

GRAND JUNCTION CITY COUNCIL WORKSHOP SUMMARY December 20, 2022

Meeting Convened: 5:00 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 Chuck McDaniel (virtual), Phil Pe'a, Randall Reitz, Dennis Simpson, Mayor Pro Tem Abe Herman (virtual), 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, Housing Manager Ashley Chambers, Housing Specialist Sherry Price, Finance Director Jodi Welch, Parks and Recreation Director Ken Sherbenou, Public Works Director Trent Prall, Fire Chief Ken Watkins, Deputy Fire Chiefs Chris Angermuller and Gus Hendricks, City Clerk Amy Phillips, and Deputy Clerk Janet Harrell

The Mayor reviewed the agenda, asking if Council wanted to modify the agenda by removing discussion regarding Impact Fees. Council discussion resulted in consensus to keep the agenda intact.

1. Discussion Topics

a. Review and Discuss Project Recommendations Submitted to City Council by the American Recovery Plan Act (ARPA) Committee

City Manager Caton and Assistant to the City Manager Johnny McFarland introduced this item as a presentation and review of the ARPA Committee's recommendations regarding allocation of approximately \$9 million in American Rescue Plan Act funding. (The City total allocation of ARPA funds was \$10.5 million; the lodging industry was granted \$1.5 million for marketing).

After receiving State and Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA), City Council appointed an Advisory Committee (Committee) to make recommendations about how the funds should be spent. Funds were intended to mitigate the economic and public health impacts of COVID-19.

The Committee held its first meeting in February of 2022 and concluded its process in September. The Committee held eight meetings during its eight-month review process, as well as numerous working subgroup meetings.

The Committee identified priority areas for allocation of funds which were: affordable housing; homelessness; and behavioral/mental health. The Committee established a process for the submission of Letters of Interest (LOI) by parties interested in qualifying for ARPA funds. City staff assisted with the development of a LOI process for consideration for funding in each of the three priority areas.

The Committee identified criteria to be used to evaluate projects and funding requests. These included:

1. **Maximize Impact of One-Time Funds** - recognizing that the APRA funds were a one-time resource, look to project investments that create enduring value, not just one-time expenditures
2. **Broad Community Benefit** - look to maximize benefit to the broadest possible members of the community
3. **Leverage Funds** - look to fund projects that potentially attract additional funding or build on existing activities to achieve a multiplier effect
4. **Long-Term Sustainability** - look for projects that can sustain the investment over the longer term
5. **Ease of Implementing** - focus on sponsors or organizations that have existing administrative infrastructure in place with proven capability of implementing the activity successfully

Representatives from the ARPA Committee led by Chair Ben Herman and Vice Chair Bill Wade were present and available for questions. The Committee ultimately selected six projects across all three priority categories to move forward with formal presentations to City Council for consideration.

Thirty LOI applications were received and reviewed by the ARPA Committee and the following applicants were recommended for funding.

Counseling & Education Center – Since 1981, the non-profit Counseling & Education Center (CEC) has been a vital resource for people living under the poverty line, providing outpatient resources to support mental wellness. Ninety two percent of CEC's clients are under the Federal Poverty Guidelines. Their plan is to purchase a facility within the City of Grand Junction that will become an outpost of their original building with the capacity to hold five-six therapy rooms of varying sizes as well as supporting facilities and safe outdoor spaces. The location of the facility will be in an underserved area such as Riverside or Orchard Mesa. CEC will be leveraging support from Colorado Mesa University who will provide staffing to coordinate the internship program and associated needs. 55% of their revenue comes from customer fees and the other 45% comes from grants and fund-raising efforts. The committee supported this project due to the resulting benefit of a permanent facility with increased capacity to treat lower income residents with behavioral and mental health issues.

Recommended Funding: \$996,006

During discussion regarding their project and funding request, Council asked for:

- Balance sheet

- Fundraising plan: specifically, projections and plan for additional fundraising needed to maintain solvency
- Breakdown of grant funders
- 2022 budget - Actuals and budget
- 2023 budget

Altitude Pediatrics - Altitude Pediatrics (AP) is a pediatric practice in Grand Junction. Currently, the clinic serves 3,000 patients ages 0-21, which equates to 35 percent of the youth in Mesa County, Medicaid insures 49 percent of AP patient population. Many families receiving care through AP experience psychosocial stressors, including homelessness due to soaring rent prices, hyperinflation post-COVID-19, substance abuse, and untreated mental health care. AP launched a co-located integrated behavioral health program with pediatric care in March of 2022. This in-house care provides outreach to patients not otherwise accessible in non-integrated clinics. The committee supported this project due to the innovative approach of co-locating behavioral and mental health assessment and treatment with pediatric care, and the long-term establishment of fellowships and training services. AP's goal is to have 2-year supervised program and 1-2 graduate degree interns.

Recommended Funding: \$830,657

During discussion it was stated by the applicant that the request was for \$244K for start-up costs, but that anything over would be greatly appreciated. The ARPA committee stated that they misunderstood the request, thinking the applicant was asking for approximately that amount for three consecutive years. Altitude Pediatrics assured Council that if they were granted the money, they would continue to treat a Medicaid patient population of at least 49% of their total patient population.

Council asked for:

- Budget vs. actual in 2022
- Revised budget projections with an explanation of the assumptions made
- Year-end financials and balance sheet, profit/loss, etc. (follow-up with City Council on their requests)

Additional discussion ensued regarding funding a for-profit, particularly as it pertains to community perception. The committee stated the application did not specify non-profits only and noted that the City has partnered with for-profits on other projects that serves the community at large.

Concluding the presentation and discussion, it was agreed that if Councilmembers had additional requests of AP, they would email Mr. McFarland and he would let AP know what else needs to be addressed.

Council took a 10-minute recess at 6:27 p.m.

Housing Resources - Revolving Loan Fund– This proposal will capitalize a purchase assistance revolving loan fund, making homeownership attainable to low-income Grand Junction residents. The award will fund deferred 0 percent interest loans of \$25,000 to eligible households. This program addresses one of the most significant impacts of COVID: the dramatic increase in homeownership costs. Since June 2020, the median home price has jumped 41 percent from \$285,000 to \$401,190. With \$1,000,000, Housing Resources could assist about 40 households in the initial round. The loan fund would be revolving so it would continuously recapture the funds and assist additional households for years to come. The initial capitalization of a purchase assistance program would help us build the vehicle to raise funds from other sources and expand our capacity to serve more households.

Recommended Funding: \$1,000,000

Council asked for:

- Financials request
- Explanation of how expenses would be handled

Grand Junction Housing Authority - Executive Director of the Housing Authority Jodi Kole, reported that the owner is no longer considering other offers on the property. She recommended reallocating the funds to a land bank and withdrew the following proposal from consideration.

Funds will be used to acquire a large existing multi-family community to preserve its current affordability. The property is well-maintained and is in the heart of the City. While the property's current rents are at or below 60 percent AMI, there is no recorded Deed Restriction or other commitment to affordability. Acquisition of this property by another party is almost certain to result in the loss of these units to the affordable market. ARPA funds would be used to write down the cost of the units. The balance of the funding necessary will be sought from established affordable housing organizations including the Division of Housing, Colorado Housing & Finance Authority, GJHA Reserves, lenders and equity investors committed to ongoing affordability. An investment of \$10,000 per unit will leverage an additional \$140,000 to \$150,000 per unit. The committee supported this project due to the significant number of affordable housing units that would result from the ARPA investment.

Recommended Funding: \$1,800,000

Grand Valley Catholic Charities - Mother Teresa Place – Mother Teresa Place, a supportive housing development, will serve 40 Grand Junction community members who are homeless. As some residents reach a level of stability that allows them to opt for housing in other areas of the City, other persons who are homeless will take their place. None of those to be served will be capable of acquiring housing under current conditions as their income level fluctuates between \$600 and \$800 a month. The committee supported this request due to the long-established track record of this organization for providing housing for those experiencing homelessness as well as

myriad other services, as well as the fact that they have already raised nearly $\frac{3}{4}$ of the funds required to support this project, but not the \$3.37 million requested.

Recommended Funding: \$1,000,000

Council discussed concerns about the low turnover in current units and questioned the applicant's ability to raise additional funding, and the Department of Local Affairs' commitment to the project. The applicant will address these concerns.

Grand Junction Land Bank – The proposal is that ARPA funds are used to fund a land bank to purchase land in the near-term that would be held by the City and allotted through future RFP processes to affordable and attainable housing developers. Increasing the options for affordable housing is an adopted housing strategy for an immediate way to purchase and reserve the limited available land to ensure that affordable housing developers have land to meet the City's growing demand for affordable housing. The committee supported the land banking project since it would impact the entire City, benefit all affordable housing entities, and provide a way to ensure that land is available and allotted for affordable housing needs for the longer term. It can also serve as a mechanism for land donations and reduced-price sales of land into the future.

Recommended Funding: \$3,373,337

Discussion regarding the structure of a land bank; ownership, management, lease terms, etc. ensued.

Concluding presentations and discussions, Council directed staff to bring this item back to a future Council Workshop, likely end of January, early February, for additional consideration and after the requested documents and concerns have been addressed by each applicant.

b. Impact Fee Discussion

Due to the lengthy presentations and their discussions, Council deferred discussion regarding Impact Fees to a later date.

2. City Council Communication

Staff asked for a Councilmember to sit on interview committees for:

- Urban Trails – Councilmember Reitz agreed
- Horizon Drive – Councilmember Pe'a agreed

Council was asked a liaison to the following committees:

- Grand Junction Regional Airport Authority - assignment to be considered at tomorrow's meeting, both Councilmembers Simpson and Reitz are interested.
- LCDC – Mayor Pro Tem Herman
- One Riverfront – Councilmember Pe'a

3. Adjournment

There being no Council Communication or further business, the Workshop adjourned at 8:28 p.m.