

GRAND JUNCTION CITY COUNCIL SPECIAL WORKSHOP SUMMARY JULY 10, 2023

Meeting Convened: 5:30 p.m. The meeting was held in person at the Fire Department Training Room, 625 Ute Avenue, and live streamed via GoToWebinar.

City Councilmembers Present: Councilmembers Scott Beilfuss, Cody Kennedy, Jason Nguyen, Randall Reitz, Dennis Simpson, and Mayor Pro Tem Abe Herman. Mayor Anna Stout was absent.

Staff present: City Manager Greg Caton, City Attorney John Shaver, Director of Community Development Tamra Allen, Housing Manager Ashley Chambers, Finance Director Jodi Welch, Housing Specialist Sherry Price, and Deputy City Clerk Selestina Sandoval.

1. Discussion Topics

a. Housing Strategies Update

Staff reported they have been working with community housing partners, the housing and homeless coalitions, and Root Policy to advance the implementation of strategies as adopted in the Grand Junction Housing Strategy. Staff provided a review of the work completed to date on various adopted Housing Strategies and included a more specific discussion focused on:

- Proposition 123
- Housing Strategy #5: Formalize Existing Incentives and Consider Additional Incentives for Affordable Housing Development.
- Housing Strategy #6: Allocate City-owned land for Affordable and Mixed-income Housing.
- Housing Strategy #12: Consider Adoption of a Voluntary Rental Registry Program in Conjunction with Landlord Incentives.

Housing Manager Ashley Chambers presented the definitions of affordable housing, including capital affordable and housing affordability, as well as Proposition 123 and strategies 5,6, and 12. Also presented was the housing continuum, which includes transitional housing, permanent supportive housing, shelters, and emergency beds for those below 30% of the area median income (AMI). She explained that housing affordability is determined by the percentage of household income spent on housing, with 30% being the benchmark. A graph illustrating different income brackets and the types of housing associated with each was presented. Staff highlighted a housing shortage in specific brackets and the impact of market pressures on rental costs and homeownership rates. Additionally, she noted the effect of these factors on the unhoused population and emphasize the need to address the affordability challenges faced by a significant portion of the community.

Proposition 123, which is a people-led referendum that allocates funds for affordable housing initiatives, was discussed. Staff explained that Proposition 123 peels off taxes from the state's budget and designates a portion of the funds for affordable housing support and financing. The funds managed by the Department of Housing cover affordable homeownership programs, services for people experiencing homelessness, and local planning capacity development. The Affordable Housing Financing Fund supports programs such as land banking, equity programs, and concessionary debt programs for nonprofits, governments, and potentially for-profit entities

involved in housing development. It was noted that the overall picture of Proposition 123 is clear, but the administrative policies for the programs under it have not been released yet.

It was explained that municipalities and counties need to make a commitment to increase housing units by 3% annually or 9% over a three-year period. The commitment requires creating a baseline that considers affordable housing and subsidized affordable housing units. Grand Junction's community's affordable housing baseline is currently at 4,158 units, and this would need to increase by 3% each year or a total of 374 units over three years.

This commitment is needed by November 1, 2023 to allow access to funding available as of July 1, 2024. However, there is no guarantee of receiving the funds, as the application process is competitive. There was discussion about potential costs to the City and other entities involved in housing projects, and it was clarified that there are no additional costs, but the availability of funds may be impacted if there is an economic downturn. The discussion also touched on the range of funds that could be applied for, the differentiation between grants for cities and zero-interest loans for nonprofits, and the importance of the commitment for nonprofits to access Proposition 123 funds.

It was reported that if all the partners' proposed projects materialize, the City could potentially have between 600 and 900 units in the next five years, depending on various funding sources and grants. They also noted that some programs under Proposition 123 have already opened, such as the land banking program, which provides grants or zero-interest loans to purchase land for future housing development.

Discussion noted that services for persons experiencing homelessness, which would still be available even if the Proposition 123 commitment is not made, are crucial for the community. The potential funding amounts to be applied for are estimated to be in the millions.

Distribution of funds under Proposition 123 aims for equity across the state, although the Front Range, with its larger population, may be competition for funds. Staff did report that a previous grant application had a high number of applicants compared to available funds, but the City of Grand Junction was awarded \$2.25 million grant which demonstrates its power due to the community's efforts in the housing sector.

Council asked for clarification on the distinction between Grand Junction and the Grand Junction Housing Authority in terms of utilizing the partnership for funds. Staff confirmed that it is possible for both the City and nonprofits like Homeward Bound to apply for funds, but coordination is necessary to avoid competition among local entities.

Regarding Intergovernmental Agreements, staff reported that Mesa County intends to make a commitment as well, but there are some complexities in determining the units counted and splitting them between jurisdictions. Council inquired about staffing specific to this area, and staff stated that Housing Resources of Western Colorado works across the Western Slope and covers multiple areas.

Staff recommended making a commitment to the dollar amount, amending the housing goal to reflect the increase in commitment, aligning the affordable housing definition with Proposition

123 (dividing it into 60% AMI for rental units and 100% AMI for homeownership), and aligning the expedited review process with the updated housing definition and goals.

There was discussion regarding pros and possible cons of implementing a portable housing voucher program to incentivize landlords to participate by providing financial assistance and addressing potential concerns related to security deposits. The program would be implemented in phases, with recruitment of landlords as the initial focus. Concerns about the potential exhaustion of funds allocated for incentives ensued and the need to carefully manage the budget and importance of ensuring the allocated funds are used effectively. It was suggested to conduct focus groups to determine what landlords would be willing to pay for participation.

Discussing the housing needs assessment, which was noted is four years old, staff explained that they are working on refreshing the data and plan to have it ready by the September Council meeting. They also mentioned the possibility of conducting a new housing needs assessment in 2026 to align with the census and other key housing events.

Council agreed with the need for up-to-date data and suggested providing regular updates or quarterly reports on housing trends and key numbers.

The discussion briefly touched on revisiting the idea of creating a Housing Board. Council expressed support for the concept, highlighting the need for collaboration among stakeholders and mentorship opportunities for newer organizations. They suggest exploring different models and structures for the Board and considering a sunset provision or specific timeframe for its existence.

Staff will bring back proposals from the previous discussion on the Housing Board for a more in-depth discussion in the future.

2. City Council Communication

Council discussed the upcoming National Night Out event.

3. Next Workshop Topics

City Manager Caton reported the items for the July 17, 2023 Workshop will be:

- a. City Election
- b. I-70 Interchange at 29 Road Update
- c. EV Readiness Draft Plan
- d. Grand Junction Fire Department and Clifton Fire Protection District Cooperative Services Feasibility Assessment

4. Adjournment

There being no further business, the Workshop adjourned at 7:54 p.m.