with both federal and state stimulus funds.

In order to accept these funds and acquire the parcel of land, Council must accept the grant and authorize the grant agreement with DOLA.

COUNCIL OPTIONS:

1. Accept the grant and authorize the City Manager to execute the contract with DOLA for the IHOI grant.
2. Do not accept the grant or authorize the contract.

RECOMMENDED OPTIONS:

Accept the grant and authorize the agreement with DOLA for the IHOI grant funds.

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

The purchase price of the land parcel is \$3,175,168 (\$10 per sqft. for 7.28 acres). The grant will provide \$1,870,000; the remaining \$1,305,168 will come from the City's allocation of American Rescue Plan Act (ARPA) funding.

BACKGROUND AND ISSUE ANALYSIS:

In December of 2020, the City Council approved a three party Public Private Partnership Agreement (P3 Agreement) between the City of Longmont, Costco Wholesale Corporation and Diamond G Concrete Company (property owner) for the planning, design, permitting and construction of a Costco store in the eastern area of Harvest Junction within the Irwin-Thomas annexation. Within that agreement, the City purchased approximately 9 acres of land at below market rate for the use of affordable housing.

The 7.28-acre parcel of land slated for acquisition with the IHOI grant located at 905 Harvest Moon Drive is directly adjacent to the City-owned parcel. The sale price has been offered by the owner at \$3,175,168, which is well below market. The intent for both parcels is to develop an approximately 16-acre, mixed-income for-sale neighborhood with approximately 187 units affordable to households within the affordable (below 80% area median income) and attainable (below 120% area median income) ranges.

Staff applied for the IHOI program in February 2023 to fund the acquisition of 905 Harvest Moon Drive. DOLA notified staff that Longmont had been awarded \$1,870,000 in March 2023. If Council authorizes acceptance of these funds, the City Manager will execute the grant agreement. The City's ARPA allocation towards affordable housing will provide the remaining \$1,305,168 to complete the purchase. The intent is to close on the purchase of the land by January 2024.

ATTACHMENTS:

1. Award Letter
2. Grant Agreement