

**FRUITA CITY COUNCIL MEETING
SEPTEMBER 3, 2024
7:00 P.M.**

1. CALL TO ORDER AND ROLL CALL

Mayor Breman called the regular meeting of the Fruita City Council to order at 7:00 p.m. The meeting was held both in person and with virtual access provided through Zoom.

Present:

Mayor Matthew Breman
Mayor Pro Tem Aaron Hancey
City Councilor James Williams
City Councilor Jeannine Purser
City Councilor Rich Parrish
City Councilor Amy Miller

Excused Absent:

City Councilor Andrea Downs
City Clerk Deb Woods

City staff present:

City Manager Mike Bennett
Assistant City Manager Shannon Vassen
Planning & Development Director Dan Caris

Also present:

Emilee Powell, Housing Resources of Western Colorado
Kim Pardoe, IndiBuild
Members of the public (in-person and virtually)

2. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Mayor Breman called for a moment of silence for reflection. He then led in the Pledge of Allegiance.

3. AGENDA – ADOPT/AMEND

- **COUNCILOR PURSER MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR MILLER SECONDED THE MOTION. THE MOTION PASSED WITH FIVE YES VOTES.**

4. PROCLAMATIONS AND PRESENTATIONS

A. PROCLAMATION – PROCLAIMING SEPTEMBER 2024 AS “SUICIDE PREVENTION MONTH” IN THE CITY OF FRUITA TO BE ACCEPTED BY MESA COUNTY BEHAVIORAL HEALTH PREVENTION AND EDUCATION COORDINATOR JENNIFER DANIELS

Councilor Miller read the Proclamation, which was accepted by Jennifer Daniels with Mesa County Behavioral Health. Ms. Daniels stated that in looking at the statistics, it shows that suicide rates are stabilizing, so something must be helping. She added that there are events to bring awareness to the issue and that Mesa County Behavioral Health is continuing to have those available to community

members to show that community leaders notice, are paying attention and consider this topic to be really important. She is hopeful that with everyone working together, a difference can be made.

B. PRESENTATION – UPDATE FROM ILANA MOIR, CONSERVATION DIRECTOR OF THE COLORADO WEST LAND TRUST

Ms. Moir provided background information on Colorado West Land Trust (CWLT) and the Community Separator Program. The organization's mission is to protect agricultural lands, wildlife habitat and scenic landscapes in Western Colorado for future generations to enjoy.

The Colorado West Land Trust is a non-profit organization that does land conservation work with private landowners. They also have done some land conservation work with public agencies such as the City of Fruita's Snooks Bottom Conservation Easement, but the majority of the work that they do is with private landowners.

Ms. Moir provided a PowerPoint presentation that included information such as the total number of acres conserved (127,000), the CWLT's achievements from 2000-2024, a map showing conserved easements and lands and photos of conservation easements and their owners in the valley.

Ms. Moir also explained that the Community Separator Area is an award-winning program that designates buffer zones between Mesa County, Grand Junction, Fruita and Palisade to enhance each jurisdiction and their distinct attributes. As part of the program, a Memorandum of Understanding (MOU) was put into place that states that each jurisdiction has agreed they will not annex any property into these buffer areas.

Ms. Moir announced CWLT's plans for 2025 as follows:

- Pursue conservation easements on working farms
- Work towards purchase of farm ground with aim to conserve and get back into the hands of agricultural producers
- Partner with municipalities on public access projects as needed
- 2024 funding request of the City of Fruita: \$9,000 (the same amount that has been requested by CWLT and granted by the City of Fruita each year for the last five years)

Mayor Breman asked if the CWLT works inside or outside the Urban Growth Boundary of Fruita. Ms. Moir responded that CWLT prefers to work outside the Boundary, but if something comes up inside the Boundary, they would definitely be in touch with the City of Fruita to make sure that it would be something that would be compatible with how growth is perceived. She added that CWLT recognizes that within Urban Growth Boundaries and sewer districts, there is a lot of infrastructure and funding for the growth and therefore, the CWLT does not want to be standing in the way of areas where municipalities want to grow.

Councilor Purser wanted to know how the partnerships between property owners and the CWLT are initiated and developed. Ms. Moir explained that within the Community Separators themselves, the CWLT has done active mailings to landowners about opportunities for grants and tremendous tax benefits at the state level. The CWLT also does Press Releases and ads or articles in the newspaper. She said that the best messaging, however, is when a landowner who has done a conservation project talks to their neighbor about it and then the neighbor approaches the CWLT.

Councilor Purser also asked how financially comparable it is for a landowner to sell their land to a developer versus conserving their land through the CWLT. Ms. Moir responded that one of the first conversations she has with a landowner is to tell them that they will make more money if they sell to a developer, but if they are interested in seeing that their property stays in farming for a future generation or to preserve wildlife habitat, conserving the land through CWLT is a great way to get some equity out of the property in the form of cash that can be reinvested in more property, equipment or to pay off loans.

5. PUBLIC PARTICIPATION

Sarah Bolton, 1877 J 6/10 Road, Fruita, said that she was in attendance to represent “Save Fruita Farms.” She said that families and businesses who have poured their lives into their land now face losing it to a project that offers little benefit to the community.

Ms. Bolton stated that the proposed 19 Road expansion threatens farms and beloved local businesses such as the Shabby Moose, Bedow Reminiscence Dairy Farm and even a historic 1800s-era carriage house. She said these aren’t just properties, they are the community’s identity, heritage and economic backbone.

Ms. Bolton also stated that she brought to the meeting a petition that was signed by 1,000 community members who oppose the expansion of 19 Road. She said that they are not against progress but are against thoughtless development that destroys what makes Fruita unique. She added that Fruita’s farmland, local businesses and the community’s character are too valuable to be paved over for a road that doesn’t meet the traffic justification for such drastic changes.

Ms. Bolton urged the City to halt all right-of-way acquisitions immediately. She requested that the Council take the time to listen to the community, consider the impacts and explore smarter, more sustainable solutions to preserve Fruita’s heritage and support local businesses.

Tom McNamara, 1768 Waters Lane, Fruita, stated that he was at a City Council meeting about one year ago to speak on behalf of the Fruita Mews project. He said that the development in its current state is absolutely fabulous for workforce housing and for people who are in the 30% to 100% Average Median Income (AMI) category.

Mr. McNamara noted that there is a proposal now by the same developer to expand to the south to include 40 new units, some of which will be three-bedroom and some of which will be two-bedroom in addition to the one-bedroom units. He said he was present to show support for the concept because Fruita needs all the affordable workforce housing that can be mustered without opposition. He called it an attractive and well-developed housing project and encouraged the City Council to move forward and approve it.

There were no further comments from the public.

6. CONSENT AGENDA

- A. BOARDS AND COMMISSIONS APPOINTMENT – A REQUEST TO APPROVE THE APPOINTMENT OF FRANK GRAZIANO TO THE FRUITA POLICE COMMISSION AS A REGULAR MEMBER FOR A THREE-YEAR TERM TO EXPIRE IN SEPTEMBER OF 2027**

- B. BOARDS AND COMMISSIONS REAPPOINTMENT – A REQUEST TO APPROVE THE REAPPOINTMENT OF MEL MULDER TO THE FRUITA PLANNING COMMISSION AS A REGULAR MEMBER FOR ANOTHER THREE-YEAR TERM TO EXPIRE IN SEPTEMBER OF 2027**
 - C. ONE RIVERFRONT APPOINTMENT – A REQUEST TO APPROVE THE RECOMMENDATION OF THE ONE RIVERFRONT INTERVIEW COMMITTEE TO APPOINT ALYSSA JONES TO THE ONE RIVERFRONT FOR A PARTIAL TERM ENDING IN JULY OF 2026**
 - D. PUBLIC DISCLOSURE – DISCLOSING TO THE PUBLIC A NOTICE OF AWARD TO ANDREA (STOLARCZYK) DOWNS FOR THE MULBERRY PLAZA MURALS**
 - E. RESOLUTION 2024-25 – A REQUEST TO APPROVE A RESOLUTION AMENDING THE 2024 BUDGET AND TRANSFERRING FUNDS FROM THE SEWER FUND CONTINGENCY ACCOUNT FOR EMERGENCY EQUIPMENT REPAIRS AT THE WASTEWATER RECLAMATION FACILITY**
 - F. ORDINANCE 2024-16 – SECOND READING – AUTHORIZING A FIVE-YEAR FARM/CROP LEASE AND OPTIONAL FIVE-YEAR EXTENSION OF 40 ACRES OF PROPERTY LOCATED ON THE NORTHEAST CORNER OF 16 AND L ROADS**
 - G. ORDINANCE 2024-17 – FIRST READING – AN INTRODUCTION OF AN ORDINANCE AMENDING CERTAIN SECTIONS OF TITLE 17 OF THE FRUITA MUNICIPAL CODE CONCERNING CONDITIONAL USE PERMITS IN THE DOWNTOWN MIXED-USE ZONE, CALL-UP PROVISIONS, APPEALS, AND THE SIGN CODE FOR PUBLICATION OF PUBLIC HEARING ON OCTOBER 1, 2024**
 - H. 1176 18 ½ ROAD REZONE – WITHDRAWN BY APPLICANT (*LAND USE APPLICATION #2024-03*)**
 - COUNCILOR PURSER MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED. COUNCILOR MILLER SECONDED THE MOTION. THE MOTION PASSED WITH FIVE YES VOTES.**
- 7. ACKNOWLEDGMENT OF NEWLY APPOINTED/REAPPOINTED BOARDS AND COMMISSIONS MEMBERS**

Mayor Breman acknowledged the appointment (on the Consent Agenda) of Frank Graziano to the Police Commission and the reappointment of Mel Mulder to the Planning Commission. He thanked them both for serving the community.

8. PUBLIC HEARINGS

A. QUASI-JUDICIAL HEARINGS

There were no Quasi-Judicial public hearings on the agenda.

B. LEGISLATIVE HEARINGS

There were no Legislative public hearings on the agenda.

9. ADMINISTRATIVE AGENDA

A. HOUSING RESOURCES OF WESTERN COLORADO & INDIBUILD PRESENTATION (PRESENTED BY DAN CARIS, PLANNING & DEVELOPMENT DIRECTOR, EMILEE POWELL FROM HOUSING RESOURCES OF WESTERN COLORADO AND KIM PARDOE FROM INDIBUILD)

City Manager Mike Bennett pointed out that the *Fruita in Motion Comprehensive Plan* has a section in it that is dedicated to efficient development; more specifically, it shows the Urban Growth Boundary, which was actually reduced in size in 2020 to be smaller than it has been since the previous decade. Subsequently, all the City's Master Plans and policies were updated through the aforementioned public processes.

Mr. Bennett continued that the Comprehensive Plan contains specific strategies and goals related to workforce or affordable housing that fits the gap between average pay and the average cost of housing. He pointed to Chapter Four, Paragraph C. of the Plan which describes various groups that the City of Fruita/Fruita Housing Authority should consider working with such as Housing Resources of Western Colorado.

Mr. Bennett stated that staff believes that the new proposed project that will be presented to Council has connections to some of the City's goals and strategies. He then introduced Executive Director of Housing Resources, Emilee Powell and Kim Pardoe, representing IndiBuild, the developer who is currently completing the Fruita Mews project.

Emilee Powell provided some background on Housing Resources, who will be partnering with IndiBuild on homeownership at the Fruita Mews project as well the next phase of acquiring the adjacent land through a grant from Colorado Housing and Finance Authority's (CHFA's) Prop 123 Land Banking Request application. The new project will be a hybrid (rental and ownership) ten-year project called "The Fruita Commons."

Ms. Powell said that she and Ms. Pardoe were requesting that the Council listen to their idea, ask questions and consider whether City of Fruita/Fruita Housing Authority would be supportive in a partnership, which could be constructed in a couple of different ways.

Kim Pardoe with IndiBuild provided background information on IndiBuild as well as an update on the Fruita Mews project. Construction is basically on schedule with an anticipated completion date of October, 2024. Ms. Pardoe also reviewed the financing for the Fruita Mews project as well as a list of IndiBuild's collaborators that they've been working with since 2021. She also shared some photos of the Mews development with the Council.

Ms. Pardoe provided an overview of the proposed project, "The Fruita Commons," which consists of 56 attached and detached homeownership units, an additional 40 workforce rental units and a shared clubhouse and playground with the Fruita Mews.

Housing Resources and IndiBuild proposed to submit an application for CHFA's 123 Land Banking Grant on September 16, 2024 with a request to the City of Fruita/Fruita Housing Authority of one of the following options:

- As the applicant, the City/Housing Authority would purchase the land and would then:
 - Lease the land to the Fruita Mews Phase II with cash flow payments
 - Donate or sell for a nominal charge the for-sale portion to Housing Resources

Alternatively,

- Housing Resources would be the applicant and would own the land. Housing Resources would lease the land to Fruita Mews Phase II and subdivide the other parcels for sale to homebuyers.
- (or)
- As the applicant, the City/Housing Authority would direct staff to work with Housing Resources and IndiBuild on the 123 Land Banking Grant application and partnership structure.
- (or)
- As a supporter, the City/Housing Authority would provide a letter of support for the 123 Land Banking Grant application outlining process and entitlement path to support the application.

Likely requests to the City of Fruita/Fruita Housing Authority by IndiBuild/Housing Resources include:

1. A local contribution to improve Fruita Mews Phase II tax credit application competitiveness such as impact and connection fee waivers or loans
2. Expedited entitlement where possible
3. Partnership with the Fruita Housing Authority on LIHTC property for tax abatement

Ms. Pardoe noted that her presentation also included a slide that had a demand analysis based on a 131 prospect interest list. She pointed out that this was an inspiration for IndiBuild to begin considering conversations with Housing Resources about furthering the continuum of housing because what she is seeing is a lot of demand for 3-bedroom townhomes (34%) and the Fruita Mews only has 10 units (out of 50 units) of those. She added that market study analysts are showing the need for in one-bedrooms, which are filling up quickly in Grand Junction, but she has heard that people move to Fruita to raise a family. Ms. Pardoe also said that what she found interesting and surprising was that roughly 60% of the 131 prospects are at the high and low ends of AMI.

Ms. Pardoe referred to a slide depicting the vision of The Fruita Commons and said the illustration included different types of housing. She stated that the east is where IndiBuild was conceptually thinking of putting the new development across the street from the clubhouse. Ms. Pardoe said it provides continuity to Phase I of Fruita Mews for amenities and property management while keeping some of the density away from Brandon Estates. Ms. Pardoe added that the concept is to "feather in" to that subdivision so that it feels similar in nature to adjacent surroundings. Amenities would include

additional parking spaces and a nature trail on the south side going up around the entire property if space will allow for it.

Ms. Pardoe continued that she would work with City staff in the Community Development to figure out how best to entitle the property so that IndiBuild could maintain the street standards, detached sidewalks and tree lined streets to keep a “community feel.”

Ms. Pardoe explained that in the first market study that IndiBuild did for the Mews, it actually showed that the strongest demand was in the 70% and 80% AMI range. Ms. Pardoe said that because of the way the funders work, IndiBuild can’t really build a lot of 70% and 80% AMI units, so now they have six of them at 100% AMI at the Fruita Mews.

Ms. Pardoe stated that for Fruita Mews Phase II, they would like to apply in February for low-income tax credits and state tax credits, which has been combined with 9% low-income federal credits in 2025. IndiBuild would like to do what is called “income-average” funding, which is 30% to 80% of AMI, so they can capture the 70% and 80% AMI range before Housing Resources puts them into homeownership.

Ms. Pardoe reviewed a timeline for The Fruita Commons funding. She said the applications finally came out the previous week and there is some time to submit a Letter of Interest (LOI), for which an applicant needs to be identified, there needs to be a purchase and sale agreement and zoning status will need to be provided. She added that the grant is extremely competitive, so the funders are looking for shovel-ready properties, which The Fruita Commons is not. Ms. Pardoe noted that other projects have not been shovel-ready, but they’ve been funded by doing a geographic distribution that is very confusing. The funders do want to spread the subsidy to all of the Prop 123 Land Banking municipalities and Ms. Pardoe said she feels that Fruita is ripe for it. She said the LOI just needs a couple of things and is due September 16th. Not all of the requirements are understood yet because they are rolling out the LOI form on September 9th, giving IndiBuild one week to figure it out.

Ms. Pardoe said that from what she has gathered, the funders think that all of the funds (\$48 million) will get absorbed really quickly as it is first-come, first-serve this year. She said IndiBuild needs to have an LOI on September 16th because all the funds will be spoken for pretty quickly. CHFA will then look at all the applications and will subsequently issue a Notice to Proceed, which means a Prop 123 Land Banking grant application needs to be submitted. Those applications are then due the first week in December and it will probably take CHFA one or two months to award the grants. Ms. Pardoe stated that she thinks she will have a very good idea whether or not IndiBuild will get the award when they apply for the 9% tax credits. The closing would then happen in March and IndiBuild will find out about tax credit awards in May. Ms. Pardoe said she thinks Phase II can be built more quickly and her goal is to have construction off the ground during the 1st quarter of 2026.

Ms. Pardoe noted that Fruita needs 134 affordable housing units in three years and she thinks that can be met in that timeframe. She asked the City Council what they think about the opportunity.

Mayor Breman pointed to the options for the City Council to consider listed in the coversheet, but City Manager Mike Bennett reminded the Council that they are not limited to those; they can also create new ones.

Mayor Breman asked Planning & Development Director Dan Caris to, in his opinion, review the pros, cons and risks of each of the options listed in the coversheet.

Mr. Caris said he thought that if the City or Housing Authority is the applicant, one of the biggest benefits that the City would have is control over the land. He said the other benefit is the potential of actually doing some cost recovery if the City or Housing Authority were to participate in a long-term land lease assuming that Housing Resources can ask for a donation of the land for where the for-sale product would be created, but the lease would be on the perspective land upon which IndiBuild would construct the rental units.

Mr. Caris said that doesn't necessarily mean that Housing Resources being the applicant is a bad thing; that just means that those benefits that the City or Housing Authority would realize monetarily would then be realized by Housing Resources in the form of a lease of the land. He said that honestly, the outcome would be the same and he thinks it is the City's/Housing Authority's choice on what to pursue.

Mr. Caris added that the other big thing that would be a benefit for the City/Housing Authority being the applicant is that it would show a lot of direct collaboration and participation amongst multiple parties (which could potentially strengthen the application with CHFA) versus just a letter of support from the City/Housing Authority.,.

Councilor Hancey asked if the City/Housing Authority is associated with any other Prop 123 grant applications in any capacity. Mr. Caris responded that the City is not at this time; there was no Equity Program award to the City for Geode Flats 4% tax credit request with some private activity bond request through CHFA. He added that the Oaks project being currently discussed will be a locally-supported project.

Councilor Hancey asked for a further explanation about Prop 123 Land Banking. Ms. Powell with Housing Resources stated that it is a grant that is awarded to a municipality or non-profit who will have expected outcomes. She added that it is not common in the housing world to have land acquisition grants.

Councilor Hancey noted that the turnaround time was very short and asked if IndiBuild was anticipating building everything pursuant to the City's current Land Use Code or if they might need to apply for a Planned Unit Development (PUD) Zone. Mr. Caris stated that staff, Housing Resources and IndiBuild have been exploring whether or not it would be a major amendment to the PUD Guide that exists similar to how the Fruita Mews requested to rezone to a PUD or it could potentially be a rezone to Community Residential under conventional zoning.

Mr. Caris added that another distinct benefit of the collaboration would be that Housing Resources and IndiBuild would get to offset financially what would be fully on one or the other for the construction of Brandon Drive, which is to be shared and not be solely borne by just one or the other. He recalled that being a big deal when IndiBuild went through the development process with the Fruita Mews project because there was a lot of road to build, so he thinks The Fruita Commons is a creative way to offset some of those costs (in the \$800,000 range back then) that were otherwise not feasible.

Mr. Caris continued that one of the risks could be getting the Land Banking dollars but if the partnership were to fall apart for some reason, the City/Housing Authority would still have ten years to bring another project in. He called it a manageable risk because the City has a community partner that's been operating in the Grand Valley for quite some time, which he thinks strengthens the request. Mayor Breman asked for confirmation that if the partnership does fall apart after the Council approves

being the applicant, that the City/Housing Authority would still have to apply for some form of a Prop 123 project. Mr. Caris confirmed that to be the case. Ms. Pardoe added that the City/Housing Authority would have the same restrictions of 70% of the rental homes must be at 60% of AMI or less and for homeownership, 70% needs to be at 100% of AMI or less.

Councilor Hancey asked if that would give the City/Housing Authority ownership in the property. Ms. Pardoe confirmed that the City/Housing Authority would be the ground lessor of the rental property and added that she thinks the City/Housing Authority would convey the land to Housing Resources of Western Colorado.

Councilor Hancey asked for confirmation that the City/Housing Authority would not be financially out anything right now; it would just be the City/Housing Authority potentially being the applicant to receive the funds. Ms. Pardoe explained that once CHFA accepts the LOI, the City/Housing Authority would have 60 days to submit the Prop 123 application, which may include some site planning and starting the entitlement process pretty quickly. She stated that if the City/Housing Authority is awarded the funds, then an appraisal has to be done as well as a Phase 1 and Traffic Study at some point.

Councilor Hancey asked if the City/Housing Authority has the capacity as staff to meet the deadline for submitting the LOI with CHFA. City Manager Mike Bennett responded that staff could meet the deadline for the LOI but he couldn't remember if the City/Housing Authority is then invited to submit a full application. Ms. Pardoe noted that it does require a Purchase and Sale Agreement and she talked to IndiBuild's attorney, who said that the Purchase and Sale Agreement could be from her and she could make it assignable if that was easiest.

Mayor Breman asked if any action taken by Council right now would directly constrain what the Housing Authority could do down the road. Mr. Caris stated that it would not commit the City/Housing Authority to any future requests.

Mayor Breman noted that IndiBuild has 13 days to submit the LOI. He asked about putting a lot of affordable housing in such a condensed area around the new Elementary School and what impact that would have on the surrounding communities such as Brandon Estates; whether it could be potentially good or bad for them.

Councilor Miller said she was glad that the Mayor brought that up because although the project is exactly what the City's been asking for, she doesn't love where it is to be located. She said she had concerns about how condensed it would be and would love to see affordable housing sprinkled more throughout Fruita rather than all in one quadrant of the City.

Councilor Purser asked where else in Fruita a project like The Fruita Commons could go.

Mr. Caris responded that he couldn't recall any specific parcels of available land off the top of his head, but staff could certainly try to identify them and bring them back to the Council. He said one that came to his mind was at 18 and K Roads, but that is currently under construction and across the street is unincorporated Mesa County.

Ms. Powell responded that the proposal to do this kind of joint hybrid program means that the target incomes would be for a range of 30% AMI to 120% AMI (or \$20,000 to \$120,000), not 96 units that all below 30% AMI, which is when there should be some concern about concentrating too many low-

income households in one area. She continued that she loves the proposed location because it has closer access to services and jobs; people won't have to drive from other communities to come to work in Fruita.

Mayor Breman asked what 100% of AMI would equate to. Ms. Pardoe responded that it was about \$102,000 for a family (a data set of 85% of Fruita's population qualified), so the proposed project isn't concentrating poverty, it's actually achieving mixed income. Ms. Powell added that in terms of the surrounding neighborhood, the data about low-income housing tax credit projects tells her that The Fruita Commons wouldn't have a negative impact on the surrounding properties, especially one that is designed the way that IndiBuild has designed it. She added that there isn't as much data about non-LIHTC projects, which is where a lot of the focus in the housing world is right now.

Councilor Williams asked what percentage of the housing units in the proposed project would be in the 50% AMI and below. Ms. Powell responded that in the for-sale units, it's very difficult to reach all the way down to 50% AMI; they would love to get some units below 80% AMI, which will depend on the funding sources available. She added that below 80%, those households will be served by about 40 rental units at The Fruita Commons.

Councilor Williams said the reason that he asked was because he was thinking about the location of the property and how the 50% AMI people are the ones the City is really trying to help and his concern is for the lack of resources close by. Ms. Pardoe said she wasn't concerned about transportation because affordable housing studies show that most people will have cars and that is why they planned for 80 parking spaces for the development. She added that IndiBuild reached out to Grand Valley Transit about a year and a half ago and they are very interested in moving the bus stop from 18 and K Roads to (potentially) 18 ½ and K Roads because of all the new development. This would be on the west side of the existing Brandon Estates Subdivision.

Councilor Miller asked what square footages were being proposed for the homeownership units. Ms. Powell noted that the individual units have not yet been designed, but the intent is to build modestly like those in the development currently being built in unincorporated Mesa County for Housing Resource's self-help units which range in size from 1,200 square feet to about 1,600 square feet with attached garages. She said at The Fruita Commons, Housing Resources is interested in doing a combination of single-family detached single units and attached unit products to try to help with choices as well as costs.

Councilor Williams asked if IndiBuild or Housing Resources had an estimate of the price per square foot in the proposed development. He noted that Ms. Pardoe had mentioned that it is \$450 per square foot at the Fruita Mews. Ms. Pardoe responded that IndiBuild's hard costs at the Fruita Mews is \$300 per square foot. Ms. Powell said that she thinks tax credit development tends to cost more than non-tax credit development; there really aren't tax credits for for-sale housing. She provided an example of a project Housing Resources is doing on Orchard Mesa that is only ten units, but Housing Resources bought finished lots from a builder, who they hired to finish building. Their hard costs including the land are going to come in at probably \$365,000 per townhome, the smaller of which will be in the high 1,300 square-foot range with a one-car garage. The bigger townhomes will go up to above 1,600 square-foot and Housing Resources' goal (with applying for grants and through a Downpayment Assistant Program) is to get the price per square foot down into the low \$300's.

Councilor Williams requested that a breakdown be provided on the differences between the City/Housing Authority being the applicant versus the City/Housing Authority signing a Letter of

Support. Planning & Development Director Dan Caris pointed out that as the applicant, the City/Housing Authority would have a seat at the design table.

Mr. Caris said there was a possibility that IndiBuild might not get tax credits and it may be decided that a strictly ownership development be built, so it wasn't as zero sum as one might think. He pointed out that there is an awful long process to get through; the property hasn't been zoned or gone through any sort of site planning process, so he didn't think that any decision the Council made at this meeting was binding.

Ms. Powell stated that Housing Resources really doesn't have a preference who the applicant will be because Housing Resources is eligible for and is fine with being the applicant. She added that for the rental part of the proposed project, IndiBuild would either be ground leasing from the City/Housing Authority or from Housing Resources.

Ms. Powell continued that it is certainly not a requirement that the City/Housing Authority be the applicant, but IndiBuild/Housing Resources will want to put in the LOI by September 16th, with the applicant being clear and then have something relatively supportive from the City/Housing Authority that says they are really behind the project and will work with its partners on things they need like land use and design. She pointed out that the City/Housing Authority would have a lot of influence on the design work even if not the applicant but through the Fruita Land Use Code.

Ms. Pardoe stated that it was very obvious that the timing is rough. She said she and Ms. Powell didn't necessarily come to this meeting expecting an answer; it just felt right asking the City to be the applicant due to the existing relationship IndiBuild already has with the City/Housing Authority.

Mr. Caris asked whether the grant would be transferrable if the City/Housing Authority is awarded the appraised value of the land, but the purchase of the property falls through. Ms. Powell said they didn't see that level of detail yet, but she doubted it.

Mr. Caris said he thought it sounded like there are a lot of steps that still need to happen and wondered what the City's/Housing Authority's options might be for getting out of the collaboration. Ms. Powell said she thought that whoever the applicant is and whoever has purchased the land would have the opportunity to sell the land and give back the grant money. She added that if the City/Housing Authority decides to be more in control of the project, the way to do that would be to be the applicant. Alternatively, if the City/Housing Authority doesn't want to take that role on, it doesn't mean that the project can't go forward; it just means that Housing Resources would be the applicant.

Ms. Pardoe added that a lot of other municipalities were applying for the grant funds without having a piece of land identified and didn't get chosen because they weren't ready. She said she thinks The Fruita Commons application will be taken very seriously because she and Ms. Powell are going to exhibit a plan to show the status of zoning, entitlement and site planning and there's a partnership and a property for which there is a very strong demand that exceeds supply.

Councilor Hancey stated that he was leaning towards the City/Housing Authority not being the applicant because the City has a lot going on and he doesn't like the rush aspect of it. He added that there will still be an opportunity for the City/Housing Authority to be a collaborator on the project.

Councilor Purser pointed out that in doing the LOI, it wouldn't actually obligate the City/Housing Authority to anything and since the application for the grant funds isn't due until December, there could be ongoing discussions about the project until then. Mr. Bennett confirmed this to be true.

Councilor Purser noted that the recommendation in the Council packet was for the City/Housing Authority to apply for the CHFA Prop 123 Land Banking grant and asked staff why that was their inclination. Mr. Bennett responded that with 123 Land Banking funds, typically municipalities apply for a few reasons. One is there is no match, so essentially if awarded, it is free money for purchasing land that the City would like to influence in some way to increase the number of affordable housing units. He stated that in proposed partnership projects, the Fruita Housing Authority has always been asked at some point to provide some additional financial contribution whether that is in the form of fee waivers or something else and the proposed partnership would be a way for the City/Housing Authority, as the owner of the land, to meet some of the requests by developers.

Mr. Bennett said that he thought it could go either way. He pointed out that if the City/Housing Authority were to apply for the grant, it doesn't mean the City gets the grant and if the City gets the grant, it doesn't mean the City automatically owns the land; there then has to be negotiations on purchasing the land. He said it did not bind the Housing Authority to be a Special Limited Partner or for any land use or zoning in any way (or any other future ask) unless the City/Housing Authority receives the grant and purchases the land. That is when the ten-year clock will start for the partnership to be achieved.

Councilor Purser reminded the Council how five to six weeks ago, to some degree, the concept was brought before the Council but for various reasons, the Council wasn't prepared to have a conversation on it and that should be factored in when making any decisions.

Mr. Caris responded to the Council's question about why staff recommended that the City/Housing Authority be the applicant for the Prop 123 grant application. He said that staff heard, through the entitlements process for the Fruita Mews, that more traditional neighborhood development was desired by the surrounding area. He added that as the applicant, the City/Housing Authority would have a lot more control over the development and would absolutely put some single-family homes in the project along with the townhome and multi-family development. Mr. Caris said if the proposed development didn't work out, the City could certainly put out Requests for Proposals for a more "for-sale" affordable product or the property could be sold.

Mayor Breman stated that he is always in favor of more control for the City.

- **COUNCILOR PURSER MOVED TO DIRECT THE CITY MANAGER TO APPLY FOR THE CHFA PROP 123 LAND BANKING GRANT REQUEST WITH HOUSING RESOURCES OF WESTERN COLORADO AND INDIBUILD FOR THE PROPERTY LOCATED AT 1138 18 ½ ROAD, FRUITA CO 81521. COUNCILOR PARRISH SECONDED THE MOTION. THE MOTION PASSED WITH THREE YES VOTES. COUNCILORS WILLIAMS AND HANCEY VOTED NO.**

10. CITY MANAGER'S REPORT

City Manager Mike Bennett introduced the City's new Wastewater Reclamation Facility (WWRF) Superintendent, Nicholas Tessmer. Terry Anderson is retiring on Thursday after serving as the Superintendent who trained and mentored so many people, some of which are still with the City.

Nick told the Council he is a native of northwestern Colorado (Steamboat Springs and Craig) and has spent the last nine years in the Vail Valley working at three separate wastewater plants, two of them as the Supervisor. He said he took the job in Fruita to get back to his more-western Colorado roots and more affordable housing compared to Vail Valley. Nick said he was looking forward to working with City staff and that Fruita's WWRF looks amazing.

Mike also reported that:

- Staff received word earlier in the day that the final fiber bridge is ready to be spliced by Deeply Digital into the fiber along I-70 and to fiber that is coming from Utah for the "middle mile" of internet connection. Clearnetworkx has begun applying for their permits to start doing their build of the fiber to the south side of Fruita this fall and into the winter.
- Fruita for Equality has been having monthly meetings that they call "Living Room Conversations" about different topics. On September 11, the group will be hosting an event at 5:30 about community, community connection and Fruita values. They have invited any staff and Council members that want to attend and Mike said he and the Mayor would be in attendance.

11. COUNCIL REPORTS AND ACTIONS

A. COUNCIL REPORTS AND ACTIONS

MAYOR MATTHEW BREMAN

Matthew said that right before the meeting, he received an invitation from the Fruita Masonic Lodge #120 to the City Council to the Cornerstone Laying Ceremony celebrating the 120th Anniversary of the Fruita Masonic Lodge #120 on September 21st at 2:00 p.m. It is an event open to anyone who would like to attend, but the Masonic Lodge specifically wanted to make sure that the Mayor and City Council were invited. Matthew said he would send the invitation to Mike so he could forward it to City Council.

COUNCILOR JAMES WILLIAMS

James asked if the deteriorated tree on the pathway by the Little Salt Wash was getting cut down. Public Works Director Kimberly Bullen stated that staff met with the property owner the previous Friday and there was some question about the easement/right-of-way and staff told the property owner they would come back after making sure they have all the information. The deadline to resolve the issue was therefore extended for two weeks (until September 19th) because the property owner had informed staff he would be out of town for a period of time. James recalled that when the property owner was originally spoken to, he was very reluctant and had said that if someone from the City wanted to come cut it down, they could. James called the tree very dangerous, said it seriously could fall at any moment and didn't understand why the deadline was extended. Ms. Bullen reiterated that there were some questions about where the easement and the owner's property line are. James

recalled that the last time this issue was discussed, staff had already scheduled an appointment to get it cut down. Ms. Bullen said that while the tree certainly doesn't look healthy, staff did lean on it and tested it to see if it would move any further, which it didn't. City Attorney Mary Elizabeth Geiger said she understood James' concerns and that she has been working with the Public Works Director on the matter. She said it was her understanding that at the last meeting, the property owner did raise some legal issues, so those are what is trying to be addressed, but he was leaving town and had asked the City to confirm what the property rights are in that area. Amy asked if the City could remove it after September 19th if the property owner hadn't and Ms. Bullen stated that staff would contract the work with a tree company. She also clarified that originally, the property owner's communication was with Code Enforcement Matt Carson, but the last contact was with herself when the property owner raised a legal question about his property line.

COUNCILOR JEANNINE PURSER

Jeannine asked if the Council was interested in giving landowners with property inside city limits and the growth boundary the option of conserving their land with Colorado West Land Trust if they want to maintain farmland as opposed to selling it to developers. Mike said the City has never precluded any land conservation and that the Colorado West Land Trust has said that if there are owners of multiple properties of significant acreage that were interested in that, it would depend where and whether there may be any plans for future development. He noted that the Urban Growth Boundary designates a change in use and if a property owner wants to change the zoning they currently have, they are told by the county to work with the City on a voluntary annexation, but nothing forces that; it is the choice of the property owner. Mike further explained that the purpose of the Colorado West Land Trust is to help preserve land that is within actual buffer zones and reiterated that it would still be up to the property owner on whether they choose to change the use or not.

Jeannine announced that she would be attending the School District #51 luncheon on September 20th and asked if anyone else was going. Amy said she was.

Planning and Development Director Dan Caris explained that the reason that the Colorado West Land Trust doesn't typically try to buy any conservation easements in Fruita's Urban Growth Boundary is because that could be viewed as something for which the public is now going to have to bear the cost of extending sewer and transportation projects. The Land Trust believes this could potentially cause some strife.

COUNCILOR RICH PARRISH

Rich reported that the FTAC had an interesting individual involved in marketing come to present their perspective on promotional material for Fruita and the ideas and perceptions that were presented will likely be taken into consideration by the board while they continue to search for a new marketing firm for the City.

COUNCILOR AARON HANCEY

Aaron announced that he would not be attending the Executive Session due to a conflict of interest.

MAYOR MATTHEW BREMAN

Matthew reported that he taught a class at Colorado Mesa University's (CMU's) Political Science class and had to say that there are some smart kids out there! He said they asked a lot of good questions, so he took his presentation from twelve slides to four slides, but only made it through three. Matthew said it was great conversation and a number of them were from Fruita, so he heavily encouraged them to get involved with Fruita's Boards and Commissions to influence what happens in our community.

B. EXECUTIVE SESSION – TO CONVENE IN EXECUTIVE SESSION FOR THE PURPOSES OF RECEIVING LEGAL ADVICE FROM THE CITY ATTORNEY PURSUANT TO C.R.S. 24-6-402(4)(B) AND DETERMINING MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY WITH REGARD TO NEGOTIATIONS AND INSTRUCTING NEGOTIATORS PURSUANT TO C.R.S. 24-6-402(4)(E) WITH REGARD TO MIND SPRINGS HEALTH'S REQUEST FOR FINANCIAL ASSISTANCE

- **COUNCILOR WILLIAMS MOVED TO CONVENE IN EXECUTIVE SESSION FOR THE PURPOSES OF RECEIVING LEGAL ADVICE FROM THE CITY ATTORNEY PURSUANT TO C.R.S. 24-6-402(4)(B) AND DETERMINING MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS, DEVELOPING STRATEGY WITH REGARD TO NEGOTIATIONS AND INSTRUCTING NEGOTIATORS PURSUANT TO C.R.S. 24-6-402(4)(E) WITH REGARD TO MIND SPRINGS HEALTH'S REQUEST FOR FINANCIAL ASSISTANCE. COUNCILOR PURSER SECONDED THE MOTION. THE MOTION PASSED WITH FIVE YES VOTES.**

Mayor Breman noted that Councilor Hancey was going to recuse himself due to a conflict of interest and would not be coming back for the final adjournment.

Mayor Breman called for a five-minute break at 9:10 p.m. The regular meeting resumed at 9:15 p.m.

The City Council convened in Executive Session at 9:16 p.m. The regular meeting reconvened at 10:05 p.m.

12. ADJOURN

With no further business before the Council, Mayor Breman adjourned the meeting at 10:05 p.m.

Respectfully submitted,

Deb Woods
City Clerk
City of Fruita