

DOLA LOCAL PLANNING CAPACITY GRANT - PROP 123

Date: April - June 2025 (Q2)

From: Eva Henson, Soluvera LLC

April – June Notes

Deed Restriction & Resale Controls

- In collaboration with the Town of Ignacio, New Communities Law (legal) and HomesFund (stakeholder partner/deed restriction administrator) are advancing deed restriction tools and resale controls to meet local and state priorities:
 - Updating the “classic deed restriction” to reflect current legal standards and policy requirements.
 - Developing an employer rental and occupancy covenant tailored specifically for employer-owned workforce housing units.
 - Providing feedback to the State of Colorado on the Prop 123 model covenant, ensuring alignment with the real-time needs of the Rock Creek project.
 - Supporting all four government partners by delivering uniform deed restriction templates and resale control mechanisms that align with new state guidelines and foster regional consistency.
 - Phase I of the Rock Creek project is anticipated to having sales/closings in mid to late June, with Phase II launching later this year, including units for the Ignacio School District and units funded through Prop 123.
 - Income Limit Updates: HomesFund and Soluvera collaborated on draft 2025 Area Median Income (AMI) tables using HomesFund’s methodology and formula spreadsheet, with figures aligned to the most recent HUD and CHFA data.

Prop 123 Grant Tracker

Town of Ignacio – *Rock Creek Project*

- Award Amount: \$462,000
- Award Date: February 2025
- Phase II Details: 6 units at or below 100% AMI
- Status: Closings anticipated mid/late June for Phase I; Phase II units (including employer-owned and Prop 123 units) coming online later in 2025.

Monitoring Additional Projects in the Pipeline Across Four Government Partners:

- Town of Bayfield – *Cinnamon Heights*
- City of Durango – *Lightner Creek* (in partnership with Elevation Community Land Trust and Tributary Development)
- La Plata County – Potential funding or partnership contributions



Fast-Track (expedited review)

- City of Durango was awarded a DOLA Local Planning Capacity Grant supporting fast-track permitting and other capacity needs.
- Early April, grant check-in included Town of Ignacio, La Plata Economic Development Alliance, Soluvera, and DOLA discussing:
 - Fast-track and consultant procurement processes
 - S.T.E.E.R. initiative
 - Supplemental funding opportunities
- Towns of Ignacio and Bayfield use on-call planning services through SEH, led by planner Nancy Dosdall.
- May meeting, Town of Ignacio, Soluvera, and Nancy Dosdall discussed:
 - Fast-track experience with City of Cortez
 - Alignment with Ignacio's land use code and Rock Creek Project
 - Requested cost estimates; with Mark Garcia to follow up with DOLA on contractor eligibility
- Ignacio aims to implement fast-track process before the end of 2025 and target DOLA incentive funds by year-end.

Follow-Up Action

- Coordinate with **Town of Ignacio** to clarify:
 - Contractor eligibility for fast-track related work.
 - Procurement requirements, if any, for engaging consultants.
 - Obtain cost estimates for consulting services related to fast-track permitting and land use code amendments.
 - Recognize capacity needs for Ignacio, Bayfield, and La Plata County capacity may differ for this scope.

S.T.E.E.R. Initiative

- On April 10, 2025, the RHA Board of Directors approved the RHA budget to proceed with Butler Snow (legal counsel) and Hilltop Securities (financial advisor) to support the S.T.E.E.R. initiative, maintaining momentum with expert legal and financial guidance.
- **Meetings #3** (May 8) and **#4** (May 19) were convened during Q2, focusing on:
 - Evaluating legal and financial feasibility of proposed revenue mechanisms
 - Reviewing refined funding options and potential ballot strategies
 - Finalizing committee recommendations for sustainable local housing funding
- **Meeting #5** was scheduled for June 12 (RHA Board Meeting), where a smaller S.T.E.E.R. committee presented findings and recommendations to RHA Board.