

MINUTES

**McCall City Council
Special Meeting
Legion Hall - McCall City Hall (Lower Level)
February 4, 2015**

Agenda

Call to Order
Public Forum
Adjournment

CALL TO ORDER AND ROLL CALL

Mayor Aymon called the Special meeting of the McCall City Council to order at 6:30 p.m. Mayor Aymon, Councilor Giles, Councilor Scott, Councilor Swanson, and Councilor Witte were present.

City Staff present were Gene Drabinski, City Manager; Michelle Groenevelt, Community Development Director; and BessieJo Wagner, City Clerk

PUBLIC FORUM

Gene Drabinski, City Manager, addressed those in attendance stating the rules of the public forum. He asked that everyone respect each other and allow those to speak who want to speak.

AB 15-12 Request for Commitment of long term lease for potential affordable housing and community space – City Campus

Michelle Groenevelt, Community Development Director, gave a brief presentation on the proposal to develop affordable housing. She also covered the need for affordable housing within the City of McCall and that the need was identified in the City's Comprehensive Plan. The City of McCall was approached by an affordable housing development team, VCD, LLC, and partner Northwest Real Estate Capital Corp. for a proposed 36-unit affordable housing complex on the west portion of the City campus owned by the City of McCall. The Developers are requesting a long-term lease agreement be entered into between the City and the Developers, or their designee, for a term of not less than 65 years at an annual rental rate of \$1 if funding is awarded for the project and subject to conditions outlined in the letter of commitment. The concept of affordable housing and community space is consistent with the 2005 McCall City Campus Plan.

The specific site plan and design would be determined if funding is awarded, and the Developers would work with City staff on the details. The project also requires approval through the Design Review with a public hearing process.

A member of the audience asked how long had the City known about the proposal. Ms. Groenevelt stated that the development team had approached staff about 5 weeks prior to this

meeting. She stated that there were questions at the staff level that needed to be satisfied prior to the lease commitment letter coming to the Council. She clarified that the Council learned about the request 2 weeks prior, and before then they met the developers back in December at a Council Meeting and proposed the idea of pursuing affordable housing in partnership with the City.

Jean Odmark, a city resident, stated that she looked up this development team on line and shows how much money they could make on the deal but could not find any information on how much the City could make through taxation. The audience member also stated that it did not mention anything about if the development would be compatible with the adjacent property.

Chance Hobbs the developer with VCD, LLC addressed the question stating that it would be very similar to how the Springs is set up. The Springs Apartments are on land that was donated by the County. He explained the proposed apartments would be owned by a private partnership that would be paying property taxes on the property and the improvements. He stated that those taxes would be paid to both the City and Valley County. Mr. Hobbs also stated that the taxes for affordable housing are regulated by the Federal Government. He stated that approximately \$20-24,000 would be paid out in property taxes per year. Ms. Odmark was appalled by the low amount of taxes that would be paid in comparison to neighboring properties.

Lynn Lewinski, a city resident, asked why a different piece of property that had already been preapproved by this type of development be considered. Ms. Groenevelt stated that with these types of developments the developers generally partner with cities that can donate the land so they are able to offer the units at a much lower price.

Chance Hobbs the developer with VCD, LLC, gave a brief presentation regarding his business and time spent in affordable housing developments. He stated that if they are able to build their project in the requested location it would be aesthetically pleasing and look on the outside much like Alpine Village.

Mr. Hobbs introduced Jess Defray, a development officer at Northwest Real Estate Capital Corp., his non-profit partner out of Boise. Mr. Defray stated that they had been around since 1999. He stated that their mission was to develop and preserve affordable housing throughout the northwest. He gave a brief overview of their business including their Idaho presence. Mr. Defray also explained how these projects are funded through tax credits.

Mayor Aymon stated that the Council would now hear comments from the audience.

Helen Layton from Donnelly, works with the Senior Center – commented that Mr. Hobbs had spoke with the Seniors on what the plans would be for the Senior Center. She stated that her concerns were that with a shared space others would have access to their kitchen and they had worked very hard to obtain an A rating with the health department. She is concerned that if they are a community center the Seniors would not be eligible for the grants they receive now or be able to do the functions they enjoy doing now. She stated that it would no longer be a Senior Center, it would be Community Center and that would not be fair to the Seniors. She was also concerned that there would be parking issues.

Richard Layton, member of the Senior Center. He commented that the Senior Center was at risk. He stated that a Community Center was not a Senior Center. He stated that the City was taking a risk of giving up their space when at some point in the future would need to expand and would not be able to. Mr. Layton was also concerned with parking issues. He stated that his primary concern was that the Seniors would lose the ability to gather.

Joann Zimmerman, McCall resident. Agrees that there is a need for affordable housing; however does not think this is the way to go. She did not think that the downtown was a place for affordable housing. She felt that there could be better places around town for affordable housing. Ms. Zimmerman also did not think that the Senior Center and Community Center should be combined.

Rita Teders, McCall 30 year resident. She stated that with other special uses within this neighborhood, the City did not do their part in making sure those businesses did what they were supposed to, the radio station on Mission street is not landscaped as promised and the back side of Paul's look like a dump. She does not think the proposed location for the affordable housing is appropriate for the neighborhood.

Wayne March, McCall resident, stated that he did not dispute the need for affordable housing. His concern was that the City was subsidizing a developer from out of town when there was already a viable developer in town. Does not believe the proposed location is appropriate. He also stated that it was the only space for the city to expand its facility and did not make since to build housing there. He stated that the Seniors have done an awesome job with their building. Mr. March also stated that it was a money making venture for the developers.

Don Bailey, McCall resident, stated that he and his wife support the project. He stated that it was clearly part of the Comprehensive Plan and totally appropriate to have affordable housing downtown. He also stated that the building should be a platinum rated building and meet all planning and zoning requirements. Mr. Bailey also suggested that City offices could be built into the main floor of the building. There should also be covered parking and the entire parking lot should be redone. First Street should be redone to standard along with sidewalks.

Bob Halleke stated that the commitment for 65 years in downtown is concerning not knowing what the City will need in the next 20 years.

David Byars a 37 year resident and multi-business owner recognized that there is a need for affordable housing. Something needs to be done for affordable housing; however there is a need for the Senior Center. The Seniors have invest a lot of time and money into their current building. Does not think the proposed location is appropriate as the space is too small. The Senior Center is very important for the Seniors.

Harriet Byars a lifetime resident has been involved with the Senior Center even prior to becoming a Senior herself. She does not see another location that would work for them. She was also concerned that if they had to move temporarily would be very difficult. She was not in favor of a shared space.

Joan Edwards McCall resident was in support of the project. She stated that as a prior Vice Present of the College of Southern Idaho, she had some experience with this type of project. She stated that there was some land contiguous to the college that a similar facility was built. She stated that it was a wonderful facility that added to their community. She stated that as a young person she was in the low income category and was a good contributor to her community as she and her husband went to school. She stated that these projects need land to be donated to make it affordable. She stated that she has sympathy for the Seniors; however, she also has sympathy for the young people who are trying to make a living and find affordable places to live.

Cynthia Peacock a City employee spoke about the need of affordable housing in McCall. She currently lives in Cascade and commutes to McCall for work. She would rather live in McCall and be a part of the community; however, on her salary she cannot find any affordable housing that is decent enough to live in. She has been treated poorly when she states her price range to property managers who tell her that is not possible in McCall without 1-3 roommates. She also stated that there is a misconception of people who need affordable housing. People who work for places like the City and the Forest Service cannot find affordable housing.

George Poole McCall resident and Chairman of the Senior Center, stated that the previous night Chance Hobbs spoke with the Seniors regarding the project. He stated that there is a need for affordable housing; however the location is not appropriate. The new proposed facility would be smaller than their current facility and they would not have control over the facility. They would have to have permission prior to holding any function. He also expressed concern over parking. He stated that he did not feel that the proposed location is the right size for the need. He again recognized the need for affordable housing but the proposed location is not appropriate.

Jean Odmark McCall resident stated that she is very much in favor of affordable housing. Does not feel it is a large enough space for 36 units. Parking will be an issue and possible issues with infrastructure.

Woody Woodson McCall long time resident, business owner and member of the Senior Center stated that he is for affordable housing. However, he stated that there were properties on the bus route outside of the downtown core that would be more appropriate.

Judy Drake McCall resident and coordinator at the Senior Center stated that in her experience a separate Senior Center is the best scenario. She stated that it is good for Seniors to have a place separate from where they live to go to. She does recognize the need for affordable housing just does not feel it is the right location. She thought that the space should be reserved for cultural activities. Felt that a site over by River Front Park would be a better location for families.

Garth Kanigowski McCall resident and current owner of workforce housing in McCall stated that his concern was the quoted rents and market rents are inflated and are 20-30% higher than they offer. He stated that none of the amenities are stated in the paperwork. He stated that he is very much in favor of affordable housing. He also expressed concern that out of town developers were being considered for the project and not local developers and builders. Mr. Kanigowski also stated that it should be required that the project should be of the top energy efficiency possible.

Mary Nuckols a McCall resident expressed concern over parking. With 36 units there should be 1.5 parking spaces for each unit, she does not see that there would be enough for parking. She was also concerned about the infrastructure needs and who would pay for that and would they pay market rate. She stated that First Street needs to be improved that would equal additional costs. She was also concerned with the additional traffic on First Street. She stated that she is in favor of affordable housing just not in this location. She stated that the Forest Service has a much larger piece of land in town that would accommodate the project more favorably. Ms. Nuckols also expressed concern that as the City grows the need for additional facilities will grow also and would tie the City's hands with the land. She is in favor of affordable housing just not in this location.

Sadie Noah a McCall resident commented she is a realtor in town. In 2004 she represented the Idaho Association of Realtors at the National Association of Realtors at the very first Workforce Housing Symposium. There were people from all over the country from municipalities, realtors, and corporations that discussed the importance of work force housing and the benefits as well as the challenges. She stated that she has some experience in regard to workforce housing and is a huge proponent and commended the City for working with the appropriate partners. Her concern with the site is the site and there is no potential for expansion. She stated that the Springs was looking to expand and should be supported as well as any developer wanting to do work force housing should be supported. Ms. Noah also stated that the City facilities will need to expand at some point and the space should be available for any possible expansion there. She hopes that the City will continue to support workforce housing just not in this location.

Colby Nielson a McCall resident he thought that maybe the developers should come back in September with some more solid ideas. He stated that due to the amount of vacation rentals it has caused some of the issue with available affordable housing. He thought that an additional Local Option Tax on the vacation rentals could result in some of those converting to long term rentals. He is in favor of workforce housing and thinks that a downtown location would be good. As for the Senior Center it is a valuable part of our community but would do well on the south side of town as well as City Hall and the Library. Mr. Nielson stated that he has more concern over the location of the City Campus and why would we have buildings in the City in prime locations that do not generate any money for the City. He felt like the south end of town needs to be re-imagined.

Lynn Lewinski McCall resident commented that there needs to be a much better plan for the needs of this space. Concerned the general public is not confident in how the City spends its money.

Joann Zimmerman commented that the City needs to generate money.

Ray Osborn commented that there is indeed a great need for affordable housing however, the city property has better possible use in the future. He also commented that with the proposal there would be less space and the space would be shared. With the less space it would prohibit the Seniors from storing and having available for people that need them things like wheel chairs, walkers, crutches and other items.

Ed Hayes a member of the Senior Center stated that he does not disagree with the need for affordable housing. He is concerned about how this project would affect the Senior Center.

Marleen Bailey asked if the design team could comment about how the Community Center would work.

The developers will address the group after all comments are made.

Mike Robnet a 6 year resident and contractor commented on the need for work force housing. He stated that he tried historically to build affordable homes however the costs to do that have doubled over the past few years. He stated that the need for affordable housing is going to grow in the very near future. He stated that it is very difficult to build new affordable housing.

An audience member asked if there were any stipulations on the City property and how it can be used from the person who originally donated the land to the City.

Michelle Groenevelt, Community Development Director, stated that there were no known stipulations or obligations as to the use of the City property. She stated that there were some grant dollars used for the Senior Center but those grant obligations have been fulfilled. She stated that the only stipulation on the land is that there was land and water conservation money that was used to build the pathway and there are some standards that have to be considered.

Jean Odmark wanted to know if the developers had looked at any other sites.

There was some discussion regarding the property and possible stipulations that may have been established.

Chance Hobbs addressed the group. He thanked everyone for coming and sharing their questions and concerns. He addressed the kitchen concerns stating that the proposal would consider those concerns and make every effort to accommodate those needs. He acknowledged the work the Seniors have done and would execute an agreement with the Seniors to do what they are doing and continue to do. Mr. Hobbs listed some of the other areas they looked at some of the obstacles they ran into. He addressed the fact that the City property is the best location to encourage people to walk in the downtown. He addressed all the amenities the community center would have to include an exercise room and a computer room. He stated through the process other amenities would be considered.

Mr. Hobbs also explained who would qualify to live in the proposed affordable housing. There was a brief explanation of the difference between low income housing and affordable housing. This project would be for working people or people on fixed incomes. It was called out that 50% of the people that are within 20 miles of the proposed location would qualify for this housing. There was a brief discussion on why this piece of property was chosen for the proposed location.

Michelle Groenevelt, Community Development Director, stated that the issue had been addressed and identified as appropriate use for this property in the Comprehensive Plan and the Downtown Mater Plan that had received extensive public involvement.

There was a brief discussion regarding the condition of the roads and infrastructure and who would cover those costs. It was reiterated that this was a preliminary step in the process. Many of the issues would be fully vetted as the process progressed. Mr. Hobbs reiterated that their intent was to provide for a need and the need is affordable housing. The three primary issues are: is it the right location, what are they going to do about parking, and what will happen to the Seniors. Mr. Hobbs stated that as many contractors that are local will be used as possible and it will be a certified energy efficient building. The big concern was the short timeline for the City to make the commitment.

The Council requested that staff fully vet the question of whether there are any stipulations on the land.

Councilor Witte wanted to know what the plans are for the Springs. A developer for the Housing Company's the Springs stated that they are applying for funds to build additional units and feels that they have a good chance of receiving funding. It was also identified that due to the need for affordable housing in Valley County both projects would have a good chance of getting funding.

There was a brief discussion in what the letter of commitment was actually committing the City to. It was clarified that this letter of commitment was a preliminary step and anytime throughout the process the City could put a stop to the project if it was determined it was not a viable project for whatever reason. The general consensus of the Council was that they needed more time to digest the information they had just received and give the community an opportunity to weigh in.

Councilor Giles moved to table the long term lease commitment letter for affordable housing and community space on the City Campus until February 12, 2015. Councilor Swanson seconded the motion. In a roll call vote Councilor Giles, Councilor Swanson, Mayor Aymon, Councilor Scott, and Councilor Witte, all voted aye and the motion carried.

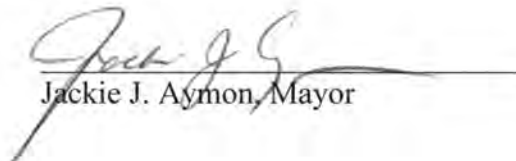
ADJOURNMENT

Without further business, Mayor Aymon adjourned the meeting at 9:12 p.m.

ATTEST:


BessieJo Wagner, City Clerk




Jackie J. Aymon, Mayor