

**GRAND JUNCTION CITY COUNCIL
WORKSHOP AGENDA**

**MONDAY, NOVEMBER 13, 2006, 7:00 PM
CITY HALL AUDITORIUM, 250 N. 5TH STREET**

MAYOR'S INTRODUCTION AND WELCOME

- 7:00 **COUNCILMEMBER REPORTS**
- 7:15 **CITY MANAGER'S REPORT**
- 7:20 **REVIEW OF FUTURE WORKSHOP AGENDAS** [Attach W-1](#)
- 7:25 **REVIEW WEDNESDAY COUNCIL AGENDA**
- 7:30 **APPOINTMENTS TO BOARDS AND COMMISSIONS:** The City Clerk will update the City Council on the status of the current vacancies. [Attach W-2](#)
- 7:35 **RECREATION CENTER(S) FEASIBILITY STUDY:** The leaders of this project will present their plan for engaging the community in this effort. [Attach W-3](#)
- 7:50 **FIRE HAZARD ASSESSMENT REPORT:** Connie Clementson, US Forest Service District Ranger, will give a progress report on the Fire Hazard Management Plan. [Attach W-4](#)
- 8:25 **GRAND VALLEY HOUSING PARTNERSHIP:** Partnership members Jody Kole and Bill Whaley will present a proposal for funding local affordable housing projects. [Attach W-5](#)

ADJOURN

FUTURE CITY COUNCIL WORKSHOP AGENDAS

(08 November 2006)

NOVEMBER 2006

↳ **NOVEMBER 20, MONDAY 11:30 AM in the Administration Conference Room**
11:30 TABOR DISCUSSION

DECEMBER 2006

↳ ~~DECEMBER 4, MONDAY 11:30 AM CANCELED~~

↳ **DECEMBER 4, MONDAY 7:00PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 UPDATE ON GRAND JUNCTION'S ENERGY CONSERVATION EFFORTS & WHAT OTHER COMMUNITIES ARE DOING IN THIS AREA

↳ **DECEMBER 18, MONDAY 11:30 AM in the Administration Conference Room**

11:30 ANNUAL MEETING WITH DOWNTOWN DEVELOPMENT BOARD OF DIRECTORS

↳ **DECEMBER 18, MONDAY 7:00 PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 PROPOSED CHARTER AMENDMENTS

8:05 RIVERSIDE PARKWAY PROPERTY REMNANTS: Update & Review

JANUARY 2007

↳ ~~JANUARY 1, MONDAY 11:30 AM~~ Holiday-Meeting Canceled

↳ ~~JANUARY 1, MONDAY 7:00 PM~~ Holiday-Meeting Canceled

↳ **JANUARY 15, MONDAY 11:30 AM in the Administration Conference Room**

11:30 OPEN

↳ **JANUARY 15, MONDAY 7:00 PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 APPOINTMENTS TO BOARDS & COMMISSIONS

7:35 OPEN

FEBRUARY 2007

↳ **FEBRUARY 5, MONDAY 11:30 AM at Two Rivers Convention Center**

11:30 ANNUAL MEETING WITH THE PARKS & RECREATION ADVISORY BOARD

↳ **FEBRUARY 5, MONDAY 7:00PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 APPOINTMENTS TO BOARDS & COMMISSIONS

7:35 OPEN

↳ **FEBRUARY 19, MONDAY 11:30 AM location to be decided**

11:30 OPEN

↳ **FEBRUARY 19, MONDAY 7:00 PM in the City Hall Auditorium**

7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA AND FUTURE WORKSHOP AGENDAS

7:25 CITY MANAGER'S REPORT

7:30 OPEN

↗ **BIN LIST** ↖

1. COLORADO WEST MENTAL HEALTH
2. DEPARTMENT OF HUMAN SERVICES AT THE REGIONAL CENTER: Update on their activities. (Contact is Director Christian Mueller, 255-5711).
3. ► MOAB PROJECT SUPPLIER ALLIANCE (MPSA): Promotes businesses in Western Colorado and Eastern Utah that desire to support the DOE's Moab Reclamation Project.

Department Presentations to City Council

1. Administrative Services? (GIS)

Geographic Information System _____

Attach W-2

Upcoming Appointment to Boards and Commissions

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA						
Subject	Upcoming Appointments to Boards & Commissions – Parks and Recreation Advisory Board, Housing Authority, Visitor and Convention Bureau Board of Directors, Forestry Board, Historic Preservation Board, and Commission on Arts and Culture					
Meeting Date	November 13, 2006					
Date Prepared	December 19, 2011				File # NA	
Author	Stephanie Tuin			City Clerk		
Presenter Name	Stephanie Tuin			City Clerk		
Report results back to Council	X	No		Yes	When	
Citizen Presentation		Yes	X	No	Name	
X	Workshop		Formal Agenda		Consent	Individual Consideration

Summary: The City is currently scheduling interviews and continuing to advertise for several volunteer boards. The City Clerk will update the City Council on the status of each.

Budget: NA

Action Requested/Recommendation: A brief update on board vacancies

Attachments: None

Background Information:

Parks and Recreation Advisory Board

Interviews took place on Wednesday, November 8 to fill three seats. There were five applicants. The recommendation for appointment is on the November 15 agenda.

The City Council has plans to meet with the Parks and Recreation Advisory Board in the next few months at a lunch workshop.

Housing Authority

The Housing Authority has one term expiring. The incumbent is eligible for reappointment and requested reappointment. The interviews will take place Tuesday, November 14 and the recommendation for appointment is on the November 15 agenda. There are three to be interviewed, including one via telephone.

Visitor and Convention Bureau Board of Directors

There are four terms expiring and although two incumbents are eligible for reappointment, only one is interested in reappointment. Two incumbents are term limited. Interviews have been scheduled for December 11 and the recommendation will be brought to City Council on December 20. Six applicants will be interviewed.

Forestry Board

There are three openings; two of the incumbents are eligible for reappointment. But only one applied. There was limited response to the advertising so the Forestry Board will be actively recruiting applicants. Applications will be brought back to City Council later in December.

Historic Preservation Board

The Historic Preservation Board has three seats expiring. Two incumbents are eligible for reappointment but only one appears interested in reappointment. There was limited response to the advertising so the HP board will be actively recruiting applicants. Applications will be brought back to City Council in December. In the event that no additional response can be generated, this Board can operate on fewer members as allowed in their bylaws.

Commission on Arts and Culture

There are three terms expiring, with only one eligible for reappointment. Applications do not close until early next year so interviews will be scheduled in January.

COMMUNITY RECREATION PROJECT

VOLUNTEER LEADERS: Sally Schaefer, Kim Miller, Loren Annino

BELIEFS:

- A stand-alone senior recreation center is not fiscally viable
- There are key things missing in the valley
 - warm indoor pools



- joint friendly large space for dancing, etc.
 - enriching after school activities for kids
 - ? etc.
- The City is the expert in recreation
- A successful community recreation project means meeting the needs of multiple age groups in various parts of the valley.
- Funding for capital and operating expenses needs to come from a variety of sources.



- Both the public and private sector need to commit to the success of this project.

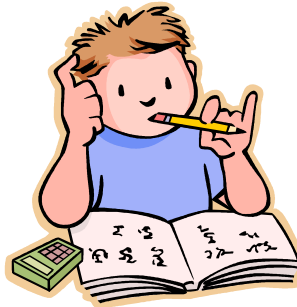
- This project needs to be protective of the realities of survival of private health club facilities.

PRELIMINARY STAGE:

Phase I – Strategic discussion to bring various grass roots groups together (completed July 2006).

Cost: Just some sweat

Phase II - Marketing and feasibility studies



Timeframe: August – December 2006

Cost: \$18-20,000

Phase III – Polling (what will it take to enroll the electorate)

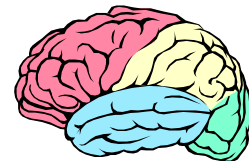
Timeframe: January – February 2007

Cost: \$17,500

Phase IV – Make the decision to go – no go

Timeframe: March 2007

Cost: Major brain damage if the decision is “no go”



CAMPAIGN STAGE: Assumes a “go”

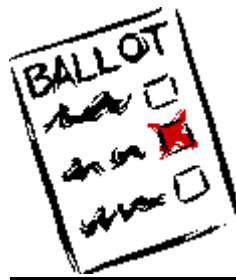


Phase I – Preliminary drawings / business plans / dollars and cents issues identified

Timeframe: March – December 2007

Cost: ?

Phase II – Convince mom & pop and the city and county to ante up cash and vote for this initiative



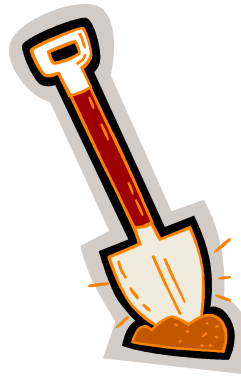
Timeframe: January – November 2008
from
this.

Cost: We will fund raise
multiple sources for

BUILDING STAGE:

Phase I – Groundbreaking in Matchett Park December 2008

Timeframe: December 2008



Phase II - Grand opening of the major facility

Timeframe: December 2009



Phase III – Sal’s retirement party in the new facility

Timeframe: April 2010



Attach W-4

Watershed Fire Hazard Assessment

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA							
Subject	Progress Report: Watershed Fire Hazard Assessment						
Meeting Date	November 13, 2006						
Date Prepared	November 8, 2006				File #		
Author	Greg Trainor			Public Works and Utilities Operations Manager			
Presenter Name	Connie Clementson			US Forest Service: District Ranger			
Report results back to Council	X	No		Yes	When		
Citizen Presentation		Yes	X	No	Name		
X	Workshop		Formal Agenda			Consent	Individual Consideration

Summary:

Report by the US Forest Service on progress to-date on the "Fire Hazard Management Plan," cooperatively developed among the Forest Service, Bureau of Land Management and the City of Grand Junction.

Budget:

N/A

Action Requested/Recommendation:

Status report on on-going work; future recommendation in early 2007.

Background Information:



Progress Report on the City of Grand Junction Watershed Assessment

In early 2004, the City of Grand Junction and the U.S. Forest Service entered into a Memorandum of Understanding committing to working in partnership to protect the integrity of the City of Grand Junction's Municipal Watershed.

One of the major concerns of many municipalities is the potential for a catastrophic fire event to occur, thus impacting water quality and quantity. The Forest Service and BLM received a commitment by the City to complete a 'Fire Hazard Assessment' for the City's municipal watershed.

The U.S. Forest Service, Grand Valley Ranger District, in cooperation with the Bureau of Land Management is currently preparing this assessment. This effort was partially funded by the City of Grand Junction in the amount of \$50,000. The Final Assessment is schedule to be completed in February 2007 and presented to Council at that time.

The purpose of this presentation is to provide information on the progress of the analysis and to update Council by providing them with an overview of 1) existing conditions in the watershed; 2) potential fire situations; 3) different options we are analyzing to address and reduce the potential for a large fire situation.

Attach W-5

Grand Valley Housing Partnership Proposal

CITY OF GRAND JUNCTION

CITY COUNCIL AGENDA							
Subject	Grand Valley Housing Partnership proposal for City Affordable Housing funds and 2006 CDBG Funds						
Meeting Date	November 13, 2006						
Date Prepared	November 8, 2006				File #		
Author	Jody Kole		Grand Junction Housing Authority Director				
Presenter Name	Jody Kole Bill Whaley		Grand Junction Housing Authority Colorado Division of Housing				
Report results back to Council	x	No		Yes	When		
Citizen Presentation	x	Yes		No	Name	Additional Presentations by Housing Partnership members: Doug Aden, Catholic Outreach Dan Whalen, Housing Resources	
x	Workshop		Formal Agenda			Consent	Individual Consideration

Summary: The Grand Valley Housing Partnership met on October 16th and came up with a proposal prioritizing local affordable housing projects. The Partnership is now asking for City Council to help fund this proposal with the City's affordable housing funds and 2006 CDBG funds currently earmarked for affordable housing activities.

Budget:

City's 2005 Affordable Housing Initiative	\$ 482,077	
2006 CDBG Program Year funds	<u>\$ 278,630</u>	
	TOTAL	\$ 760,707

Action Requested/Recommendation: That the City Council schedule the approval of the Subrecipient Contract for \$178,360 for Wednesday, November 15, 2006. The additional allocation of CDBG funds (\$100,000) will come back to Council in the future.

Attachments: Detail on Proposed five projects.

Background Information: The proposal includes affordable housing projects that would be funded with the \$482,077 left over from the City's Affordable Housing Initiative fund allocated by Council in 2005 and \$278,630 in 2006 CDBG funding.

To make the CDBG funding work in this proposal, timing is very critical for the Ultronic property acquisition project since under CDBG regulations an environmental

assessment and a subrecipient contract will need to be executed prior to spending the CDBG money. The Partnership's proposal includes using \$178,630 from CDBG for the acquisition of the Ultronic building on Grand Avenue and the Housing Authority has a closing date on the property for mid December. To meet the Ultronic property deadline, the environmental assessment is currently underway and will be completed before property closing; and the subrecipient contract with GJHA is ready for Council consideration and scheduled for the November 15th Council's regular agenda.

ATTACHMENTS

November 7, 2006

Mayor Jim Doody and Members of the City Council
City of Grand Junction
250 North Fifth Street
Grand Junction, CO 81501

Dear Mayor Doody and Council Members:

The Grand Valley Housing Partnership appreciates the City Council's leadership and support of affordable housing. The Affordable Housing Forum, the City's Strategic Plan, and the City's commitment of both General Fund and Community Development Block Grant resources to affordable housing initiatives are all tangible proof of your support. You also clearly recognize the importance of local investment in leveraging additional outside resources.

On October 16, the Partnership convened to take a comprehensive look at local housing projects and available funding sources, and has developed an approach that addresses all three priority areas identified at the City's Affordable Housing Forum, namely homeless, near homeless, and workforce renters / entry-level home owners. The Partnership has identified the most appropriate and currently available funding source for each project. We considered the constraints on each of the City's funding sources, as well as the opportunities for leveraging local investments. We have accounted for them in our recommendations.

We also recommend that the City provide seed money to establish a local revolving loan fund in support of affordable housing. A moderate level of local investment has the power to leverage access to considerably larger resources.

The Grand Valley Housing Partnership respectfully submits this Consolidated Recommendation for Funding to the Grand Junction City Council. Supporting documentation is attached for each of the projects included.

The Consolidated Recommendation for Funding recognizes that the need for more affordable housing exists throughout Mesa County, and that resources to address the need must be located throughout the Valley. Again, this is consistent with the recommendation of the Affordable Housing Forum. The projects recommended for funding range from a development in downtown Grand Junction to provide permanent supportive housing for formerly homeless individuals, to infill developments serving the workforce rental market, to an entry-level home ownership development in the Clifton area. Most will be eligible for infill or redevelopment incentives.

Other worthwhile projects were not recommended for funding at this time, due to the current financial limitations. Information regarding these additional projects is included, as an illustration of the comprehensive work these organizations are undertaking. Just as the need for affordable housing in the Grand Valley continues to grow, so do our combined efforts to meet that need. Likewise, as additional opportunities arise, new projects will be added to the list.

We respectfully recommend that the City Council earmark additional funding in next year's budget in support of additional affordable housing projects. Each local dollar invested by the community is leveraged 8 to 10 times, by outside grant and equity sources. The infusion of additional dollars into the Grand Valley creates a positive ripple effect in the local economy.

We look forward to meeting with you during your November 13 Workshop to discuss the Consolidated Recommendation for Funding.

On behalf of the Grand Valley Housing Partnership,

Jody M. Kole
Executive Director

Consolidated Recommendation for Funding

Grand Valley Housing Partnership
November 7, 2006

<u>Project</u>	<u>Total</u> <u>Funding</u>	** City <u>CDBG</u>	City General <u>Fund</u>
Chronic Homeless: GVCO \$ 100,000	\$ 100,000	\$ 0	
Ultronics: GJHA \$ 360,000		\$ 178,630	\$ 181,370
Elm Properties: GJHA \$ 119,707			\$ 119,707
Crawford Commons: HRWC \$ 81,000			\$ 81,000
Revolving Loan Fund <u>\$ 100,000</u>		<u>\$ 0</u>	<u>\$ 100,000</u>
482,077	Totals: \$ 760,707	\$ 278,630	\$

** Developments recommended for funding are inside the City limits of Grand Junction.

CDBG funds would only be used for CDBG – eligible activities, and serve low-income and very low-income households.

GRAND VALLEY HOUSING PARTNERSHIP REVOLVING LOAN FUND

In collaboration with Funding Partners for Housing Solutions, Inc. (Funding Partners), GVHP proposes to establish a GVHP Revolving Loan Fund for local affordable housing projects, both new construction and acquisition / rehab projects. Specific guidelines and underwriting criteria have yet to be determined.

Funding Partners, a Community Development Financial Institution, is actively engaged in the origination, underwriting and servicing of a \$9.3 million revolving loan portfolio, and serves several communities throughout Colorado. Its CDFI status attracts investments and grants from banks and other institutional investors.

By investing \$100,000 in seed money with Funding Partners, the Grand Valley can access the full range of funding and other services provided by Funding Partners. Additional investments from local lenders / investors will be sought. The Revolving Loan Fund will be administered with no direct costs to the City or to the Housing Partnership. Loan funds and interest payments cover Funding Partners' operating costs, as well as some grant funding. Creation of an ongoing Revolving Loan Fund ensures that the City Council's investment in affordable housing will continue to live beyond the current appropriation, and will make significantly greater financial resources available to a wide variety of affordable housing developments.

Additional information from Funding Partners is attached.

GRAND VALLEY CATHOLIC OUTREACH – Permanent Supportive Housing for Homeless

Grand Valley Catholic Outreach's mission is to respond to human needs in a manner that respects the dignity and enhances the self-worth of each person. Decent, safe housing is a basic need of every individual. Catholic Outreach currently leases seven houses throughout the community that provide homes for 23 individuals through a transitional, supportive housing program. It supports three additional units that serve as short-term homes for families with children who are homeless. Both of these programs address the City of Grand Junction's Consolidated Plan that designates housing as a high priority need in our community. Additional needs in the area of housing are addressed through the Housing Prevention Program that stops approximately 375 evictions each year in Mesa County and the Utilities Program that restores or prevents the loss of utilities for nearly 700 families. Catholic Outreach's housing budget will funnel \$423,235 into the community this fiscal year. These dollars (acquired through individual donations and grants) will supply or preserve housing for nearly 1,200 households.

Grand Valley Catholic Outreach proposes to build 22 new studio apartments and 1 family apartment to serve individuals who have been chronically homeless and have mental or physical disabilities. This development will be located in the 200 block of White Street, in downtown Grand Junction. A 3-year operating grant from HUD is anticipated in 2007.

Additional information from Grand Valley Catholic Outreach is attached.

HOUSING RESOURCES OF WESTERN COLORADO

Crawford Commons

The mission of Housing Resources of Western Colorado, Inc., a private nonprofit corporation, is to provide affordable housing and to promote the wise and sustainable use of resources. Housing Resources of Western Colorado, Inc. offers education and awareness programs, opportunities for community revitalization and the provision of decent, safe and affordable housing for those with low and moderate income.

Housing Resources of Western Colorado proposes to build 27 single family homes through its Self-Help Program. These 3-bedroom, 2-bathroom homes will be Four-Star Energy-Rated Homes, incorporating "green build" technologies. Over half of the homes would serve families at or below 60% of Area Median Family Income or AMFI; the remaining would serve families at or below 80% of AMFI. This 6.3 acre property is located in the Clifton area at 31 ½ and E Roads.

This "sweat-equity" home building program provides new construction of single family homes on subdivision lots for home buyers that earn a low to moderate income. The families must be willing to provide their time and talents in the construction of their home.

This sweat equity from the owners substantially reduces the down payment. Local contractors are used for the site development and construction that requires heavy equipment or licensed skills such as concrete work, plumbing, and electrical wiring. Additional information from Housing Resources of Western Colorado is attached.

GRAND JUNCTION HOUSING AUTHORITY

Ultronics Site Redevelopment

"Serving the community by making safe housing affordable", the Grand Junction Housing Authority provides affordable rental opportunities to over 1,300 families annually, with consolidated Waiting Lists nearly as long.

GJHA proposes to acquire and redevelop this former 5.6 acre electronics manufacturing assembly plant site. This is an excellent redevelopment opportunity, involving clearance of an eyesore abandoned industrial building and construction of 75 – 80 attractive residential units, to serve households at or below 60% of the AMFI. The closing is scheduled for December 15, 2006.

Elm Street Properties

GJHA is under contract to purchase nearly 5 acres of land at 28th and Elm Street, zoned RMF-12 and B-1. It proposes to clear the land of four dilapidated structures, and replace them with approximately 65 rental units serving households at or below 60% of the AMFI. Both this property and the Ultronics property are close to employment, schools, shopping, GVT transit routes, and other amenities. The closing on this property is scheduled for December 15, 2006. Additional information regarding these two projects is attached.

Ultronics Property Redevelopment Authority

Grand Junction Housing

Description: Located at 2150 Grand Avenue, in primarily residential area
Approx. 5.61 acres, on 2 parcels, zoned FMR-12 and
B-1
Former electronics manufacturing assembly plant
Building will be removed within 60 days of closing on
purchase
Contamination at the site has been removed;
Voluntary Clean-up Plan has been approved by
Colorado Department of Public Health &
Environment

Target Population: Workforce Renter households, earning at or below 60% of AMFI

Project Status: Very Preliminary. Closing is scheduled for December 15,
2006
Site design and pre-development work will begin shortly
thereafter.

Timeframe: 1Q2007 Select Design-Build team; site-design begins
2Q2007 Submit applications for development approval;
Applications for grant funding & tax credits

Estimated Cost: Acquisition Cost: \$1,800,000
costs Assuming 80 units; \$10 Million estimated total project
Estimated Unit Mix: 16 One Bedroom
54 Two Bedroom
10 Three Bedroom
6 Accessible units;
All ground level
units adaptable

Committed Funding Acquisition Loan: \$1,440,000 Bank of Colorado
Sources: Predevelopment Costs: Grand Junction Housing Authority

Anticipated Funding Sources: City of Grand Junction
Mesa County
Grand Junction Housing Authority
Colorado Division of Housing
Federal Home Loan Bank of Topeka
Equity Investors attracted via Low
Income Housing Tax Credits
Mortgage Lender

Needs Addressed: Workforce Rental Market and Near Homeless
Income Mix is not yet determined.

Elm Street Properties Redevelopment Authority

Grand Junction Housing

Description Opportunity to improve & strengthen an existing neighborhood
Remove 4 blighted structures & build approx. 64 new rental units
Approximately 4.8 acres, on 5 parcels; Zoned RMF-12 and B-1

Target Population Workforce Renter Households, earning at or below 60% of AMFI

Project Status: Very Preliminary. Closing scheduled for December 15, 2006
thereafter. Site design and pre-development work will begin shortly
2006 General Meeting with Community Development: Sept. 18,

Timeframe: 1Q2007 Select Design-Build team; site-design begins
2Q2007 Submit applications for development approval;
Applications for grant funding & tax credits

Estimated Cost: Acquisition Cost: \$1,154,250
project costs Assuming 64 units; \$8.0 Million estimated total
Bedroom Estimated Unit Mix: 12 One
40 Two Bedroom
12 Three Bedroom
4 Accessible units
All ground level
units adaptable

Committed Funding Sources Acquisition Loan: \$1,035,000 Bank of Colorado
Predevelopment Costs: Grand Junction Housing Authority

Anticipated Funding City of Grand Junction

Sources:

Mesa County

Grand Junction Housing Authority

Colorado Division of Housing

Federal Home Loan Bank of Topeka

Equity Investors attracted via Low Income

Housing Tax Credits

Mortgage Lender

Needs Addressed:

Workforce Rental Market and Near Homeless

Income Mix is not yet determined

Catholic Outreach Permanent Housing Project Grand Junction, Colorado

- **Description:**
 125 x 125 sq. ft. of formerly developed land (5 lots) – acquisition of additional lot
 50x125 sq. ft.) being negotiated
 Located between 2nd and 3rd streets on White Avenue
 22 studio apartments; 1 family apartment
- **Target Population:**
 Individuals who have been chronically homeless and have mental or physical disabilities
- **Project Status**
 Land has been acquired; design stage in process – tentatively going out
 for bid early 2007; 3 year operating grant from HUD
- **Timeframe:**
 Begin construction early 2007
- **Estimated Cost** - \$1,700,000 (3 buildings or 23 units) \$1,200,000 (2 buildings
 or 15 units)
- **Committed Funding Sources:**
 Capital Campaign - \$300,000
 Individuals - \$900,000
- **Anticipated Funding Sources:**

Arthur E. and Helen K. Johnson Foundation	\$100,000	
City of Grand Junction		\$100,000
Infill Grant		
\$100,000		
Additional Foundations		\$200,000
- **Needs Addressed:**

 1. Joins the National Effort to End Homelessness by 2010
 2. Shift of focus for homeless assistance from short-term support services to long-term solutions.
 3. Funding from city will serve as a strong leverage toward acquiring foundation funding.
 4. Addresses issues that create barriers to safe, affordable and attractive housing.

Funding Partners for Housing Solutions, Inc.

Grand Valley Housing Partnership Revolving Loan Fund Proposal

As a Community Development Financial Institution (CDFI) actively engaged in the origination, underwriting and servicing of a \$9.2 million revolving loan portfolio, Funding Partners (FP), a Colorado Not-for-Profit corporation, respectfully submits the following proposal to deliver comprehensive fund management to the Grand Valley Housing Partnership (GVHP). The following demonstration provides an overview of similar services provided within other jurisdictions to achieve desired outcomes. Please note this proposal is intended to offer a basis for structuring the desired program within the Grand Valley, rather than final form. FP anticipates the GVHP will elect to customize a suite of services that conform to your expectations.

Predevelopment & Gap Financing

FP will utilize applications forms, disclosures, and loan documents consistent with established loan terms and guidelines approved under the authorization of this program. All program references and service marks (if applicable) will be reflective of GVHP. FP will customize existing loan policies & procedures, disclosures and debt instruments to meet all applicable regulation and terms of the GVHP program.

- **Loan Origination** – FP will accept loan requests from sources approved by GVHP and collect all necessary documentation to fulfill the requirements established by GVHP. FP will provide written evidence of loan commitment to all parties related to the transaction, while providing appropriate recommendations as to loan structure, pricing, documentation and execution of loan security to GVHP or its assigned agent for final credit determination.
- **Processing/Underwriting** - FP will work in conjunction with GVHP and outside agencies to fully analyze the functional and financial capacity of the applicant, economic viability of the proposed project and nature of the transaction to adequately determine compliance with the stated goals of the GVHP program. FP will leverage its existing network of professionals to help address functional weaknesses identified within a proposal to provide the greatest incidence for success, while allowing local partners to maximize their own strengths. As well, FP will look to minimize direct or indirect public subsidy without adverse impacts to the project or applicant through the use of multiple resources and established financial programs.

Upon final credit determination, FP will collect all necessary documentation to affect closing of the transaction in an efficient manner, while exercising adequate controls to preserve the long-term integrity of the loan portfolio. This shall include preparation and delivery of all loan documents, disbursement of funds to the settlement agent, perfect collateral position, review of all executed loan documents, and safe storage of each loan file. Executed Promissory Notes shall be stored in safe deposit at a financial institution deemed appropriate by FP.

- **Servicing** – FP will provide ongoing service to both the borrower and GVHP to reconcile loan transactions, resolve customer service issues, invoice and post payments, execute payoff requests, release recorded liens, and refer default-related issues in a manner consistent with GVHP guidelines.
- **Reporting** – FP will provide quarterly reports to GVHP to reflect both discreet and aggregate loan activity. Such reports will be devised in conjunction with GVHP, but may include Borrower name, loan amount, project demographics and payment history according to jurisdiction. A summary report of all GVHP loan activity shall reflect the total amount of loans outstanding according to loan type and jurisdiction, as applicable. A separate report will be forwarded to address discreet issues, such as collection items, as necessary.

Value-Added Services

- **Efficiency** - FP shall make available those resources developed through other activities that will aid GVHP in the efficient and effective delivery of financial services to designated demographic and geographic markets. In addition to customizing existing application, disclosure and loan documents, GVHP may choose to adopt all or certain components of the Loan Policies & Procedures manual devised by FP as guidance for current lending activity.
- **Financial Control**- Through designation as a CDFI and long-standing relationships with numerous public and private loan fund investors, FP has developed extensive capacities to manage investments from disparate sources and complexity. Attracted funds are deployed and attributed with a high degree of integrity according to all covenants, terms and conditions identified within underlying capital investment agreements, as evidenced through compliance reporting to all investors, the U.S. Department of the Treasury, FP governing Board of Trustees, an independent financial auditor and community constituents. Reports are provided according to predetermined schedules and at least annually to the general public.
- **Leverage** - FP will work with the GVHP to develop and solidify relationships with financial institutions serving the market areas to further leverage those resources critical to long-term success of the fund. As an established CDFI, FP has the certification necessary to attract investments that qualify under the Community Reinvestment Act in lieu of direct lending and investment activity by regulated financial service providers. Additionally, FP operates its revolving loan funds in such a manner as to attract investments from public and private corporations, philanthropic and community foundations and governmental agencies to further promote community and economic development objectives. As such, resources of GVHP may be similarly utilized under our CDFI designation to stretch the initial investment into more projects, while exercising reasonable portfolio management to protect and recycle those funds into future activities.
- **Integrity** – GVHP will retain ultimate control of all funds appropriated to this project, where FP shall defer final interpretation and decisions to GVHP. As with all lending operations, however, GVHP may recognize significant benefits of an established, high-capacity lending partner possessing a similar mission-oriented directive. Beyond the establishment of procedural guidelines and criteria, utilizing a third-party to document, verify and service all loan requests will insure

the interests of GVHP and its constituencies are served uniformly and without undue influences.

Service Fees

FP will continue to exercise its minimal cost structure, while continuing to implement the most efficient methods of service delivery. As a mission-directed organization, we fully utilize the benefit of favorable tax treatment under IRS code 501c3 to attract charitable operational support without need to recover income and other tax obligations. In all instances, the cost for FP services is absorbed through lending and funds management activity, rather than GVHP.

It is anticipated that GVHP wishes to recognize organic growth within the dedicated fund pool serving its market. Therefore, 50% of all related interest paid by the borrower under the Predevelopment/Gap program will be returned to that fund.

FP does not charge recurring management fees, while loan origination fees are established by FP at its sole discretion, according to such factors as: program type, complexity, risk characteristics, project capacity and loan term.

Role of GVHP

To maximize efficiencies, it is anticipated GVHP will serve as the community outreach agent and final determinate of program success based upon compliance and financial reporting provided by FP. The GVHP will seek opportunities to expose programs to community constituents, including lenders, Realtors, employers, social and community service providers, governmental agencies and the media. Particular emphasis should be given to regular interactions with banks serving the market, as this represents an excellent opportunity to highlight both regulatory benefits and market development opportunities to strengthen long-term business objectives.

Defined within the investment agreement between FP and GVHP, reporting frequency and content will be clearly defined, along with financial performance covenants and measures. Through analysis of this information, GVHP will advise FP if program objectives are achieved and whether further refinement is warranted.

Sample Investments

Investments and resulting programs can be designed to achieve specific objectives of the investor, while reflecting various market dynamics. Here are examples of how FP has worked with both private and public interests to meet those challenges.

- The cities of Loveland and Fort Collins recognized a need for greater resources to support the development of housing unit inventory attainable to households earning between \$7 and \$18 per hour that would be more flexible and responsive than federal entitlement programs. The result was the creation of a revolving loan fund that became Funding Partners in 1996. With local appropriations in the amount of \$550,000, the fund has grown to encompass \$9.2 million in revolving capital with an additional \$2.4 million in non-invested funds under management. Within Larimer County, FP has originated in excess of \$3.6 million in loan activity, representing \$73.7 million in project costs and 413 housing units.

- The City of Boulder recognized a need to extend greater subsidy to specific home ownership candidates. In 2000, the City invested funds with FP to deliver a down payment and closing cost assistance program equal to 15% of the home purchase price. This amount allows most borrowers to eliminate mortgage insurance and defer assistance loan payments for up to 10 years. Under this model, borrowers are better able to qualify for market-appropriate mortgage products that are competitive with mass-marketed alternatives that jeopardize housing stability. To date, 49 such loans have been issued for \$1.3 million in production volume, where the initial investment has been recycled twice with no credit loss. In total, the City's investment has provided the impetus for FP to originate loan volume in excess of \$3.3 million, representing over \$47 million in project costs and creating or preserving 295 housing units in that market.
- The Colorado Mountain Housing Coalition, a consortium of public housing agencies in the mountain resort counties of Grand, Routt, Summit, Eagle, Pitkin and Garfield, received an appropriation of federal funds to support down payment assistance and development of housing units designated for households that comprise both essential and service-sector workforce. The coalition defined the household income target to be a maximum of 160% of the Area Median Income, or roughly \$100,000 annual income for a family of four. Administration of the funds was problematic, as inherent conflicts of interest, capacity and expertise presented significant challenges. Through FP, the Coalition was able to implement the programs immediately, using the leverage of existing program models. More importantly, however, eligible borrowers were able to access separate assistance programs offered or managed by FP with a single application in order obtain assistance up to 20% of the home purchase price, thus diminishing the impact of the extraordinary housing costs. Of the \$500,000 designated for down payment assistance in 2004, \$327,000 has already been deployed representing 39 loans with 5 repayments.

In all, FP has originated 1,049 loans through its revolving capital base representing \$18,921,862 in loan volume, \$327 million in project costs and 2,675 housing units across the state. Of that production, 37 down payment loans have caused some level of loss recognition representing \$195,049 in loan capital, equivalent to a cumulative loss ratio of 1.03%; a rate well below acceptable guidelines among regulated financial institutions.

**Hourly Wage Equivalent of Area Median Family Income
Mesa County, Colorado 2006**

Percent of Area Median Family Income	Hourly Wage per Household					
	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
30%	5.43	6.23	7.00	7.76	8.39	9.01
40%	7.25	8.29	9.33	10.37	11.19	12.02
50%	9.06	10.36	11.66	12.96	13.99	15.02
60%	10.88	12.43	13.99	15.55	16.79	18.03
100%	18.13	20.72	23.32	25.91	27.98	30.05

Annual Area Median Family Income By Household Size

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
30%	11,300	12,950	14,550	16,150	17,450	18,750
40%	15,080	17,240	19,400	21,560	23,280	25,000
50%	18,850	21,550	24,250	26,950	29,100	31,250
60%	22,620	25,860	29,100	32,340	34,920	37,500
100%	37,700	43,100	48,500	53,900	58,200	62,500

Affordable Rent and Tenant-Paid Utilities, by Household Size

	<u>1 Person</u>	<u>2 Person</u>	<u>3 Person</u>	<u>4 Person</u>	<u>5 Person</u>	<u>6 Person</u>
30%	283	324	364	404	436	469
40%	377	431	485	539	582	625
50%	471	539	606	674	728	781
60%	566	647	728	809	873	938
100%	943	1,078	1,213	1,348	1,455	1,563

**INFORMATION ABOUT PENDING PROJECTS
NOT CURRENTLY RECOMMENDED FOR FUNDING
DUE TO FUNDING CONSTRAINTS**

COPPER CANYON – HOUSING RESOURCES OF WESTERN COLORADO

- **Description:**
 - 8.5 acres of raw land
 - F-1/4 & 33 Road
 - 43 Single family homes; 3 BR, 2 BA, 2-car garage
 - Self Help Program
 - Four-Star Energy-Rated Homes, incorporating progressively more green build elements

- **Target Population:**
 - 80% & below AMI (over one-half at 60% & below)

- **Project Status:**
 - Offer made on 10/13/2006

- **Timeframe:**
 - Begin construction Jan/Feb, 2007

- **Estimated Cost (land + infrastructure):** \$1,883,000

- **Committed Funding Sources:**
 - HRWC Cash \$ 800,000 (lot sales)

- **Anticipated Funding Sources:**
 - NeighborWorks America \$ 215,000
 - Bank Loan 468,000
 - Rural Dev. Site Loan 400,000

- **Needs Addressed:**
 1. Gap of 589 ownership housing units for 80% AMI & below (Needs Assessment)
 2. Effective use of housing funds to leverage other funds (Blue Ribbon Panel Recommendation)
 3. Address issues that create barriers to safe, affordable, & attractive housing for families in Mesa County (Mesa County Strategic Plan Update – 2005)
 4. Workforce housing (Housing Forum)
 5. Objective of providing decent affordable housing by increasing the number of home ownership opportunities available to low- to moderate-income homebuyers (G.J. 3-5 Year Consolidated Plan)

ENCARLO – HOUSING RESOURCES OF WESTERN COLORADO

- **Description:**
31-5/8 Road & D Road
12 Single family homes; 3 BR, 2 BA, 2-car garage
Self Help Program
Four-Star Energy-Rated Homes, incorporating progressively more green build elements
- **Target Population:**
80% & below AMI (over one-half at 60% & below)
- **Project Status:**
Going through subdivision process & affordable housing density bonus;
acquisition June, 2007
- **Timeframe:**
Begin construction July, 2007
- **Estimated Cost (land + infrastructure):** \$600,000
- **Committed Funding Sources:**

Developer	\$ 150,000
HRWC Cash/improvements	\$ 150,000
- **Anticipated Funding Sources:**

NeighborWorks America	\$ 60,000
City of Grand Junction	36,000
Bank Loan	204,000
- **Needs Addressed:**
 1. Gap of 589 ownership housing units for 80% AMI & below (Needs Assessment)
 2. Effective use of housing funds to leverage other funds (Blue Ribbon Panel Recommendation)
 3. Address issues that create barriers to safe, affordable, & attractive housing for families in Mesa County (Mesa County Strategic Plan Update – 2005)
 4. Workforce housing (Housing Forum)
 5. Objective of providing decent affordable housing by increasing the number of home ownership opportunities available to low- to moderate-income homebuyers (G.J. 3-5 Year Consolidated Plan)

BUTNER ESTATES – HOUSING RESOURCES OF WESTERN COLORADO

- **Description:**
 - 9.5 acres of raw land
 - 3184 Patterson Road
 - 38 Single family homes; 3 BR, 2 BA, 2-car garage
 - Green Built Project – outside of Self Help Program
 - Partnership project with GJHA and COMACT Housing (lots at a discount)
 - County Density Program

- **Target Population:**
 - 24 homes @ 80% & below AMI
 - 14 homes @ 80-120% AMI

- **Project Status:**
 - Property purchased by HRWC in September, 2005
 - Currently in concept plan stage with County Planning

- **Timeframe:**
 - Begin construction June, 2007

- **Estimated Cost (land + infrastructure):** \$1,248,000

- **Committed Funding Sources:**
 - NeighborWorks America \$ 50,000
 - HRWC \$ 501,500 (lot sales)

- **Anticipated Funding Sources:**
 - NeighborWorks America \$ 87,500
 - Bank Loan 609,000

- **Needs Addressed:**
 1. Gap of 589 ownership housing units for 80% AMI & below (Needs Assessment)
 2. Effective use of housing funds to leverage other funds (Blue Ribbon Panel Recommendation)
 3. Address issues that create barriers to safe, affordable, & attractive housing for families in Mesa County (Mesa County Strategic Plan Update – 2005)
 4. Workforce housing (Housing Forum)
 5. Objective of providing decent affordable housing by increasing the number of home ownership opportunities available to low- to moderate-income homebuyers (G.J. 3-5 Year Consolidated Plan)

Grand Junction Housing Authority
October, 2006

Number/ Type
Households
Served

Narrative Description

Housing Ventures -- First Tier

Ultronics Building Acquisition & Redevelopment	75+ Workforce Renters	Under Contract: 2150 Grand; 5.61 acres, zoned RMF-12. Infill redevelopment opportunity. May seek density bonus, infill assistance.
Downtown Housing Effort : Residential Multi-family	40+ Workforce Renters	Confidential negotiations underway. Anticipate action late Fall / Winter 2006. Joint Venture w/ DDA.
Elm Street Properties	36+ Workforce Renters	Under Contract: 2809 Elm; 3 acres zoned RMF-12; Infill redevelopment. Negotiations pending on adjacent Lot.
Bookcliff Avenue / Hayashi Property	15+ Workforce Renters	Under Contract: 1262 Bookcliff; 5 apts & 1 house & land zoned RMF-24. Potential for 8 - 10 additional units.
Sale of Public Housing	30+ Near Homeless	Sell 30 unit Public Housing; reinvest proceeds in other affordable housing for very low income households. Opportunity to remove excess HUD restrictions while preserving VLI rentals.
Tenant-Based Rental Assistance	50+ Homeless Families	CDOH has funded Rental Assistance for up to 24 months. Shortfall in program administration funding.
Calling Mesa County Home	First time Buyers	Employer-Assisted Home Ownership program, providing incentive & education to help 1st time buyers.
Acquisition / Rehab of HUD Houses	First time Buyers	Acquire HUD-foreclosed homes, rehab & sell or lease/ purchase to GJHA clients working toward self-sufficiency.

Grand Junction Housing Authority

Housing Ventures -- Second Tier

Transitional Housing for TBRA Families	Homeless Families	TBRA families that cannot transition to self-sufficiency in 2-year timeframe will need continued assistance. Seeking an acquisition / rehab opportunity.
Acquisition / Rehab w/ Partners	Workforce Renters	In discussions re acquiring existing rentals to preserve affordability / improve quality & neighborhood impacts.

Less expensive option than new construction.

Downtown Mixed Use Development	24 - 30 Workforce Renters	In discussions re: mixed use commercial / residential development in downtown area, joint venture w/ DDA.
Single-family development w/ HRWC	First time Buyers	Purchase & develop 10 lots in HRWC subdivision.
Fruita Land Acquisition for Multi-family Development	60+ Workforce Renters	Acquire, clear, & redevelop infill parcel(s) in Fruita. Maybe 7-15 acres, depending on ease of assembling land. Will seek support of City of Fruita

Housing Venture -- Third Tier

Market-rate Rental Development	Workforce Renters	Expanding availability of unrestricted, market-rate rentals should help take the pressure off affordability / availability.
For-Sale Condo Development	First time Buyers	Entry-level home ownership opportunities for workforce renters; anticipate deed restrictions.
New Office Space: Accessibility / expansion	n/a	Current office space is not fully accessible, & offers minimal room for expansion in services & staffing.
Jarvis Property Redevelopment potential w/ City	Mixed Income	Anticipate some housing development opportunities in this City-initiated redevelopment plan.