

**FRUITA CITY COUNCIL SPECIAL MEETING
JANUARY 24, 2022
6:00 P.M.**

1. CALL TO ORDER

The Special Meeting of the Fruita City Council was called to order at 6:01 p.m. by Mayor Joel Kincaid. The meeting was held both in person and with virtual access provided through Zoom.

Present:

Mayor Joel Kincaid
Mayor Pro Tem Lori Buck
City Councilor Karen Leonhart
City Councilor Kyle Harvey
City Councilor Ken Kreie
City Councilor Heather O'Brien
City Councilor Matthew Breman

Also present:

City Manager Mike Bennett
City Attorney Mary Elizabeth Geiger
Assistant to the City Manager Shannon Vassen
Deputy City Clerk Deb Woods
Planning and Developer Dan Caris

2. ADOPT AGENDA

- **COUNCILOR KREIE MOVED TO APPROVE THE AGENDA AS PRESENTED. COUNCILOR HARVEY SECONDED THE MOTION. THE MOTION PASSED WITH SIX VOTES.**

3. AGENDA ITEMS

A. RESOLUTION 2022-02 – A RESOLUTION AUTHORIZING THE CREATION OF THE FRUITA HOUSING AUTHORITY

Planning and Development Director Dan Caris gave staff's presentation. He reviewed the process that was outlined in the coversheet and noted that certain findings need to be determined to formally establish the creation of a Housing Authority.

Mr. Caris also noted that the Council would be having a conversation about how the Housing Authority could potentially function in a Council workshop session immediately following this Special Meeting.

Mr. Caris noted that the Housing Authority Board would create its own bylaws, but that the Council can certainly take part in forming and shaping what those will look like. He added that there was no real reason why the authority would have to enact bylaws immediately after individuals are seated.

Mayor Kincaid opened the public hearing. Hearing no comments, he closed the public hearing and brought the matter back to the Council.

Councilor Breman expressed concerns about creating a governmental entity without any means of dismantling it and about going down a path that would impose a fee on every real estate transaction. City Attorney Mary Elizabeth Geiger clarified that the fee and the creation of the Housing Authority were two separate issues and that forming the authority would not necessarily mean that a fee will be imposed. Councilor Breman said that this was the direction that had been discussed at other meetings and added that there was no clear direction of the methodology moving forward. He said he wasn't saying no; he was just saying he had concerns and felt like the cart was being put before the horse a bit.

Councilor Buck stated she had similar concerns that she had discussed with the City Manager. She said likes the intention (of workforce housing) and the down payment assistance aspect, but worries about how the group would be controlling a lot of money, which could bring questionable intentions and agendas. Lori said she was afraid that agendas could drive projects that may not be in the best interest of the community. She agreed with Matthew that it was very scary to create something over which the Council would have no control.

Ms. Geiger advised that there is nothing in the statute that says that a Council member or even two cannot be on the Housing Authority, so she thought there would be checks and balances. She continued that by creating the authority, the Council was creating a statutorily-allowed mechanism for helping with the housing crisis in Fruita and she didn't think it would just go off on its own and operate without the Council checking on it and knowing what it is doing.

City Manager Mike Bennett stated that if a regulatory fee were to be implemented, the fee would be collected by the City and the City Council would decide whether and how much to allocate to the Housing Authority on an annual basis during the budget adoption process. The authority could then implement programs such as a down payment assistance program, long-term rental incentive program and/or other strategies.

Ms. Geiger stated that one other reason for forming the Housing Authority is that it would have a power that the City doesn't have, which is to be able to own and manage real property.

Ms. Geiger checked the statutes and explained that §29-4-208, C.R.S. actually allows the City Council to remove Commissioners from the authority if they are not meeting their responsibilities or if they commit some sort of violation of state statute or bylaws or mission of the Housing Authority.

Mayor Kincaid asked for some clarity on whether a Special Election would have to be called if the Council voted no on the Resolution because a petition had been signed by 25 electors. Ms. Geiger explained that the rules concerning the authority are only contained in state statute and are not relative to the City Charter so a Special Election would not be required.

She also pointed out that if the Housing Authority was looking at a project to recommend to the Colorado Housing Finance Authority (CHFA) for tax credits, it would still require a land use application that would have to be approved by the City Council after going through the City's land use process.

Councilor Breman still questioned whether or not in two or three years when the Council no longer has control over the authority, the authority may switch directions to where there is potentially a Housing Authority that has a fair amount of money but doesn't have direct responsibility to the citizens of Fruita.

Mr. Bennett reiterated that the City still has the Land Use control over any development proposed in Fruita. He said that the authority could be the group that actually vets projects on behalf of the City based on the goals that the City has and the funding that the City is approving for specific strategies and goals. Mr. Bennett continued that creating a Housing Authority doesn't mean that the group can essentially "go rogue" and do any type of low-income, tax credit project they want without the City's backing; there would be a connection with the City that the authority's purpose was to help manage or implement the strategies that would be determined by the City.

Mary Elizabeth Geiger reiterated that by appointing City Council members to the Housing Authority board, the board is kept in check and that no development could "slip by" the City because it would first have to go through the Land Use application and public hearing processes.

Councilor O'Brien said she thought that all the hypotheticals about what could go wrong did not warrant not starting a housing authority because the end goal, she thought, was helping to provide a place to live in Fruita for the people who work in Fruita. She added that she wanted to get started with an authority to see what it can do.

Councilor Harvey said he thinks it gives the City Council an opportunity to say what the goals are, (knowing that there will be a different Council in a few months and then again in two years and so on), as well as a little bit of a say in how the authority would come to fruition.

- **COUNCILOR O'BRIEN MOVED TO APPROVE RESOLUTION 2022-02 - A RESOLUTION CREATING A HOUSING AUTHORITY IN THE CITY OF FRUITA. COUNCILOR KREIE SECONDED THE MOTION. THE MOTION PASSED WITH A VOTE OF FIVE TO ONE.**

Councilor Breman voted No but did not give his reasons for doing so.

4. ADJOURN

With no further business before the Council, the Mayor adjourned the meeting at 6:47 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk