



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: Fruita City Council and Mayor

FROM: Planning & Development Department

DATE: June 20, 2023

AGENDA TEXT: **RESOLUTION 2023-21 A RESOLUTION OF THE FRUITA CITY COUNCIL OF THE CITY OF FRUITA, COLORADO WAIVING PARKS, OPEN SPACE AND TRAILS IMPACT FEES FOR THE FRUITA MEWS DEVELOPMENT**

BACKGROUND

In February 2022, IndiBuild, LLC was awarded a 9% Low Income Housing Tax Credit (“LIHTC”) for the Fruita Mews affordable housing development. Their development costs have increased significantly over the last year due to interest rates and construction cost increases. IndiBuild LLC presented a report to Council in March requesting that the City waive impact fees for the development. The Council directed IndiBuild to seek other funding sources first to close their funding gap and if such was unsuccessful, it could return to City Council with a request. IndiBuild did so but still has a gap of \$93,000 and has therefore formally requested that the City waive the parks open space and trails, (“POST”) fees to help alleviate a financial burden, as well as a show of community support. It is the City’s understanding that the other funding partners for the Fruita Mews development have conditioned further funding assistance on IndiBuild obtaining additional community support beyond the Housing Authority’s support of the project.

FISCAL IMPACT

IndiBuild’s request will create a \$93,000 dollar impact to the POST impact fee fund. The POST fund was established to assist with capacity related improvements. The Land Use Code, “(Code)” states that impact fees for multifamily and commercial developments are to be collected at Certificate of Occupancy.

Section 17.47.070(H) of the Code allows City Council to “in its sole discretion and by an affirmative vote of at least three fourths (3/4) of all members of the Council, waive, suspend, defer or alter all or some of the impact fees imposed by this Chapter, or agree to pay some or all of the impact fees imposed on a proposed development or redevelopment from other funds of the city that are not restricted to other uses upon finding such waiver, suspension, alteration or payment is necessary to promote the economic development of the city or public health, safety and general welfare of its residents.”

C.R.S. § 29-20-104.5(5) states that “[a]ny impact fee or other similar development charge shall be collected and accounted for in accordance with part 8 of article 1 of this title. Notwithstanding the

provisions of this section, a local government may waive an impact fee or other similar development charge on the development of low- or moderate-income housing or affordable employee housing as defined by the local government,” without any accounting requirements. If the City waives the POST fees there will not be a requirement to backfill from the general fund any revenue credits.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

The City’s Comprehensive Plan Fruita in Motion: Plan Like a Local, (“Fruita in Motion”) states the community’s commitment to supporting affordable housing and creation of a diversity of housing types. This is evident in the Code changes that Council adopted to implement the Fruita In Motion plan. Fruita in Motion also crafted a Community Value which reinforces a commitment “to a land use pattern and supporting policies that promote access to housing across the income spectrum of its residents.”

OPTIONS AVAILABLE TO THE COUNCIL

1. Approve Resolution 2023-21 a Resolution of the Fruita City Council of the City of Fruita, Colorado waiving Parks, Open Space and Trails impact fees for the Fruita Mews development.
2. Approve with modifications Resolution 2023-21 a Resolution of the Fruita City Council of the City of Fruita, Colorado waiving Parks, Open Space and Trails impact fees for the Fruita Mews development.
3. Deny Resolution 2023-21 a Resolution of the Fruita City Council of the City of Fruita, Colorado waiving Parks, Open Space and Trails impact fees for the Fruita Mews development.

RECOMMENDATION

It is the recommendation of Staff that the Council by motion:

**ADOPT RESOLUTION 2023-21 A RESOLUTION OF THE FRUITA CITY COUNCIL
OF THE CITY OF FRUITA, COLORADO WAIVING PARKS, OPEN SPACE AND
TRAILS IMPACT FEES FOR THE FRUITA MEWS DEVELOPMENT**