

**GRAND JUNCTION CITY COUNCIL
MINUTES OF THE REGULAR MEETING**

March 1, 1995

The City Council of the City of Grand Junction, Colorado, convened into regular session the 1st day of March, 1995, at 7:35 p.m. in the City/County Auditorium at City Hall. Those present were Linda Afman, Jim Baughman, Bill Bessinger, Ron Maupin, Reford Theobold, John Tomlinson and President of the Council R.T. Mantlo. Also present were City Manager Mark Achen, City Attorney Dan Wilson, and City Clerk Stephanie Nye.

INTRODUCTION OF WEBELOS PACK #318 FROM HOLY FAMILY SCHOOL

INTRODUCTION OF GROUP OF GIRL SCOUTS BROWNIES FROM TROOP #130

Council President Mantlo called the meeting to order and Councilmember Baughman led in the Pledge of Allegiance. The audience remained standing during the invocation by Rev. Darrell Hailey, First Assembly of God Church.

PROCLAMATION DECLARING MARCH 14, 1995 AS "BE YOUR BEST DAY" IN THE CITY OF GRAND JUNCTION ON BEHALF OF GIRL SCOUTS OF THE U.S.A.

PROCLAMATION DECLARING THE MONTH OF MARCH, 1995 AS "AMERICAN RED CROSS MONTH"

REAPPOINTMENT OF URSULA HEMMERICH TO THE COMMISSION ON ARTS AND CULTURE

Upon motion by Councilmember Maupin, seconded by Councilmember Baughman and carried, Ursula Hemmerich was reappointed to a three-year term on the Commission on Arts and Culture.

CONSENT ITEMS

President of the Council removed Consent Item #7 from the agenda for full discussion. Upon motion by Councilmember Theobold, seconded by Councilmember Baughman and carried by roll call vote with Consent Item #7 being removed from the Consent Agenda, and Councilmember **BESSINGER** voting **NO** on Consent Items #3 and #4, the following Consent Items 1-10 were approved:

1. **Approving** the minutes of the Regular Meeting February 15, 1995
2. *** Resolution No. 22-95** - A Resolution Designating the Voting District Boundaries in the City of Grand Junction

Although the Charter provides that territories annexed are included in the previously designated boundaries, we thought for clarity sake the Council should adopt the new legal

descriptions. The internal boundaries have not changed.

3. **Authorizing** the City Manager to Execute a Construction Contract for the 28 1/4 Road Reconstruction, North Avenue to Orchard Avenue
Recommended Award: M.A. Concrete Construction, Inc. - \$819,168.50

The following bids were received on February 22, 1995:

<u>Contractor</u>	<u>Bid</u>
M.A. Concrete Construction, Inc.	\$819,168.50
Elam Construction, Inc.	\$828,948.00
United Companies of Mesa County, Inc.	\$872,937.15
Engineer's Estimate	\$898,275.50

4. **Authorizing** the Expenditure of **\$29,016** from the Capital Contingency Fund for City Hall Basement Remodel; Award City Hall Basement Remodel Contract to Delbert McClure Construction in the Amount of **\$8,358**, and Award Contract for Furnishing Modular Furniture to Interiors Etc., in the Amount of **\$22,634**

Remodeling of City Hall provides the most cost effective alternative in providing the required office space, rather than renting space off premises as originally budgeted for in 1995. Total cost of the remodel project would be \$36,792. City Council action is required to appropriate the funds for the project, award the contract for the structural remodel changes and award of the additional furniture purchase.

5. **Authorizing** the City Manager to Execute an Engineering Service Agreement for the 1995 Alley Improvement District
Recommended Award: Rolland Engineering - \$21,500

The following proposals were received on February 10, 1995:

<u>Engineering Firm</u>	<u>SewerAlley Total</u>		
	<u>Repl.Design</u>	<u>Lump</u>	<u>Sum</u>
	<u>Design</u>	<u>_____</u>	<u>_____ Fee</u>
Rolland Engineering	\$4,300	\$17,200	\$21,500
Western Engineers	\$2,165	\$23,250	\$25,415
Williams Engineering	\$2,580	\$23,220	\$25,800
KLH Engineering Group	\$3,750	\$22,500	\$26,250
LANDesign LLC	\$11,500	\$31,000	\$42,500

6. **Proposed Ordinance** - An Ordinance Annexing Territory to the City of Grand Junction - Interstate Addition Enclave, Approximately 11.27 Acres Located at the Northeast Corner of 23 Road and G 1/4 Road [File #ANX-95-12]

The Interstate Addition Enclave is located along the east side of 23 Road at a point where G 1/4 Road would be. This area is totally surrounded by the City limits and is eligible for annexation under State Statutes.

a. First Reading of Proposed Ordinance

7. **Authorizing** a \$100,000 Transfer and Expenditure of General Fund Contingency Funds in Support of the Grand Junction Housing Authority Crystal Brook Housing Project - **REMOVED FOR FULL DISCUSSION**
8. *** Resolution No. 23-95** - A Resolution Amending the General Capital Improvement Plan in Order to Fund a Total of \$6.6 Million in Park Development Costs During the Years 1995 through 1997

As recommended by the City Council Capital Improvement Planning Committee, the 10-year C.I.P. has been modified to allow for \$6.6 million in capital construction costs for the development of park facilities over the next three years, 1995 inclusive.

9. *** Resolution No. 24-95** - A Resolution Amending Resolution No. 44-89 By Providing for City Council Approval of Grants Awarded by the Commission on Arts and Culture
10. *** Resolution No. 25-95** - A Resolution Objecting to Use of a City Flowline Tap for the Water Supply to a Campground Near Kannah Creek

* * * END OF CONSENT CALENDAR * * *

* * * ITEMS NEEDING INDIVIDUAL CONSIDERATION * * *

AUTHORIZING A \$100,000 TRANSFER AND EXPENDITURE OF GENERAL FUND CONTINGENCY FUNDS IN SUPPORT OF THE GRAND JUNCTION HOUSING AUTHORITY CRYSTAL BROOK HOUSING PROJECT

Jody Kole, Housing Authority Director, reviewed this item. She stated that the Housing Authority has attempted to identify a

suitable site to develop additional affordable housing in response to the growing need. The Authority believes the Crystal Brook site on Orchard Mesa, immediately adjacent to the Duck Pond Park, is a wonderful infill opportunity to complete a development originally planned by a private developer in the late 70's. Forty units are planned which is consistent with the existing zoning. Ms. Kole requested that City Council authorize a City investment of \$100,000 toward this project. The Authority is also requesting that Mesa County make a like contribution. The local resources invested in this project, including some from the Housing Authority, will leverage additional outside investment, including monies from the State Division of Housing, an equity investor, the Enterprise Social Investment Corporation, and other sources.

In response to questions of Councilmember Afman, Ms. Kole stated that she has not spoken to the principals of the affected schools in the area. The Housing Authority estimates approximately 30 additional children will reside at the site (2 students per grade level).

The financing mechanism that the Authority is trying to use is a federal low income housing tax credit program where resources are allocated to the states. In Colorado, this is allocated through the Colorado Housing Finance Authority. The Housing Authority will apply for that funding a second time in mid-May, and will hear whether or not they were successful in mid-July. She expects construction to begin approximately October, 1995, with a six to seven month construction time frame. The units would be available for rent late April or early May of 1996. She stated that City Council's support of this financing packaging is critical to seeing the entire project succeed.

Councilmember Afman was concerned about the safety of the children as they walk to school because of the foot traffic and vehicle traffic on Santa Clara Avenue. Ms. Kole believes the majority of the traffic out of this development will travel west on Santa Clara to the downtown and northern areas. The vehicles traveling east on Santa Clara may be in conflict with the students. The City has widened the street in that area. The Authority has planned an additional foot bridge from the south side of the development towards Unaweep, so children could use either Santa Clara or Unaweep. There are wider walking paths for the children to the east of the development.

Ms. Kole stated that the Housing Authority will be happy to work with the School District on long-range planning. The overcrowding in the schools is a valley-wide problem. Councilmember Maupin

felt that the schools were overcrowded two years ago. Ms. Kole believes the children who will live in this development are already in the valley. Building the apartments does not create the children. It may rearrange where they live and attend school.

Ms. Kole continued that the families that move into this complex will have incomes at, or below, 55% of the median family income, working families earning from minimum wage up to \$9.25 per hour, depending on the size of the family. There are now approximately 450 families living in the valley who are on the waiting list for low income housing. She stated that there will be a separate waiting list for this property because the income guidelines and some of the other standards for this property are different from the properties that the Housing Authority currently manages. One critical difference is that the other properties managed by the Housing Authority require a "federal preference" in order to be eligible to rent an apartment. Those federal preferences were designed by HUD to insure that housing assistance first served those families in the greatest need. The Crystal Brook development will not have those narrowing restrictions and will have a broader range of tenant base who may apply to live there. The income levels at Crystal Brook will be somewhat higher than the typical properties that the Housing Authority manages.

Ms. Kole stated that HUD will not be involved in the management of this property. The money that is requested from the State will be Federal pass-through funds from HUD, and they will have some strings attached as to how the construction is done and the simple management of the property. Beyond that, it is treated as though it were a market project, and it can be managed according to good common business sense rather than HUD rules, which are sometimes consistent and sometimes inconsistent with business sense.

In response to questions from Councilmember Bessinger, Ms. Kole stated that the equity investor, Enterprise Social Investment Corporation, will get involved in this project as long as the Housing Authority is successful in its application for tax credits. They will join in a limited partnership with the Housing Authority and will gain the benefit of the tax credits and the depreciation as a return for their equity position in the property. They will hold their equity position for 15 years, as required by federal law. At that time the Enterprise Corporation has agreed to "gift" to the Housing Authority their equity in the project, as long as the Housing Authority will assure that it will continue to be affordable housing for the long-term, and that it will be managed in the same manner as the first 15 years. Ms. Kole stated that this investment is profit motivated.

Councilmember Theobold explained that tax credits is a program put together at the federal level, and is a direct deduction off of the 1040, so that when someone buys tax credits, an investor like Enterprise, it means they get for 15 years a specific dollar amount. It is not a tax deduction which would lower their taxable income. It's a specific tax credit, which means the return comes directly off the bottom line of the taxes of their investors. The subsidy does not come from the City of Grand Junction or from any of these other people. It is created from a pool, allocated State to State, by the federal government. The Authority is competing to get the \$1.5 million that the investor is going to be earning from tax credits. If it isn't spent here, it will be spent somewhere else. It is going to exist as a tax credit for these people someplace. Councilmember Theobold feels the need is here. The need will be verified by CHAFA and others by granting the Authority these tax credits for use in this community. He feels the City has been lax in taking advantage of these tax credits to create this type of investment opportunity and this type of housing.

Ms. Kole stated that the City's investment in this development will not alter the equity investor's return on their investment. It is typical in a tax credit development for the tax credit equity partner to bring 40% to 48% of the total cost to the table. The mortgage will be supported by the rents charged the residents, which will be 10% to 12% of the total project costs. That leaves a financing gap, and the Housing Authority must find a way to fund this in some other way. The form in which the Housing Authority is asking the City to invest is a "forgivable" loan to the development. It does not go into the pockets of the investor, but stays as a loan on the books until that equity investor sells the project or gives the project back to the Housing Authority.

Councilmember Theobold stated that this will be owned and operated by the Housing Authority in the end, and they are going to be able to operate it as public housing. The units being currently managed by the Housing Authority (Ratekin Towers, Walnut Park, Capital Terrace) are assets to their neighborhoods, and are well maintained and look good, and do not bring down the adjoining property values. He believes the City's involvement is critical and is a very big asset to the success of this development.

Councilmember Maupin stated that both the Grand Junction Planning Task Force and the Mesa County Planning Task Force have identified affordable housing as a major concern for the valley. The Governor's Summit on growth has identified affordable housing as a

major issue across the State of Colorado. Surrounding cities are grappling with affordable housing also. He did not feel that anyone can deny that there is a definite need for affordable housing.

Councilmember Bessinger agrees that affordable housing is needed, but is not in agreement with the method of funding such projects.

Comments were received from the following persons:

1. Mr. Robert W. Holmes, 1550 Dolores, spoke. He has lived at this address for 41 years. His home is less than two blocks from the proposed project. He did not feel that it is in the interest of the City Council nor of the County Commissioners to provide this project with \$100,000 each of funds derived from the taxpayers of this community. The Housing Authority would provide \$384,000, making a total of \$584,000 against a project that is supposed to be \$2.6 million. At this time, when deficit spending is at the threshold of bankruptcy for this country, it would seem prudent for local governments to exercise restraint at every opportunity. Fiscal responsibility is a vital ingredient in the charge of protecting the health, safety and welfare of those who City Council represents. He feels anything that HUD has brought into a community has been a blight. He does not think it will change in this situation. He urged City Council to consider very carefully the consequences of this investment.
2. Ms. Keeley Sutherland, 555 Santa Clara Avenue, spoke. Her home is located on the corner of Laveta and Santa Clara. She was concerned as a parent of children who attend Columbus Elementary School. Columbus Elementary is over capacity at present. Even an increase of one child would be too much for the classrooms. The student/teacher ratio would suffer. She was also concerned with the increased traffic along Santa Clara. There is a 4-way stop at Aspen which is two blocks up. Laveta will be the only route in and out of the Crystal Brooks area. Santa Clara Avenue will be a major thoroughfare for access to the homes situated north of Santa Clara, between the river and Santa Clara Avenue. Santa Clara has no school zone designation, there are no flashing lights. The posted speed limit on Santa Clara is 25 mph, which is not strictly enforced or patrolled. She expects that this development will add up to 40 additional vehicles on Santa Clara. She feels it compromises the safety of the children walking to and from school. Ms. Sutherland asked Housing Director Jody Kole if City and County taxes will be paid on

the property. Ms. Kole responded that she believes the Housing Authority will be required to pay taxes.

3. Ralph DeAndre, 187 Edlund Road, had specific problems with the development:
 - a. Image - It was recognized early on that Orchard Mesa has an image problem. Improvement can be made by instilling pride in the community. It is done by the residents without help from the government. One of the proposals of the Land Use Master Plan for Orchard Mesa was to have the Housing Authority develop incentives to increase the amount of owner occupancy in the area at 27 Road west and north of Highway 50. Adding another 55 rental units to this same neighborhood is not going to increase the proportion of owner occupancy.
 - b. Zoning - There are portions of Orchard Mesa that are over zoned. They are zoned RMF-16, based in large measure on the 25-foot frontages and the old square mile lots that are present in that part of Orchard Mesa. The recommendation is to downzone it to 8 units per acre.
 - c. School Impact - The building capacity of Columbus Elementary is 328. The current 1994 enrollment is 350. The projected enrollment next year, without the Crystal Brook apartments, is 371. This is not a trivial problem.
 - d. Taxes - Mr. DeAndre stated that the Housing Authority does not pay taxes on any of its other buildings. The silent partner in this development is a non-profit corporation that may or may not have to pay property taxes. He reminded Council that property taxes are the principal means by which education is funded in this community. He felt that to contribute tax dollars into a project that is going to overcrowd a school, and then have another entity of government come back again next year for additional tax dollars from him, does not make sense.
4. Vicki Felmlee, 178 Glory View Drive, stated the Orchard Mesa community is carrying its share of the burden of providing low-income housing. She reiterated Mr. DeAndre's comments. She realizes there is a definite need for low-income housing in the valley, but asked Council to be sensitive to Orchard

Mesa.

5. Joseph Marie, 2863 Hill Avenue, wished to dispel the rumor that renters have no pride in their property. As a renter himself, Mr. Marie helps maintain the rental complex in which he is living at present. He feels there is a need for an innovative solution - ownership proposal.
6. Larry Howe-Kerr, 140 Elm Avenue, works with the Catholic Diocese of Pueblo, which includes the Grand Valley. They are particularly interested in affordable housing. He has been impressed with the Grand Junction Housing Authority's efforts with this project. By not providing affordable housing now, more costs will be caused in the future. He understands the overcrowding of schools. He feels he needs to support this project as there are no other low-income developments being constructed in the area. He commended the Housing Authority for finding a way of using an existing development plan to provide affordable housing. He also affirms owner occupied housing.
7. Debra Kraybacker, 230 Sunset Hills, stated that the residents of Orchard Mesa are not arguing the point that low-income housing is definitely a necessity in this community. Her concern is the location of the project. She feels that Orchard Mesa has taken enough. She feels the residents of Orchard Mesa, in many ways, do not get respect for their tax dollars in Orchard Mesa. Columbus Elementary has four mobile units on its property currently, and is overcrowded. She feels that the increased traffic in the area over the past two years is frightening. Any additional traffic would be unbearable. If another low-income housing project is constructed on Orchard Mesa, the homeowners will be outraged.
8. Dan Whalen, 1111 Ouray, Energy Office Director, stated that growth has caused more affordable housing problems. There must be different ways to handle this problem. The Division of Housing money is available this year, and may not be available next year. He felt that with a viable project, the availability of funds needs to be kept in mind, and Council should go forward with it.
9. Caroline Conrad, 580 Bookcliff Avenue, stated she works daily with people who are looking for affordable housing. The main priority in the valley is affordable housing. She suggested that people are the first priority, and the prevention of homelessness is important. She felt this is an appropriate

project because it is taking what was abandoned at a time when there was no demand, and completed at a time when the demand is high. She felt the project would be an improvement, aesthetically, to that neighborhood. She urged Council to consider this project for the people who need housing.

10. Karen Eileen Kimball, 545 Highway 50, has two properties on Orchard Mesa, a business at 539 Highway 50, and a home next door. She is the President of Columbus Elementary PTO. She does believe housing is needed. She was concerned about the overcrowded school situation, and the fact she must send her child to another school for her special needs. She felt there are other areas where it would be beneficial to locate this project.

Councilmember Tomlinson noted that representatives from the Economic Development Council should have been in attendance tonight to hear these comments, mainly regarding the hourly wage paid by new companies in the area.

Councilmember Bessinger was concerned with increased traffic and felt that crowding people together can result in a higher crime rate.

Councilmember Baughman stated that the City is going to be subsidizing housing for people with incomes that are considerably higher than what many people in Grand Junction earn. He estimates that 50% of the City of Grand Junction residents make less than \$9.29 per hour. He feels that the taxpayers, in many cases, who are making less money, will be subsidizing housing for those that are earning more. He feels this is wrong. He felt that the people of this community should help their fellow citizens. He feels the real solution is to call on the Christian community, with those more fortunate assisting those that are less fortunate. He felt the City Charter should not give authorization to use public funds for low-income housing. He felt the funds should be derived from churches, service clubs, civic groups, families, friends and neighbors. Councilmember Baughman gave \$100 in cash to Ms. Kole as the Housing Authority Director, and challenged his fellow Council members and other civic leaders in the community to do the same. He feels this is the solution. Councilmember Bessinger accepted Councilmember Baughman's challenge by contributing \$100 also.

President of the Council Mantlo agreed with Councilmember Baughman's idea, but did not feel it was that simple.

Councilmember Afman was concerned that the principals of both schools on Orchard Mesa were not contacted regarding this proposed project.

Councilmember Theobold stated that each Councilmember's constituents are citizens of the entire City. No matter what location within the City is chosen, there will be complaints of overcrowded schools, and additional traffic.

President of the Council Mantlo said he would like to postpone this item for two weeks and have representatives from the School District meet with Council, and tell Council whether this project will prohibit the District from positively educating the children in the neighborhood. When more schools are needed, more taxes will be needed.

Councilmember Maupin stated that last year representatives from the School District were present before Council and stated that all the schools are crowded, and it is a definite problem. It was stated that Appleton Elementary was the least crowded school in the valley.

Councilmember Tomlinson felt it would be more appropriate to request the Housing Authority to meet with the School District. It would then be the Housing Authority's responsibility to report to City Council on questions being raised.

Upon motion by Councilmember Baughman, seconded by Councilmember Afman and carried by roll call vote with Councilmembers **MAUPIN** and **THEOBOLD** voting **NO**, the Grand Junction Housing Authority was directed to contact the School District and residents of the Columbus School area to determine the impact this project will have on Columbus Elementary School. The Housing Authority is to report back to City Council in two weeks.

Ms. Felmlee asked if the City Council representative that serves on the Housing Authority Board would abstain from voting on this project. President of the Council Mantlo responded that all members of Council serve on various boards. If there is a personal interest or personal gain that a councilmember would receive from a decision, then it is considered a conflict of interest. Otherwise, they are allowed to vote.

PUBLIC HEARING - ORDINANCE NO. 2816 - AN ORDINANCE REZONING LAND AT 2707 AND 2713 B-3/4 ROAD FROM PR-10 TO RSF-8 [FILE #95-13]

This is a request for rezone of a 2.86 acre tract of land located at 2707 and 2713 B-3/4 Road from PR-10 to RSF-8. Planning Commission made a finding that the plan and approvals associated with the PR-10 zoning have "lapsed." Affected property owners consent to the rezone.

A hearing was held after proper notice. Michael Drollinger, Community Development Department, reviewed this item. Staff requests these parcels be rezoned back to RSF-8 which is consistent with the surrounding zoning in that area. It is also consistent with the recommendations of the proposed draft Orchard Mesa Master Plan. Mr. Drollinger stated that no objections have been received either by phone or letter.

There were no other comments. Upon motion by Councilmember Bessinger, seconded by Councilmember Afman and carried by roll call vote, Ordinance No. 2816 was adopted, and ordered published.

PUBLIC HEARING - ORDINANCE NO. 2817 - AN ORDINANCE ZONING THE BLUE HERON ENCLAVE ANNEXATION C-2, I-1, I-2 AND PZ [FILE #206-94]

The Blue Heron Enclave is located along River Road between 24 Road and 24-3/4 Road and south to the Colorado River. The City is required by State Statute to establish zoning for the annexation.

A hearing was held after proper notice. Dave Thornton, Community Development Department, answered questions of Council. Mr. Jim Boytella's property was discussed briefly.

There were no other comments. Upon motion by Councilmember Tomlinson, seconded by Councilmember Baughman and carried by roll call vote, Ordinance No. 2817 was adopted, and ordered published.

HOUSING DISCUSSED BY MAYOR MANTLO

President of the Council Mantlo stated discussion on low-income, affordable housing has taken place tonight, and feels that City Council needs to, as a body, decide where and when affordable housing can be constructed in the City.

ADJOURNMENT

Upon motion by Councilmember Maupin, seconded by Councilmember

Bessinger and carried, the meeting was adjourned at 9:30 p.m.

Stephanie Nye, CMC
City Clerk