

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY **February 5, 2024**

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, Mayor Pro Tem Abe Herman and Mayor Anna Stout.

Staff Present: City Manager Greg Caton, City Attorney John Shaver, Assistant to the City Manager Johnny McFarland, Community Development Director Tamra Allen, Parks and Recreation Director Ken Sherbenou, Transportation and Engineering Director Trent Prall, Housing Manager Ashley Chambers, Police Chief Matt Smith, City Clerk Amy Phillips, Deputy City Clerks Krystle Koehler, and Selestina Sandoval.

1. Discussion Topics

a. Emerson Skate Park Final Design

Parks and Recreation Director Ken Sherbenou reported that on December 20, 2023, City Council approved a design-build contract with Ford Construction as the General Contractor and Team Pain as the skate park designer and builder for a state-of-the-art skate facility at Emerson Park. Team Pain is a renowned designer and skate park builder with over 300 highly successful skate parks nationwide and 26 in Colorado. Since contract approval, the design-build group has finalized the design and is nearing groundbreaking. The final design was presented to the City Council in July 2023. Since contract approval, further engagement with leaders in the skate community has occurred. Construction fencing is scheduled to be erected the week of February 26 for construction.

Emerson has a long history in the community as one of the City's four original historic parks. Beyond the benefit of a beautiful mature tree canopy, there is currently minimal use of Emerson Park for public recreation purposes. There is a large playground structure that is not used and a restroom facility that incurs frequent vandalism resulting in high maintenance work for City staff.

The preference for a high-end skate park for Emerson goes back further than the PROS plan, with the Emerson Park Neighborhood Association putting forth the idea back in the early 2010s. The neighborhood association recognized its potential as an underutilized, mature park with a tree canopy filled with legacy trees. The community has two skate parks over 20 years old, Westlake Park and Eagle Rim Park, both of which provide outdated features.

In the 2023 budget development process that began mid-year 2022 of the many capital needs of the City and of the Parks and Recreation department, Emerson emerged as a top contender for funding. \$100,000 was budgeted to create a site master plan, concept design, and cost estimates. The City then received ten proposals from the top skate park designers in the country in early 2023, all of whom were excited about the opportunity and saw its potential impact. Team Pain Skate Parks, in collaboration with engineers and a landscape architect, earned the project and then led another in-depth community engagement process through 2023 to create the site master plan. The process included virtual and public meetings culminating in the Emerson Skate Park plan and report. As a result of that public process involving numerous skate community members, the park has been redesigned as a destination skate/wheel park. Team Pain's Emerson Skate Park design

emphasizes modern elements that are currently lacking in Grand Junction, including an expansive street course, an intermediate bowl, and an advanced bowl.

Tim Payne, President of Team Pain, lead the presentation describing the final design of the Emerson skatepark project. He highlighted efforts to maintain the park's aesthetics and visibility while addressing concerns about vehicular access. The presentation included details on the park's features, landscaping, and amenities such as restrooms and water fountains. The team plans to start construction in spring of 2024 and emphasized collaboration with the community. Questions from Councilmembers covered topics like bollards for vehicle control and addressing issues related to the homeless population in the area during and after construction.

The discussion continued with questions about the construction process, park usage patterns, lighting, park hours, and specific details about the skatepark features.

Additional concerns about graffiti, parking availability, and the park's compatibility with the surrounding arts district was discussed, as well as the possibility of incorporating art sculptures into the skatepark and discussion of the artistic elements used in the final plan.

Overall, the discussion provided insights into the skatepark's design, construction, and its successful integration into the community.

b. Housing Goals and Implementation

Community Development Director Tamra Allen and Housing Manager Ashley Chambers lead the presentation. They reported that the Grand Junction Housing Strategy 2 focuses on implementing a local housing goal and explores strategic options to meet the housing production goal of the City of Grand Junction. Beginning with the adoption of Resolution 48-22 in June 2022, the City has aligned with Strategy 2: Adopt a Local Affordable Housing Goal and committed to Proposition 123 (Prop 123) by revising affordable housing definitions. Discussion included four strategic approaches to meeting the goal and increasing unit production within the city.

The Housing Needs Assessment indicated an annual average of 35 units of affordable housing production until 2022. In 2022, the City achieved the production of five homeownership units and 45 rental units, totaling 50 newly constructed units. Additionally, 51 units were preserved as affordable, totaling 101 affordable units.

The presentation focused on concrete numbers and criteria for counting units towards the affordable housing goals. Ms. Chambers explained that units at 60% affordability, funded by certain sources, could potentially count. There was discussion regarding the ability to count shelter beds as part of the overall number of units created in a particular year.

Ms. Chambers outlined four approaches for meeting housing goals

1. **Develop and Fund Units Independently:** The City takes on the development process, funding, and construction, providing maximum control. It requires significant financial and staffing resources.

2. **Partnering with Nonprofit and For-Profit Entities:** Involves pooling resources through public-private partnerships, allowing for shared responsibility and additional funding sources. It requires collaboration, contracts, and stakeholder support.
3. **Land Bank or Land Trust Model:** Involves purchasing or leasing property with shared financial responsibility. The City's role is more on funding for land, and there's a focus on long-term affordability through land or permanent restrictions.
4. **Combination of Approaches Based on Funding Availability:** An agile and flexible approach based on available funding and project progress. However, it lacks a clear vision.

Concrete examples were discussed, such as the hotel conversion model and public-private partnerships with nonprofits like Habitat for Humanity. Questions were raised about counting units in preservation efforts, partnerships with nonprofit housing providers, and the role of income-qualified tenants in homeownership projects.

Ms. Chambers emphasized the importance of understanding the commitment and challenges associated with each approach.

Discussion ensued, providing a high-level summary of each strategy and the progress made. The strategies discussed included:

1. **Participation in Collaboration Regarding Housing Homelessness Needs and Services:** The City collaborates with unhoused, the Housing Authority, and many nonprofit housing providers to address housing and homelessness needs.
2. **Adopt Housing Goals:** The City increased its housing goals dramatically, responding to Proposition 1, 2, 3, aiming for 125 units per year.
3. **Implement Land Use Code Changes:** Efforts to update the Land Use Code to facilitate attainable housing development and diversity.
4. **Encourage Development of Accessory Dwelling Units (ADUs):** Includes revising regulatory standards, educational workshops, and creating an ADU production program.
5. **Formalize Existing Incentives and Conditions:** Consideration of incentives for affordable housing development, including a previously proposed affordable housing incentive policy.
6. **Allocate or Acquire Land for Affordable Housing:** The City is actively working on acquiring City-owned land and strategically acquiring vacant or underutilized properties for affordable housing.

Additional discussion highlighted specific achievements made by the City and its partners, a recent \$2.5 M grant received by the City, and ongoing efforts regarding housing goals. Some of the ongoing efforts included:

- **Creating a Dedicated Revenue Source:** The City explored options, including a lodging tax increase and a short-term rental tax, but both failed at the ballot. City Manager Caton reported that the 2024 budget has allocated significant funds for housing, but it is not a substitute for a long-term dedicated tax revenue.
- **Providing Financial Support to Existing Services:** The City annually supports housing and homelessness services through the budget, allocating significant financial resources to non-profits.
- **Supporting Acquisition or Rehabilitation of Affordable Housing:** The City has invested in preserving affordable housing, such as Hilltop Programs, and continues to explore opportunities.
- **Exploring Designation of Urban Renewal Area (URA):** The City is still exploring the possibility of designating a URA and utilizing tax increment financing for housing.

- **Consideration of a Voluntary Rental Registry Program:** The City is researching and developing a voluntary rental registry program with landlord incentives.

There was discussion on the success and challenges of the Accessory Dwelling Unit (ADU) incentive program and insights into the challenges faced by the community regarding housing production, effectiveness of implemented programs, and the potential for future collaborations with for-profit entities. Some key points included:

- **Incentives and Challenges:** The view was expressed that the incentives would have to be significant to make it work, and concerns about introducing restrictions along with public subsidies.
- **Interest Rates and Capital Stack:** Developers face challenges due to current interest rates, even with Low-Income Housing Tax Credits (LIHTC). Private developers express reluctance to build affordable housing from the ground up without significant incentives.
- **Potential Solutions:** Identify strategic locations for affordable housing projects and invite developers with specific requirements. This could involve shorter lease terms, creative models, and an emphasis on keeping money in the community.

Concluding discussion, the period of 2025-2026 is seen as a time when financial contributions from the City will be necessary, prioritizing strategies, and the need for ongoing dialogue and adaptive strategies. Some key points included:

- **Timing and Achievements:** There was acknowledgment of the swift progress made in the last 18 months, with kudos given to the City for accomplishing a lot within a relatively short time frame.
- **Inventory of Ideal Lots:** There was a suggestion to create an inventory of ideal lots for affordable housing projects, exploring strategic locations where the City has acquired the right-of-way.
- **Refreshed Strategies:** The need for updating the housing needs assessment was discussed, and there is a plan to bring forward refreshed strategies and options for further discussion. The conversation includes considering middle-income, attainable housing as a focus.
- **Long-Term Funding:** The discussion touches on the importance of exploring long-term funding options for affordable housing. Potential sources such as property tax, lodging tax, and linkage fees were mentioned, and a workshop is suggested to delve into these possibilities.

c. Undergrounding Existing Overhead Utility Lines

Tamra Allen Community Development Director and Trent Prall Transportation and Engineering Director presented the item.

The Zoning and Development Code requires that all new utility lines are undergrounded and that any existing overhead utilities be installed underground except when the development has less than 700 feet of frontage, in which case the Community Development Director can accept a cash payment in-lieu. The burden of undergrounding an overhead utility line is borne fully by the property owner on which the power poles have been installed and it is generally perceived by the development industry that the requirement to underground along frontages less than 700 feet puts an unfair burden on development that happens to have overhead utilities along the property frontage. For development with frontage less than 700 feet, with the option to pay the in-lieu fee, the rate was established in 2005 and is set at \$25.65 per linear foot. The actual estimated average cost for undergrounding utilities is approximately \$300 per lineal foot.

In 2018, participants in the City's ad hoc Development Roundtable identified the issue of existing overhead utility undergrounding requirements as a development challenge to staff. Subsequently,

staff discussed with the City Council several options for addressing the issue and received direction to continue work with industry representatives. Over the course of the past five years, staff have worked intermittently with the roundtable to identify an approach that would address the community's needs. Discussion continued on this topic until as recently as June 2022, when the Code Committee took up this issue as a part of the Zoning and Development Code update. As expected, the Code Committee recommended the requirement be removed from the Code. This recommendation was supported during the review and recommendation process by the Planning Commission. At that time, Community Development staff also supported the removal of the code requirement while the consultant team (Clarion Associates) recommended "maintaining the current undergrounding requirement while pursuing a policy discussion at the City Council level to determine whether City participation in the undergrounding costs for some projects would provide an overall benefit to the community." Ultimately, the City Council's recently adopted Code maintained the requirement to underground existing overhead utility lines. Staff was directed to bring the topic of Utility Undergrounding to a City Council workshop for additional policy discussion and direction in early 2024.

A detailed discussion about the challenges, costs, and potential regulatory changes associated with the undergrounding of utility lines ensued.

- **Cost Considerations:** The high costs associated with undergrounding utility lines. There's a breakdown of costs for different types of lines, such as secondary lines and primary transmission lines. The costs have apparently doubled over a four-year period.
- **Regulatory Challenges:** Challenges related to the regulatory process, timing issues with utility companies like Excel, and the perceived antiquation of in-lieu fees are discussed.
- **Proposed Options:** Two options are presented for properties with less than 700 feet of frontage. The first option is to maintain the current in-lieu fee structure, and the second option involves considering a fee increase to better reflect the actual costs of undergrounding.
- **Clarification Question:** There is a clarification question about whether the 700 feet metric applies to the entire project or individual lots, especially considering situations where developers may sell off individual lots.

Conversation continued with examples from specific developments and visual aids to illustrate costs and considerations associated with undergrounding utility lines. Some key points:

- **Clarification on 700ft Metric:** The 700ft metric applies to the entire development. For example, even if individual lots have less than 700ft frontage, the cumulative frontage of the entire development is considered.
- **Cumulative Frontage Consideration:** The cumulative frontage of a development determines whether it falls under the requirement for undergrounding utility lines. If a subdivision is created from a larger parcel, the cumulative frontage of the original parcel is considered.
- **Options for Properties with 700ft or Greater Frontage:** Five options are outlined for properties with 700ft or greater frontage. These options involve variations in requiring developers to underground secondary lines, seeking contributions from funds, executing reimbursement agreements, cost-sharing between the City and developer, or eliminating the requirement for undergrounding secondary lines altogether.
- **Question on Negotiation with Power Companies:** There was a question about the possibility of negotiating with power companies before the franchise agreements are renegotiated in 2031 and exploring partnerships and/or joint workshops to address challenges related to obtaining accurate cost estimates from power companies.

Discussion continued with a focus on various aspects of the undergrounding utility lines issue. Here are the key points:

- **Transparency:** The lack of transparency from power companies regarding costs raised concerns about the impact on budgeting for developments.
- **Affordability and Development Impact:** Conversation included considerations about affordability, the impact on property values, and the potential for developers to voluntarily choose to underground lines for the value it adds to their projects.
- **Service Lines Undergrounding:** A question was raised about whether service lines (connecting individual properties to the primary or secondary lines) are typically required to be underground. The discussion touched on the standard practices and requirements for service lines in developments.

Concluding the item, Council expressed a desire to continue discussions with the developer community, seeking more direct input and insights. There was an emphasis on involving various stakeholders, including real estate developers, engineers, and representatives from different facets of development.

d. Unhoused Strategy Report

Ashley Chambers, Housing Manager reported that JG Research completed the Unhoused Needs Assessment (UHNA) in November 2023. The Assessment was presented to both the City Council and the Mesa County Board of County Commissioners. The UHNA serves as a valuable resource for recognizing systemic issues within the community and identifying areas of strength. The creation of the Assessment included a community-led survey, focus groups, data collection from state and local service agencies, and interviews. The primary goal was to systematically gather and aggregate data, focusing on evaluating the needs, identifying gaps, and assessing the capacity of services and facilities needed to support the unhoused population and facilitate their transition into housing.

JG Research was also tasked with developing community-led strategies to support the unhoused population and facilitate their transition into housing. The strategies are informed by effective policy and program models designed to yield a significant impact on Grand Junction and Mesa County. On January 22, the Unhoused Needs Strategic Report was presented, and City Council and County Commissioners provided feedback to the researchers. JG Research presented an adjusted draft of strategies that incorporated feedback and fostered further discussion.

Council discussion ensued regarding strategies proposed for addressing homelessness and the recommended actions for each strategy. Key points included:

- **Coordinated Entry and System of Care Processes:** There's a focus on enhancing the coordinated entry system, with actions such as creating a multi-stakeholder leadership team, defining clear metrics, and strengthening data collection. The goal is to ensure all service providers are fully invested in the system.
- **City-County Housing Fund:** The proposal suggested establishing a flexible fund to support housing security. Various funding models were discussed, including public-private partnerships, and exploring options like low or no-interest loans. Examples from other communities, such as Denver and Colorado Springs, were cited.

- **Prevention, Diversion, and Navigation Services:** Strategies involve expanding access to prevention and diversion services, aligning outreach efforts, and incorporating data systems coordination. There was an emphasis on engaging people experiencing homelessness in the process and ensuring existing efforts are coordinated effectively.
- **Accessibility to Basic Needs and Hygiene:** The plan addressed the need for basic facilities like restrooms and focused on coordinating existing grassroots efforts. Recommendations included exploring models for maintaining facilities long-term and involving people experiencing homelessness in efforts.
- **Mental Health Care and Substance Use Treatment:** The strategy aims to expand mental health care and substance use treatment services, leveraging existing County efforts. Suggestions included exploring mobile clinics, outreach teams, and coordinating data systems for better integration.
- **Transportation Services:** The plan seeks to increase accessibility and expand transportation services, addressing the needs of the unsheltered population. Proposed actions include expanding reduced fare programs, increasing frequency of route services, and developing a voucher program for private transportation.
- **Performance Metrics:** The overall goal is to decrease the number of people entering homelessness, increase the number exiting homelessness, and improve the quality of exits to prevent re-entry into homelessness.
- **Next Steps:** The suggested next steps involve identifying key stakeholders, establishing roles and responsibilities, creating an implementation plan, tracking, and maintaining accountability, taking inventory of existing resources, and regularly monitoring and adapting strategies.

2. City Council Communication

Mayor Stout noted that the City will conduct interviews for the Urban Trails Committee and Forestry Board. She asked for one Councilmember to serve on each of the interview teams. Mayor Pro Tem Herman will serve on the Urban Trails and Councilmember Reitz will serve on the Forestry Board interview teams.

Members of Council requested the following items be added to the TBD workshop list for further discussion.

- Electric fences
- Occupancy maximums for residential units
- Air Alliance
- Housing Authority Impact Fees

1. Adjournment

There being no further business, the Workshop adjourned at 9:33 p.m.