

Memorandum

To: Mayor and Council
From: Tom Baker, Town Administrator
Date: April 30, 2014
Re: Special Meeting: Senior Housing

Purpose: The purpose of this item is to confirm that Council will work with CRHDC to close the funding gap for the new senior housing project. (Lyle has developed an additional memorandum for Council to review, which will be sent tomorrow.)

Background and Discussion: At Council's April 15th meeting Al Gold and Carly Johansson of CRHDC presented the Senior Housing pro forma as it has been developed to date. In summary the project has a current funding gap of \$670,000. Mr. Gold and Ms. Johansson asked if the Town would work with CRHDC on closing that gap (perhaps in the range of \$200,000) and if so they would submit a grant application (due May 7th) for \$50,000 in pre-development monies.

Since the April 15th meeting, staff has talked to GFMLD Legal Counsel and now understand that this project is not eligible for a GFMLD grant because the project is not a 100% Town of New Castle project. Therefore, Council has several other options to consider:

- Approach the County to invest in this project. This is a county-wide problem (195 people on waiting lists throughout the county) and this senior housing development will be open to anyone who qualifies not just New Castle seniors.
- Defer tap fees – this option is not ideal because it impacts the General Fund, see Lyle's memorandum
- Defer tap fees using a loan from the County.
- Town Council can put their 2.8 acre parcel into the deal without seeking a financial return on this investment. This approach will not impact the gap in any substantial manner because the project has been budgeted with only \$100 per month payments. However, it will demonstrate a commitment to the project.
- Explore other grant possibilities with CRHDC.

Recommendation: Staff recommends that Council confirm with CRHDC that they will work with them on gap funding and encourage CRHDC to pursue the May 7th Pre-Development Grant deadline.