



TO: Mayor & City Council

FROM: Mike Bennett, City Manager

DATE: January 4, 2022

AGENDA TEXT: Overview and Discussion of Fruita Housing Strategies Next Steps

BACKGROUND

On December 21, 2021, City Council directed staff to initiate the process to formally create a housing authority to operate within the City of Fruita and determine a schedule to accomplish housing strategies.

Housing Authority. The creation of a housing authority is a statutory process that includes the following: (1) a petition of 25 Fruita residents stating the need for a housing authority, (2) specific legal noticing provisions, and (3) conducting a public hearing process to make certain findings. It is important to note that the previously listed items are separate from our City Charter and Municipal Code, which means this is a different process and result than the City's typical Boards and Commissions process. Once created the Fruita Housing Authority would function as a separate entity than the City.

According to state statute, the petition is utilized to initiate a public hearing process, where the City Clerk will certify the signatures, and legally notice the public hearing no less than 10 days following certification. Attached is the sample Resolution language which was pulled specifically from the State statute and cited accordingly, which includes maximum number of Commissioners on the Housing Authority and the process to appoint including term length. Also attached is the petition language consistent with State statute. Since the City is initiating the creation of the housing authority, the City circulates the petition, as a validation of the need to conduct a public hearing to make findings regarding a housing authority.

Also attached is CRS 29-4-205, appointment of commissioners for a housing authority. City Attorney Mary Elizabeth Geiger will discuss with City Council the formation and answer question the Council may have.

Housing Strategies Schedule. The following dates are a proposed schedule for the first quarter of 2022 to meet Council's direction related to housing strategies. The dates are an assumption that a petition for a housing authority is successfully certified by the City Clerk, with a public hearing noticed, and action taken by City Council.

- **Jan 25, 2022 Council Special Meeting, 6:00 pm:** City Council to act on resolution creating a Fruita housing authority – this will be a noticed public hearing. Notice will need to be published in paper no later than January 14.

- **Jan 25, 2022 Council Workshop, 6:30 pm:** The following items to be discussed.
 - o Housing goals and strategies:
 - Regulatory Fee
 - Long-term rentals
 - Low Income Housing Tax Credit (LIHTC)
 - Steps to appointment Fruita Housing Authority Board of Commissioners,
 - o Additional communication with community, including a special newsletter,
 - o Review of schedule, and
 - o Short Term Rentals (STR) – to discuss the current temporary limit on STR’s in the downtown core and need to set hearing dates prior to April 1, 2022, to either change or extend the limitation.
- **Meeting Placeholders for Further Discussion** (Updates from EPS, Technical Committee, Staff).
 - o Feb 15, 2022
 - o Feb 22, 2022
 - o March 1, 2022
- **March 1, 2022 Council meeting, 7pm:** First reading calling for public hearing at March 29, 2022 Council meeting to establish regulatory fee.
- **March 29, 2022 Special Council meeting, 7pm:**
 - o Second reading/Public Hearing to establish a regulatory fee.
 - o Appointment of Fruita Housing Authority Board of Commissioners.

FISCAL IMPACT

N/A currently.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City has already taken steps toward goals in the comprehensive plan to address ‘*prioritizing infill development over development at the edge of the city limits*’ and to ‘*allow and encourage a diversity of housing types to fit the needs of the Fruita community and provide the diverse ‘funky’ character that is treasured by residents.*’ These break down further in chapter 3 Land Use + Growth of Fruita in Motion to policies and actions that include addressing affordable housing.

OPTIONS AVAILABLE TO THE COUNCIL

This item is for the purpose of discussion and direction by the City Council.