



SOUTHERN UTE COMMUNITY ACTION PROGRAMS, INC.
ADMINISTRATIVE OFFICE

Shelly Collings
Grants Manager
Colorado Rural Health Center
The State Office of Rural Health
3033 S. Parker Rd., Ste. 606
Aurora, CO 80014

July 28, 2011

Community Mental Health Center Grant

Dear Ms. Collings,

Our sincere thanks to you and the Board of Directors at the Colorado Rural Health Center for supporting our local mental health facility project.

Unfortunately, we were not able to complete the project as planned. As it has been a year since the award and we currently do not have tangible plans to move the project forward, we are returning the grant funds at this time.

I'd like to provide a brief explanation of our efforts and the circumstances which prevented us from meeting our goals.

The project involved some vacant property owned by our organization and a building owned by a patron of the organization. The building is portable, but not modular, so it provided a low-cost way to establish a structure on SUCAP property that could serve as an anchor to future development. A modular building would not serve that purpose.

Our patron planned to provide the building to us at a low cost, which included moving the building from its current storage site to our location. He also proposed to coordinate the construction with other tradesmen in our area who would be willing to provide deep discounts to support our non-profit effort.

The major source of funding for the project came from the Colorado Department of Local Affairs through a Community Development Block Grant to the Town of Ignacio. Although our request to DOLA was \$125,000, the project was funded at \$90,000. The process required by DOLA included bidding all of the components (including planning and design) and mandating Davis-Bacon wages for construction personnel. Because of the funding shortfall and the additional construction costs necessitated by compliance with DOLA requirements, it was clear

that our successful grant awards, and our committed local resources, did not equal enough funding to complete the project.

We sought additional funds from the Gates Foundation, US Department of Housing and Urban Development, and the USDA Rural Development Program, but these sources would not be able to provide enough funding within the timeline available.

Earlier this year, DOLA rescinded our grant award citing inadequate progress on the project. Without this larger grant, it seemed impossible to continue with the project at this time.

We are currently initiating a planning process that will provide a complete project proposal, including appropriate costs for different options of development. I appreciate your invitation to apply to CRHC in the future. We believe that our planning period will allow us the opportunity to thoughtfully consider our options and create a plan that will assure success.

Thank you again for the opportunity to work with the CRHC. Please don't hesitate to contact me if I can provide additional information.

Sincerely,



Eileen Wasserbach
Executive Director