



AGENDA MEMO

SUBJECT: Letter of Intent to Apply: CO Division of Housing Prop 123 12/2/2024 Application
MEETING DATE: **10/14/2024**
STAFF CONTACT: Anne Chase

Overview:

The Silverton Housing Authority released an RFP for the Anvil Townhome Development March 12th – April 16th, 2024. The SHA Board awarded the RFP to Tributary Development's predecessor on June 10, 2024, via a predevelopment agreement, which expired on 10/1/2024. Tributary Development has presented a new predevelopment agreement to continue determining the financial feasibility of the Townhome project, attached below.

Town of Silverton opted-in to Proposition 123 by committing to build 10 new units under 100% AMI by end of year 2026. Three units under 100% have been built-to-date through SJDA's Anvil Single Family project. The Townhome project currently is poised to build 8 units at/below 100% AMI, which will bring our new unit count to 11 for our Prop 123 commitment.

Staff is working on an application to the CO Division of Housing's Proposition 123 Homeownership funding which is due December 2nd. Letter of Intent (LOI) is due October 18th. Staff has been working closely with the development team to prepare a preliminary budget outlined in the LOI.

The current unit mix, subject to change, is:

Unit Type	AMI Restriction	Number of Units
2 Bed 2 Bath	80%	3
2 Bed 2 Bath	100%	3
3 Bed 2 Bath	100%	2
3 Bed 2 Bath (+ garage)	140%	1

A public Silverton Housing Authority meeting will be duly noticed and held November 11, 2024, to discuss the Anvil Townhome Project in depth.

Project Updates:

- Updated survey of lots 15, 16, and 17 (project sites) underway.
- Board of County Commissioners approved a funding request from SHA for \$6,875.00 for geotechnical analysis of the project sites on 10/9/2024.
- Application submitted to the Colorado Department of Health and Environment for a new Phase I assessment (DOH Application requirement).

Upcoming Project Issues for Board Consideration:

- Fee waivers.
- Construction deposit.
- A variance request from the BOT for dimensional standards.

Motions and Directions:

1. Direction to submit a Letter of Intent for the December 2, 2024, Colorado Division of Housing Proposition 123 Homeownership Grant.
2. Motion to approve entering a Predevelopment Agreement with Tributary Development LLC.
3. Motion to grant signatory authority to the Silverton Housing Authority Director, Anne Chase.



Anne Chase
Executive Director
achase@silverton.co.us

10/14/2024

Anne Chase, Director
THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON
1360 Greene Street
Silverton, CO 81433

RE: Anvil Walsh Townhomes – San Juan County

To Shirley Diaz,

The Silverton Housing Authority plans to submit an application for DOH funding on December 2, 2024, in the amount of \$616,000 for the Anvil Walsh Townhome Project. The Anvil Walsh Townhomes will consist of 8 units serving households at 80% AMI and 100% AMI. Below is a preliminary sources and uses:

Sources	Amount
Sale Proceeds	\$2,840,800
December 2 nd Prop 123	\$616,000
Colorado Health Foundation	\$450,000
Land Donation - San Juan County	\$300,000
Fee Waiver – Town of Silverton	\$156,934
SMPA Rebate	\$9,000
Construction Loan	\$2,823,314
TOTAL	\$4,372,734

Uses	Amount
Acquisition Costs	\$300,000
Site Improvements	\$100,000
Construction	\$3,108,488
Professional Fees	\$55,000
Construction Finance	\$175,000
Soft Costs	\$200,746
Developer Fee / Profit	\$210,000
Reserves	\$150,000
Seller Closing Costs	\$73,500
TOTAL	\$4,372,734

We look forward to discussing this project with you.

Sincerely,

Anne Chase
Director
Silverton Housing Authority

Dayna Kranker
Chair
Silverton Housing Authority

PRE-DEVELOPMENT AGREEMENT

Anvil Townhome Development

This Pre-Development Agreement (“Agreement”), dated October 14, 2024 (“Effective Date”), is between the SILVERTON HOUSING AUTHORITY, a Colorado housing authority (“SHA”); and TRIBUTARY DEVELOPMENT LLC, a Colorado limited liability company (“Developer”).

The SHA intends to develop the real property described in Exhibit A (“Property”). The Silverton Housing Authority (“SHA”) issued a request for proposals dated March 12, 2024 (“RFP”) seeking an experienced developer to develop the Property into workforce housing (“Project”). The Developer’s predecessor entity responded to the RFP, and SHA selected the Developer’s predecessor entity response as the most responsive proposal.

The SHA and Developer desire to work collaboratively to determine the financial viability of the Project.

The parties therefore agree as follows:

1. Financing. The SHA and Developer shall work collaboratively to identify potential funding sources for the Project, including traditional debt financing for construction, concessionary debt, equity investment, down payment assistance programs, and state grants and loans. The Developer shall prepare all applications and negotiate term sheets and commitment letters with potential funders. The Town shall cooperate with the Developer by reviewing applications, providing letters of support, and participating in initial discussions with potential funders. The Developer will determine the financial viability of the Project.

2. Plans. The Developer shall prepare preliminary plans, studies, and drawings for the Project to share with potential funders. The SHA shall review the Developer’s preliminary plans, studies, and drawings to verify general compliance with the Town’s code and RFP.

3. Development Agreement. If the Developer determines the Project is financially viable, the Developer and the SHA shall negotiate a development agreement, affordability covenants, and other agreements to ensure the financial viability of the Project and the Project’s compliance with the RFP.

4. Term. This Agreement will commence on the Effective Date and terminate upon the earlier of execution of the Development Agreement, or January 31, 2025. This Agreement may be extended on a monthly basis, subject to the mutual agreement of the parties.

5. Miscellaneous.

- a. Contingency; No Debt. Pursuant to Article X, Section 20 of the Colorado Constitution, any financial obligations of the Town under this Agreement are specifically contingent upon annual appropriation of funds sufficient to perform such obligations. This Agreement does not constitute a debt or obligation of the Town within any statutory or constitutional provision.

- b. Governmental Immunity. This Agreement does not waive any protections or immunities the Town and its officials, representatives, and agents under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*.
- c. No Joint Venture or Partnership. No form of joint venture or partnership exists between the parties by virtue of this Agreement.
- d. Exclusivity. As consideration for the costs that the Developer will likely incur to determine the financial viability of the Project, during the term of this Agreement, the Town shall not solicit, offer, or negotiate the Project with another developer.
- e. Assignment. Neither party may assign this Agreement nor any of its rights, interests, or obligations under this Agreement without the written consent of the other party.

(signature page follows)

The parties have executed this Agreement as of the Effective Date.

SILVERTON HOUSING AUTHORITY

_____,
Dayna Kranker, Chair

ATTEST:

Melina Marks Lanis, Town Clerk

TRIBUTARY DEVELOPMENT LLC

By: _____
Bleecker Seaman
Authorized Signatory



RESOLUTION NO. 2024-02

A RESOLUTION OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON OF DELEGATION OF SIGNATORY AUTHORITY

WHEREAS, the Silverton Housing Authority is pursuing the Anvil Townhomes project to increase the supply of quality, affordable housing homeownership units; and

WHEREAS, there is a need for financial subsidies to decrease the price of construction of units to be affordable for the intended Area Median Income levels of the development;

WHEREAS, the Silverton Housing Authority is an eligible entity to apply for the Colorado Department of Local Affairs Division of Housing's funding opportunities;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON, SILVERTON, COLORADO THAT:

Section 1: The Board of the Silverton Housing Authority does hereby certify that the person named below has full signatory authority in regard to all contracts and corresponding documents associated with agreements entered into by the Silverton Housing Authority with the Colorado Department of Local Affairs and its Divisions:

Anne Chase

Name of Authorized Signor

Director

Title

Signature

Section 3: If applicable, this statement certifies and hereafter delegates Anne Chase, an agent of the Silverton Housing Authority for the purpose of authorizing and signing Payment Requests, Quarterly Financial Status Reports, Quarterly Project Performance Reports, and Monitoring Documents.

THIS RESOLUTION was approved and adopted this _____ day of October 2024 by the Board of the Housing Authority of the Town of Silverton, Colorado.

SILVERTON HOUSING AUTHORITY

Dayna Kranker, Mayor (SHA Chair)

ATTEST:

Melina Marks Lanis, Town Clerk

Lambert and Associates

CONSULTING GEOTECHNICAL ENGINEERS AND MATERIAL TESTING

30 September 2024

Silverton Housing Authority
1360 Greene Street
Silverton, CO

Attention: Ms. Anne Chase, Director

PN: 24056

Subject: Proposal for a
Geotechnical Engineering Study for
Affordable Housing Project
Lot 15, 16 and 17 Anvil Subdivision
Silverton, Colorado

Ms. Chase:

Thank you for your interest in obtaining our services. This letter is in response to your request for our proposal during our recent conversation.

On behalf of Lambert and Associates I am pleased to present our proposal for the geotechnical engineering study outlined below for the subject project site.

The scope of services outlined is based on our understanding of the project, your request for our proposal, and on our experience with similar studies. The proposal details the scope of services we recommend and sets forth our fees for implementing the scope.

This proposal is for a geotechnical engineering field and laboratory study and analysis of the information obtained and preparation of our report. Our proposed work scope does not include assessing the stability of the site slope. We anticipate that this was performed during the initial subdivision geologic hazard study. Additional services are available for consultation with you and your design team. The scope of our services and associated fees are submitted with this proposal.

We understand that the proposed project will consist of planning, designing and constructing a three unit townhome structure, a four unit townhome structure, a single family residential structure and an ADU structure at the subject site.

Our services will consist of a geotechnical engineering field and laboratory study of the subsoil and foundation support conditions at the proposed structure site to provide

geotechnical engineering assessment, suggestions and recommendations. Our services to be provided are outlined below.

- The field study will consist of observing, describing, and sampling the soil materials encountered in about four (4) or five (5) small diameter continuous flight auger test borings in the structure site areas.
- We anticipate that the test borings will be advanced to depths about of about fifteen (15) to twenty (20) feet or auger refusal whichever occurs shallower.
- We plan to use a truck mounted continuous flight auger drill rig to advance the test borings.
- The soil materials encountered in the test borings will be observed and described on test boring logs during the field study. During the field study samples of some of the soil materials encountered will be retrieved for subsequent laboratory study. Based on the data obtained logs of the test borings will be prepared.
- The laboratory study will consist of tests to help assess the soil strength potential and tests to help assess swell and consolidation potential of the materials sampled where appropriate. A sample can be tested for sulfate chemicals which may be potentially corrosive to concrete.

Based on our prior experience, general knowledge of the proposed site and industry standards, we anticipate that the laboratory study will include the following:

- . a direct shear test to measure soil strength design parameters, cohesion and internal angle of friction for use in calculating geotechnical engineering design values,
- . Four (4) or five (5) swell tests to measure the soil sample expansion potential when wetted,
- . Four (4) or five (5) consolidation tests to measure the soil sample settlement potential when loaded,
- . several moisture content and dry density determinations on the tested samples, and
- . a chemical test to measure the soil sample sulfate concentration pH and electrical conductivity.

- Upon completion of the field and laboratory work the results will be analyzed and a geotechnical engineering report will be prepared. Our report will present geotechnical engineering suggestions and recommendations for the foundation design of the proposed structure for the conditions encountered including the following:
 - . Viable foundation types, such as conventional spread footings, driven piles, drilled piers, and mat foundations, for the conditions encountered, if appropriate,
 - . Allowable bearing pressures for design purposes for the proposed foundation types,
 - . Potential settlement for the conditions encountered,
 - . Swelling soil characteristics and geotechnical engineering accommodation for the swell phenomena,
 - . Concrete slab-on-grade geotechnical engineering comments, suggestions and recommendations for construction and design, if needed,
 - . Lateral earth pressure recommendations for design and construction of laterally loaded walls supporting soil, if requested,
 - . Soil sulfate influence on Portland Cement Concrete, if requested,
 - . Site seismicity in accordance to International Building Code, 2009 Edition, based on the site soil profile, if needed,
 - . Ground water elevation encountered and any special considerations, and
 - . Comments, suggestions and recommendations for placement of compacted fill material, if appropriate.
- Our suggestions and recommendations will be based on the subsoil and ground water conditions encountered and on our experience with similar soil conditions.
- The data generated during our field and laboratory studies will also be presented in our geotechnical engineering report.
- Our study will not address environmental or geologic hazard issues.

Our scope of work does not include the design of foundation members. We provide the geotechnical engineering design parameters to be used to design the structure foundation members. The design of the foundation members for the structure should be a design process that includes the characteristics of the structure and the response of the site soil materials to the structure. The characteristics of the structure that will influence the design of the foundation members will include: the type of construction, the construction materials,

the height, span and configuration of the structure, the snow load and the wind load on the structure, other naturally imposed loads on the structure, internal loads associated with the structure use and occasionally the construction sequence. It is our opinion that the relationship between the soil, foundation members and the structure should be addressed by an architect or an engineer specializing in structural engineering.

We are available to proceed with the scope of services outlined upon your authorization, upon site access and upon availability of our drill rig. We anticipate about two (2) to four (4) weeks advance notice to schedule the field crew. The field study will take approximately one (1) day to complete.

We can discuss our findings and recommendations with you and your design team prior to completion of our written report to enable you and your other consultants to continue with the design. The report will be issued approximately four (4) to six (6) weeks after the field study.

The typical fee for our services outlined above is \$ 8,625.00 for the geotechnical engineering study.

We will donate \$1,750.00 of our fees back to the project for a net fee of \$ 6,875.00.

This fee includes drill rig service fees to advance the test borings. The fee includes laboratory tests, geotechnical engineering analysis, preparation, and submittal of our report. This fee does not include additional costs due to site access such as pioneering an access road or utility locates. Our fee includes an electronic report copy. Requested paper copies of our report will be invoiced at \$ 125.00 per copy.

The fee outlined above includes drill rig fees to excavate the small diameter test borings. We use our drill rig for our field study rather than the more invasive back hoe excavated test holes because:

- the test borings obtain deeper information more quickly than a backhoe excavation and can be extended much deeper more easily,

- the small diameter test borings leave less on site residual after completion of our field study, and
- the test borings do not leave a large hole full of loose deposited soil which will influence later site development.

We will make every reasonable effort to access your project site. Site and weather conditions may create difficult access characteristics. Fees associated with extracting our equipment are not included with this proposal.

We will store all soil samples not tested for fifteen (15) days after submittal of our report. Further storage of the samples can be made at your request; however, there may be additional costs involved. All of our data and reports shall remain the property of Lambert and Associates.

Additional available services which will be offered will consist of consultation with the project engineer and architect during the project design and a review of the geotechnical engineering aspects of the plans and specifications. The plan and specification review will be to assess interpretation and implementation of the geotechnical engineering suggestions and recommendations provided in our report from the study for the project. We recommend that you budget for additional consultation and review.

Lambert and Associates proposes to be the project geotechnical engineer during the construction phases as construction monitoring is a vital part of our contribution to the project. We are in the best position to provide effective construction monitoring, observing, and testing of the geotechnical engineering aspects of the project. We propose to provide services to you during the site grading and excavation, and foundation phases of construction to observe implementation of the geotechnical engineering aspects of the design concepts and of our recommendations. Our construction phase services will also allow for expeditious and appropriate design changes in the event that subsurface or construction conditions differ from those anticipated prior to the start of construction.

If your project requires material testing services during construction we will provide our material testing services for you for this project at a five (5) percent reduction off of our most current fee schedule.

Payment for our work is due upon presentation of our invoice. Accounts not paid within thirty (30) days will be charged an additional 2.0 percent per month. The client agrees to

pay any reasonable costs and attorney fees incurred by us in collections of amounts due us.

Lambert and Associates will perform our services for this project with the degree of care and skill that is typically exercised by professional geotechnical engineers practicing in Montrose and San Juan Counties, Colorado.

No warranty or representation either expressed or implied is included or intended in our proposal, contract or report. Lambert and Associates contract responsibility is limited solely to the scope of services to be performed by Lambert and Associates as expressly set forth in this contract and shall have no liability of any kind to the client or to any construction contractor or subcontractor or any other person which are not within the scope of services to be performed by Lambert and Associates. The statute of limitations applicable to claims arising out of this contract will start upon submittal of our report or the last day of our services. The Client agrees that the liability of Lambert and Associates and employees in connection with the services to the client and all persons having contractual relationships resulting from any negligent acts, errors and/or omissions of Lambert and Associates or its employees is limited to the total fees actually paid by the client to Lambert and Associates for services rendered by Lambert and Associates. In the event that you make a claim against us arising from this project and you fail to prove your claim then you shall pay all of our costs and attorney fees incurred in defending ourselves. In the event of litigation the state courts of Colorado will have exclusive jurisdiction and that venue will be in Montrose County.

You should understand that the fees charged by us under this agreement are for the professional services up to and including the appropriate report. You are responsible for submittal of our report to the appropriate government agencies. Additional review process by us after submittal of the initial report will be performed in accordance with our current fee schedule.

Cancellation of this agreement by the client or by us must be in writing. The client agrees to pay for all services and materials provided up to the time of cancellation.

It is your responsibility to provide us with legal and physical site access and adequate designation of all underground structures and utilities prior to our beginning our field work. Legal access includes trespass agreements and appropriate permits and certifications. Physical site access includes access restrictions due to site conditions such as slope

gradient, trees and snow. We will not be liable for damage to subterranean structures. The location of underground structures and utilities should be clearly identified. If the site cannot be adequately located in the field by easily identifiable points, we will require the client to meet our field crew on the site or to provide designation of the site by staking prior to starting the study. The client will provide Lambert and Associates a copy of the site plan prior to commencement of the field work. Our budget estimates were based on field work being performed during normal week day working hours. If this is not convenient for you please contact us.

The Client agrees, in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction including with out limitation prosecution of work and the safety of all persons and property and that this requirement shall be made to apply continuously and not be limited to normal working hours. Client further agrees to indemnify and hold harmless Lambert and Associates from any and all liability real or alleged in connection with the performance of the work on the project.

We will initiate our work on your project upon receipt of a signed copy of our proposal and a \$ 3,425.00 deposit. A signed copy of our proposal will be needed prior to our starting our field study.

We have attached a copy of a two page publication and a brochure from the Association of Soil and Foundation Engineers which we feel you should read to further your understanding of geotechnical engineering services. Enclosed is a brief synopsis of our background and resumes of some of our key personnel for your review.

This proposal constitutes an offer to perform the services for the fees described. This offer will remain open until 5:00 p.m. on 30 October 2024. If we have not received from you a signed copy of this proposal by the date and time, then this offer will be withdrawn. If it is not fully executed, we reserve the right to modify our proposal in both scope and fee.

If you have any questions or if we can supply additional information please contact us. We are available to discuss scheduling of the field work with you.

Page Eight
30 Sept 2024
PN: 24056

You may submit authorization for us to initiate our work scope to by:

- e-mail (office@lageot.com)

and then mail the signed proposal for confirmation.

Respectfully submitted,
LAMBERT AND ASSOCIATES


Daniel Lambert, P.E.

PROPOSAL NUMBER: 24056

Geotechnical Engineering Study

Yes No

ACCEPTED BY:


Anne Chase
Name:

10/10/2024
Date:

Silverton Housing Authority
Firm:

970-880-0278
Phone:

PO 250, Silverton, CO 81433
Address:

970-387-0295
Fax:

Silverton
City:

achase@silverton.co.us
E-mail: