

ADUG Grant Application

C.4 Scope of Work Narrative

2,000 characters: Describe the scope of the project, referencing the boxes you checked in the previous section. It is not necessary to retype the text; simply reference the number and provide any description needed to clarify your approach. Clearly state whether the project includes multiple components or phases. Clearly state how the grant funds will be spent and which demonstrated housing needs will be addressed.

Items to consider:

- What demonstrated housing needs in the community will this project address? (affordability, accessibility/visitability, long-term rentals for workforce, other)
- If requesting funding for ADU-related fee waivers or reductions, applicants must demonstrate how many ADUs have been or are scheduled to be permitted between May 13, 2024 and February 27, 2026. Use the upload function to upload a combined PDF including official permit documentation for each claimed ADU permit and the schedule of fees to be waived.
- If requesting funding to support factory-built ADUs, please detail how many factory-built units will receive funding support.
- If requesting funding for ADU fee waivers or financial support, applicants should use known demand and projections to provide an estimate of how many ADUs will be permitted between the time of grant application and February 28, 2028 (the anticipated grant expiration date).

According to both the Hinsdale County & Lake City 2024 Rental Housing Market Study and the Hinsdale County & Lake City 2025 Comprehensive Housing Plan, Lake City has a zero-percent rental vacancy rate, signaling the need to increase long-term rental opportunities. By lowering design and permitting barriers, the initiative encourages small-scale infill development that can increase long-term rental supply, support affordability through lower soft costs, and expand housing options. The housing plan identified a need for 40 units with a 20-unit goal in the next 5 years. Of the 20 units, 5 to 8 ADU's are identified as achievable and included as part of the Phase 1 strategy which we are now implementing.

Phase 1: ADU Feasibility Study and Community Engagement. Grant funds will support hiring a licensed architect to evaluate the feasibility of expanding ADUs in Lake City. This includes analysis of zoning, lot configurations, historic district considerations, construction constraints, and cost realities specific to building in Lake City. This phase will also include structured engagement with property owners, the Historical Preservation Commission, and the Planning Commission to ensure the plans are context-sensitive to Lake City and to identify barriers to ADU development.

Phase 2: Pre-Approved ADU Plan Development. Based on the findings from Phase 1, the architect will design multiple sets of pre-approved ADU plans that meet local development standards and historic design guidelines. These plans will reduce architectural costs, shorten permitting timelines, and provide predictable, code-compliant options for homeowners.

Grant funds will be primarily used for professional architectural services associated with the feasibility study, engagement process, and development of pre-approved construction drawings.

Phase 3: Financial Assistance: If the match reduction is approved, the additional grant funding will support a financial assistance voucher for 2 ADU permits tied to long term rentals. Each voucher, totaling \$15,000, will be used to as part of an ADU incentive program that will be developed by mid-summer 2026 by the consultant we are hiring with a multi-jurisdictional Local Planning Capacity grant to implement phase 1 of our housing plan. Due to the remoteness of Lake City, there is a cost factor of 30% to 50% to building anything in Lake City. By providing financial assistance \$15,000, waiving the water and sewer taps fees by allowing a common tap (\$13,000), and providing pre-approved plans (\$15,000 to \$20,000) we believe and I know that we will be able to build at least 2 of the 5 to 8 ADU's identified in our housing plan as a viable strategy to expanding local workforce long term housing.

D.1 Who will complete this work?

If you are hiring a consultant to complete the activities described in the section above:

1. Will you issue/have you already issued an RFP or RFQ to select a new consulting firm? (or)
2. Use an existing consultant that was previously selected through a competitive procurement process?
- If working with an existing consultant, describe prior work completed and the level of detail provided regarding this proposed project.

The Town of Lake City will issue a competitive RFP to select a licensed architect to fulfil the scope of work after notice of grant award. The Town inquired with our current Architecture and Engineering consultants (that are designing and engineering a 28 unit affordable/workforce housing apartment complex) and other communities who have developed pre-approved ADU plans to inform the project budget and scope.

D.2 ADU Supportive Strategies

Which ADU Supportive Strategies has your community implemented? Include links to adopted ordinances or land use code.

1. Ordinance 2026-06, adopted on Jul 1st, 2026. 1. Allows common water and sewer taps instead of requiring separate water (\$6,000) and sewer (\$7,000) taps. 2. Prohibits short-term

rentals in ADU's approved under this ordinance, only long-term rentals are allowed. 3.
Allows factory built ADU's.

D.3 Key Partners & Local Support

Describe the level of support from local elected/appointed officials, and the level of commitment to promoting local ADU development. If applicable, mention support from other local leaders such as nonprofit or housing advocacy groups, especially if they are project partners or impacted by the project.

The ADU pre-approved plans project has strong local support from elected and appointed officials, reflecting shared priorities between the Town of Lake City and Hinsdale County. The initiative aligns with strategies outlined in the 2025 Hinsdale County and Town of Lake City Comprehensive Housing Plan. This housing plan was developed through an inclusive engagement process, including two community surveys, designed to gather input from diverse community members, including those most affected by housing challenges.

Both the Town and County have identified ADU development as a high-priority action in their shared housing plan, demonstrating ongoing commitment to increasing in-fill housing opportunities. This is further demonstrated by the Hinsdale County and Town of Lake City Housing IGA that was signed on May 6th, 2026, which formalized cooperation to address the community's pressing housing challenges by agreeing to combine awarded LPC incentive funds to implement Phase 1 of the multi-jurisdictional housing plan. Included in the Phase 1 housing plan scope of work is to develop and adopt an ADU incentive program.

Local property owners have expressed strong interest in building ADUs but have been waiting for the pre-approved plans and the ADU incentive program to be completed.

D.4 Plans for Community/Stakeholder Engagement

Describe plans for stakeholder and/or community engagement. The applicant must show they have developed an inclusive stakeholder engagement strategy. Any process to promote ADU programming and available funding/support should ensure the project will promote equity in access to resources. Applicants should assess the impacts of the work on marginalized and vulnerable populations throughout the process and on an ongoing basis.

Community engagement will include outreach to property owners, builders, the Planning Commission, and the Historic Preservation Commission, along with at least two public work sessions to gather input on feasibility, design, and historic considerations. Materials will be distributed through multiple channels, meetings will be accessible, and virtual options offered. Feedback will inform the feasibility study and pre-approved plan designs.

E.4 Readiness: Timeline and Phases

1,000. Briefly describe the project timeline, including whether there are multiple phases for the project. If applying for ADU-financial assistance, describe the estimated timeline in which new ADUs will be permitted and receive financial assistance. Be sure to include the procurement of consultants as part of the timeline if not yet completed. If you would like DOLA to review your RFP, please indicate that here. Provide intended start/end dates for the project, and the number of months/years anticipated for project duration.

Once awarded the grant, Staff will draft and release the RFP and select the proposal within 2 months of release. Phase 1 will take two to three months minimum to ensure adequate community and stakeholder engagement. Phase 2 will take two to three months, again for input from the planning commission, historic preservation commission, and public meetings. The plan is to have an ADU incentive program and pre-approved ADU designs available to the public by mid-to-late summer 2027. Phase 3 will take place from Summer 2027 through February 2028 as we work with local interested property owners to build the first two ADU's using our ADU pre-approved plans and the ADU incentive program. There are two property owners waiting for the pre-approved plans and the incentive program to be completed who have each been planning on building an ADU to provide long-term housing to our local workforce.

E.5 Capacity

The following question prompts are suggestions for how to convey your capacity to manage and complete your project.

- What is your jurisdiction(s) history with ADUs or housing incentive programs?
- Describe organizational experience with and capacity to manage grants and to manage the overall project.
- Provide the name and position/title of the person managing the project.
- Describe your experience with your most recent grant from the Division of Local Government, if applicable.

The Town adopted Ordinance 2026-06 permitting ADU's as a use by right in all residential and mixed used zoning districts. We will be developing an ADU incentive program as part of the implementation of Phase 1 housing plan in the first half of 2027.

The Town Manager Alexander Mulhall will be the grant and project manager. My most recent experience is as follows:

1. 2026 LPC-IN-922 \$100,000: Our most recent grant from the Division of Local Government is the \$100,000 Local Planning Capacity Incentive Funding Mini-Grant awarded to the County and the Town (\$50,000 each for early adoption of Affordable Housing Fast Track policy). The Town is the lead fiscal agent managing the grant and the county is the co-applicant. This grant is being used to

hire a consultant to assist the County and Town in implementing Phase 1 of the Multi-Jurisdictional Comprehensive Housing Plan. A consultant is expected to be under contract by November 2026.

2. 2024 EIAF 10006 MHN Grant \$315,000: This is being used to design and engineer a 28 unit affordable/workforce apartment complex that will be built on 22 town owned lots. This project will be completed by the end of 2026 and the grant closed out by December 31st, 2026.

3. 2024 LPC-24-050 \$120,000: Multi-jurisdictional grant, Town was the lead fiscal agent, to develop the Hinsdale County & Town of Lake City Comprehensive Housing Plan that was completed in December 2025.

Other DOLA grant funded projects managed by me in the past couple of years. EIAF 9564 WWTP Renovation, REDI 24-323 Lake City Ice Wall Destination Expansion, and EIAF 9795 – Lake City Capital Improvements Plan and Asset Inventory.

The Town of Lake City has focused on creating an expedited review policy for affordable housing, a comprehensive housing plan, ADU ordinance 2026-06, dimensional standard revisions, etc., to encourage sustainable and affordable development.

With the right framework now in place, we are ready to create incentive programs such as the ADU pre-approved plans and financial assistance program. Once in place, these tools do not create additional capacity burdens; instead, they make it easier for staff to review these projects and lessen the time and financial burdens of the design and planning review processes.