



**FRUITA**  
COLORADO

## AGENDA ITEM COVER SHEET

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**TO:** FRUITA CITY COUNCIL AND MAYOR  
**FROM:** DAN CARIS, PLANNING DIRECTOR  
**DATE:** AUGUST 20, 2024  
**AGENDA TEXT:** HEADWATERS HOUSING PARTNERS PRESENTATION

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### BACKGROUND

In February 2020, the City adopted the updated the Fruita in Motion Comprehensive Plan after a year of community engagement encompassing nearly 40 in-person community engagement events in addition to online activities, a resident steering committee and working with the consulting firm SE Group, city staff, the Planning Commission, and City Council. The plan is found at [Fruita in Motion Comprehensive Plan 2020](#). This plan highlights community values, where we grow, how we grow, and sets forth numerous action items within a variety of themes, including the theme of Efficient Development where the plan stresses in-fill development over sprawl and strategies to address housing affordability. In 2021, the Fruita Land Use Code was adopted by City Council to set for the rules and regulations of development to encourage a variety of housing to address this strategy. In 2021 the Grand Valley Housing Needs Assessment was completed which can be found at [Grand Valley Housing Needs Assessment 2021](#), which highlighted *“Rising rents and rising home prices both create barriers to ownership as current renters have a harder time saving for a down payment while the liquid capital required for a down payment rises with escalating home prices. In addition, homes priced affordably for low-income residents are increasingly being cash financed, leaving low-income home buyers unable to enter the market.”* In 2022 the City contracted Economic Planning Systems (EPS) to conduct a deeper housing study specific to the city of Fruita. This study included *“a policy goal of the City’s housing program is to reduce the share of in-commuters from 68 percent of the Fruita workforce to 50 percent of the Fruita workforce, for current employees and future employees generated by economic growth.”*

This item on the agenda will be twofold:

- (1) Planning & Development Director Dan Caris will provide a brief update on these past efforts and data which provides a framework of need the Fruita community has with housing affordability connected to land use policies. The Mayor and City Manager discussed providing this update since this work was completed prior to the terms of some members of the City Council; and
- (2) At the direction of Council in response to a request from Headwater Housing Partners (“HHP”), HHP will present an overview of their request to partner with the City.

Headwaters Housing Partners is currently under contract to purchase 805 West Ottley Avenue, which is presently owned by Family Health West. The property historical use was as an assisted living facility.

HHP approached the City several months back to determine existing entitlements, process to develop, and explore the possibility of a partnership. The presentation this evening is not regarding any land use entitlements. The development proposal will require them to develop within existing entitlements or go through a public process to request additional development rights.

### **Summary of Proposal:**

- **Property:** 805 West Ottley Avenue, currently owned by Family Health West, previously an assisted living facility.
- **Proposal:** HHP plans to convert this property into workforce housing for the City of Fruita.
- **Deed Restriction:** Units will be deed restricted to a maximum rental rate of 100% AMI (Area Median Income) per CHFA and HUD standards for Mesa County.
- **Local Preference:** HHP is open to giving preference to local workers and residents, while ensuring compliance with Fair Housing regulations.
- **Financial Assistance:** HHP is seeking financial support from the City of Fruita and the Fruita Housing Authority.

If there is interest in pursuing this partnership, staff will begin to engage with HHP, which will include several steps, including setting up meetings, gathering more detailed financial information, and assessing the feasibility of various types of support. The purpose of this item is not to consider approval of the proposal or any final action, but consider if the proposal should be evaluated.

### **FISCAL IMPACT**

N/A

### **APPLICABILITY TO CITY GOALS AND OBJECTIVES**

With regards to the Master Plan, Fruita is an exceptional community. Throughout the comprehensive plan process, residents brought up how much they love living in Fruita, its small-town character, and their desire to preserve the community's most desirable qualities into the future. The plan starts by declaring what makes Fruita special. In turn, these community values are the foundation of the plan—shaping the plan vision, goals, policies, and actions. Two community values represented include:

- Fruita is a place where you run into neighbors, friends, and acquaintances at local stores and restaurants, parks, and the community center. (Community Values, Page 2, Comprehensive Plan)
- Fruita is a community where people are invested and constantly work to make the community better. (Community Values, Page 2, Comprehensive Plan)
- Fruita is committed to a land use pattern and supporting policies that promote access to housing across the income spectrum of its residents. (Community Values, Page 2, Comprehensive Plan)

Influenced by the community values expressed on page 2 of the Comprehensive Plan, the Plan Vision states, "The City of Fruita values quality of place. It's an inclusive city, with a small-town feel and vibrant downtown, surrounded by public lands. People love to live, work, and play in Fruita because the City facilitates community, safe neighborhoods, family-friendly events, and walking and biking. The City governs in a way that's responsive to its citizens and prioritizes high-impact services and projects. Fruita fosters a fun and funky ambiance around the arts, agriculture, and recreation."

## **OPTIONS AVAILABLE TO COUNCIL**

Direct staff to begin working with HHP on understanding the financial gap and potential forms of support.

Request more information.

## **RECOMMENDATION**

**DIRECT STAFF TO BEGIN WORKING WITH HHP ON UNDERSTANDING THE FINANCIAL GAP AND POTENTIAL FORMS OF SUPPORT**