



**CITY COUNCIL EXECUTIVE COMMITTEE MEETING
CITY COUNCIL CHAMBERS, THIRD FLOOR, CITY HALL,
#1 CITY HALL PLACE, PUEBLO, COLORADO 81003.**

**MONDAY, FEBRUARY 3, 2025
5:30 PM**

Individuals Requiring Special Accommodations Should Notify the City's ADA Coordinator at (719) 553-2295 by Noon on the Friday Preceding the Meeting.

Executive Committee meetings are special meetings of the City Council and are informal Council meetings for the purpose of receiving information and discussion among Council Members; no official action is taken at such meetings. The public is invited to attend, but public comment is generally not received unless otherwise noted.

Agenda

CALL TO ORDER

PRESENTATIONS

- | | |
|--|-----------|
| A. CITY UPDATE | 5:30 p.m. |
| Brian McCain, Chief of Staff | |
| 5 minute presentation | |
| B. PUEBLO SHELTER UPDATE | 5:35 p.m. |
| Melissa Cook - Interim CDBG/HOME Housing Administrator | |
| 15 minute presentation | |
| C. NATURAL MEDICINE REGULATIONS | 6:00 p.m. |
| Scott Hobson, Acting Director Planning and Community Development | |
| 15 minute presentation | |

ADJOURNMENT



Pueblo Shelter



Agenda

- Shelter Update
- Case Studies
- Operating Scenarios
- Staff Recommendation

Shelter Updates

- Land was transferred to City in November
- Pueblo Rescue Mission dissolved
- Emergency Shelter open nightly 7-7
- Current nightly sheltering numbers
 - ***Main Shelter 728 W 4th*** – approximately 20-40 in residential program over the last few months (Several placed in other housing options)
 - ***Emergency Shelter 710 W 4th***– approximately 30-40

Emergency Outreach

January had some the coldest days on record in years

Emergency shelter numbers

- January 19th - 72
- January 20th - 68
- January 21st - 75

Shelter open 24/7 during recent extreme weather





Case Study

Local Governments Operating Shelters

Case Study

- Very few Case Studies in similar size cities
 - Very large/urban cities such as New York City, L.A. & Chicago
 - Very rural areas
- Reached out to the DOLA Office of Homeless Initiatives
 - Only two municipalities in CO receive Emergency Solutions Grant (ESG) Funding
 - Loveland
 - Lakewood

Case Study

Loveland South Railroad Facility

- Semi-permanent all-season tents
- Detached restrooms and shower facilities
- Minimal on-site staff
- Severe weather events, only



Case Study

City of Lakewood

- City owns the building
- Recently released an RFP for Emergency Shelter Operator
- Emergency cold-weather sheltering only
 - 20° or lower
 - 32° or lower with snowfall



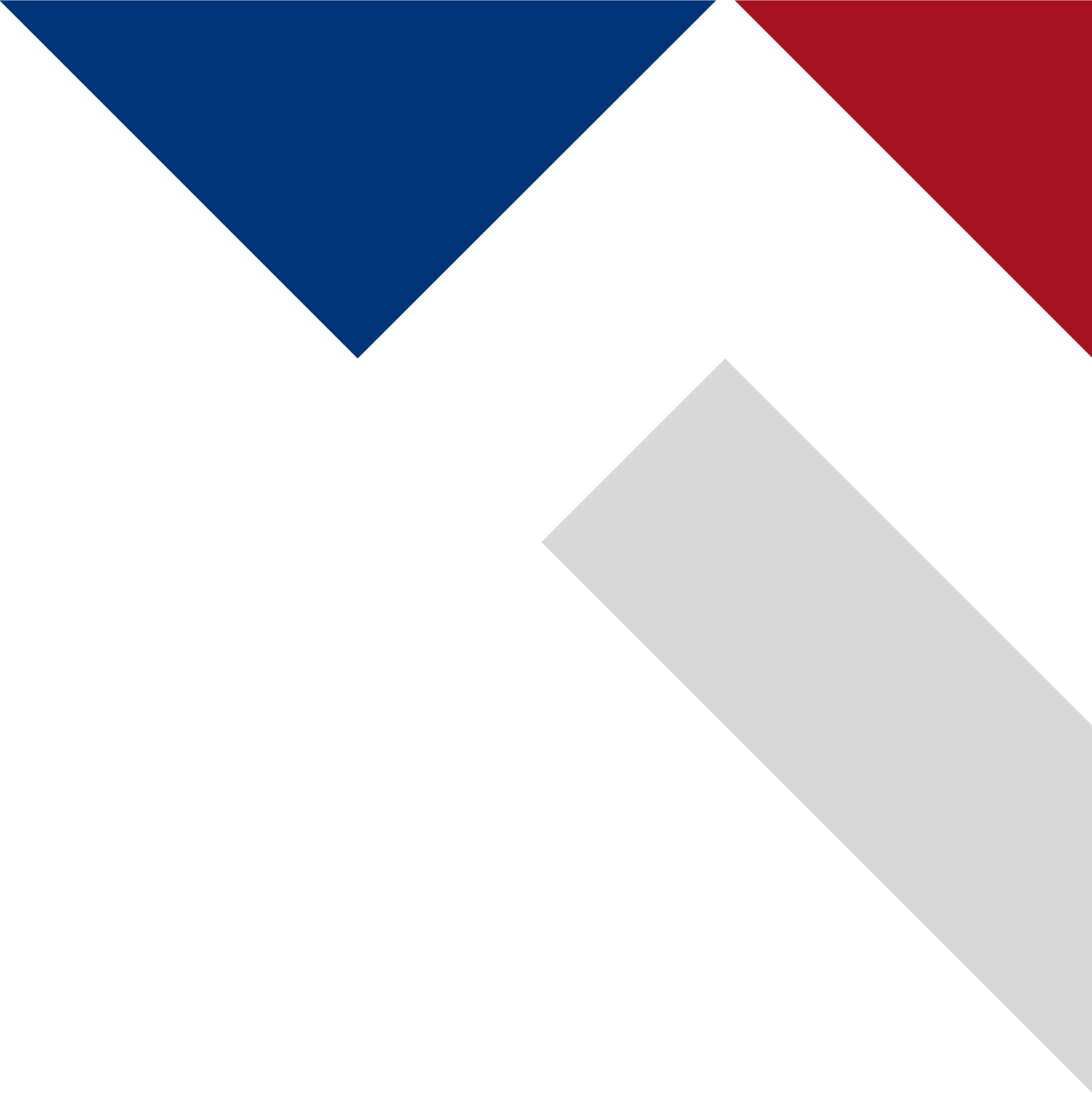
Case Study



City of Lakewood

- Home to RecoveryWorks Navigation Center
Lakewood City staff shared their concerns of operating a shelter, which led to their decision to RFP for a shelter operator.

The lack of available case studies highlights Pueblo's unique situation.



Operating Scenarios

Identifying revenue, projecting expense

Operating Scenarios - Revenue

Type of Grant	Estimated Annual Funding Amount	Monthly Amount	Grant Amount Methodology
Community Services Advisory Commission (CSAC)	\$48,643.00	\$4,053.58	Average of last five years award
DOLA - Homeless Resolution Program	\$100,000.00	\$8,333.33	Actual 2024 grant
City of Pueblo -CDBG	\$109,005.98	\$9,083.83	Estimated at half of the allowable 15% dedicated to homeless services, based on the 2024 allocation
Packard Foundation	\$25,000.00	\$2,083.33	Estimate
Colorado Health Foundation	\$100,000.00	\$8,333.33	Current Grant
United Way	\$10,000.00	\$833.33	Estimate
Total	\$392,648.98	\$32,720.75	

Note: These estimates are not guarantees of funding

Operating Scenarios - Revenue

Other available funding sources not shown include

- Donations (CO now offers a tax credit for homeless services providers)
 - Private Donations
 - Church / Corporate Donors
- Hosting Fundraisers (golf tournaments, dinners, etc.)
- Creating a dedicated revenue stream, such as a thrift store
- Other non-recurring grants
 - Local/State/Federal
 - Care and Share / Food Security Grants
 - Daniels Fund
- Charging rent for spaces in the Porchlight Campus

Operating Scenarios - Expense

Payroll

- Human Resources independently reviewed existing shelter jobs
 - Identified Civil Service classification
 - Calculated Fringe Benefits

	Current	City Staff
Total Monthly Salary (at current staffing)	\$41,941	\$43,596

Operating Scenarios - Expense

Payroll

- Human Resources independently reviewed existing shelter jobs
 - Identified Civil Service classification
 - Calculated Fringe Benefits

	Current	City Staff
Total Monthly Salary (at current staffing)	\$41,941	\$43,596
Fringe Benefits	\$0	\$33,185

Operating Scenarios - Expense

Budget Summary			
	2025	2026	2027
Non-Profit			
Revenue	\$0.00	\$258,399.03	\$419,264.73
Payroll	\$503,289.48	\$528,453.95	\$554,876.65
Other Expenses	\$31,200.00	\$32,760.00	\$34,398.00
Utilities/Maintenance	\$69,600.00	\$73,080.00	\$76,734.00
Non-Profit Fundraising Efforts			\$66,600.87
Gap	\$604,089.48	\$375,894.92	\$180,143.06

← Estimated City Cost

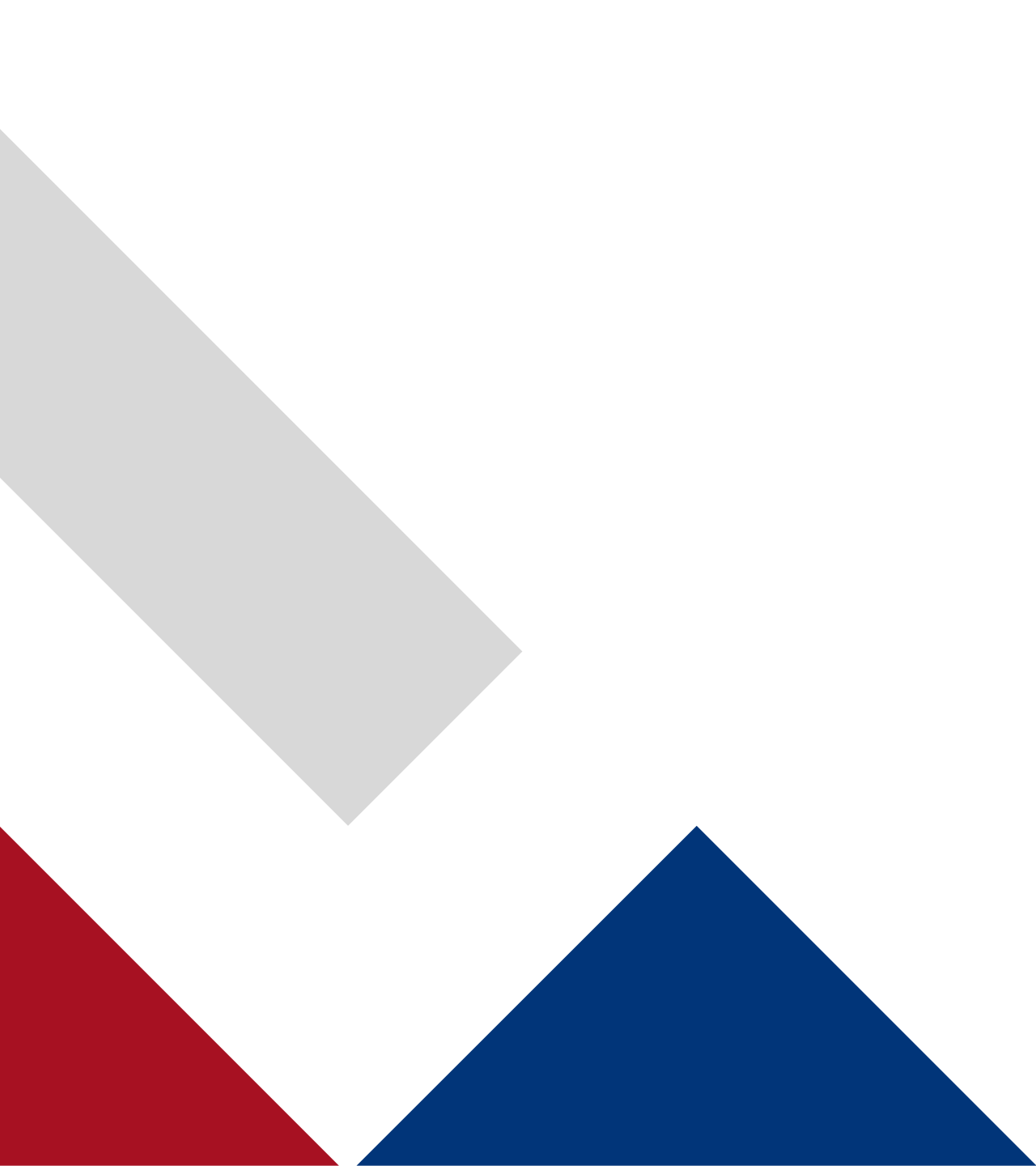
Operating Scenarios - Expense

Budget Summary			
City Department			
Revenue	\$0.00	\$258,399.03	\$419,264.73
Payroll	\$921,371.28	\$967,439.84	\$1,015,811.84
Other Expenses	\$31,200.00	\$32,760.00	\$34,398.00
City Operational Donations (Utilities/Maintenance)	\$69,600.00	\$73,080.00	\$76,734.00
Gap	\$1,022,171.28	\$814,880.81	\$707,679.11

Estimated City Cost

Operating Scenarios - Expense

Estimated City Cost			
	2025	2026	2027
Non-Profit	\$604,089	\$375,894	\$180,143
City Department	\$1,022,171	\$814,880	\$707,679



Staff Recommendation

Staff Recommendation

Identify Shelter Operator

	Pro	Con
City Run Department	• Complete Control • Ensure continuity of services • Ensure longevity of sheltering options	• Expensive Salary/Benefits • Expedient procurement challenges • Lack of Shelter Operations Experience • Liability • Potentially less competitive for grant funding • Donations are not tax exempt
Non-Profit Partner	• More cost-effective • Expedient purchasing ability • More competitive for grant funding • Can self-fundraise • Carried own insurance for operational liabilities • Immediate access to seasoned professionals • Charitable donations	• City relinquishes the day-to-day operations • City is not the only governance – board of directors • Less control and oversight

Staff Recommendation

Identify Shelter Operator

Publish a Request for Proposals (RFP)

- Seek a qualified non-profit organization interested in shelter operations
- Associate funding to RFP for year 1 of up to \$604,089
- City would expect a ramp-up of fundraising efforts by the partner
 - Detailed fundraising plan would be required as part of the RFP response
- Year 2 & Year 3 would need funding commitments

Estimated City Cost			
	2025	2026	2027
Non-Profit	\$604,089	\$375,894	\$180,143

Staff Recommendation

Identify Shelter Operator

Successful Respondent

- Subrecipient agreement
 - Defined scope of work
 - Clear Key Performance Indicators (KPI's)
 - Clear oversight measures
- City provides maintenance of the physical asset

Staff Recommendation

Identify Shelter Operator

Oversight	
Oversight	What Could This Look Like?
Financial	• Required monthly financial meetings • Mayor Graham requires a board appointee • Review of audit • City can conduct own audit • Prescribed financial reporting
Operations	• KPI Reporting Monthly • Regular Inspections
Physical Property	• Regular City staff in building conducting maintenance • Regular Inspections

Thank you, Next Steps?

Operating Scenarios

Revenue / Expense Assumptions:
1. Assumes 5% increase in expenses annually beginning 01/01/2026.
2. All Grant funding is assumed as monthly amounts starting in the projected period of receipt.
3. CSAC Award calculated at the average amount for last five years of \$48,643. Assumes an application in August 2025, awards in February 2026.
4. CDBG Funding is calculated at half of the HUD allowable amount, based on the most recent grant formula (\$109,006), starting in January 2027.
5. Assumes DOLA Homeless Resolution Program funding at a flat level from 2024, of \$100,000. Application is August 2025, expected funding in February 2026.
6. Assumes 5% fundraising based on total expenses (excluding fringe benefits), starting January 2026, increasing to 7.5% in January 2027 and thereafter.
7. Assumes a United Way grant of \$10,000 beginning in January 2026.
8. Assumes a Colorado Health Foundation grant of \$100,000 beginning in June 2026, based on previous funding.
9. Assumes a Packard Foundation Grant of \$15,000 beginning in January 2026.
10. Assumes an additional 10% of fundraising in 2027 after non-profit creates long-term viable fundraising, and 15% in 2028.



City of Pueblo Planning Department Natural Medicine Zoning Regulations (TA-24-01)

Presented by: Scott Hobson

February 3, 2025



Natural Medicine Senate Bill 23-290

Background

- Colorado voters passed Proposition 122 (Access to Natural Psychedelic Substances) in 2022 which decriminalizes the therapeutic possession, grow, share, use, **but not sale**, of psychedelic substances by individuals ages 21 and older.
 - Decriminalized psilocin and psilocybin, which are found in psychedelic mushrooms (Natural Medicine).
- Natural Medicine does not include a synthetic or synthetic analogue of these substances (LSD).
- Individuals aged 21 and older may grow and use natural medicine in private.

Natural Medicine Senate Bill 23-290

- State legislation creates, regulates, and licenses the four natural medicine businesses:
 - Healing Center: state-licensed facility where a licensed facilitator provides and supervises the use of natural medicine for therapeutic means. The participant may not be released until they are showing no obvious effects.
 - Cultivation Center: state-licensed facility that grows, prepares, and packages natural medicine for a healing center.
 - Testing Facility: state-licensed facility that analyzes and certifies the safety and potency of natural medicine.
 - Manufacturing Facility: state-licensed facility that manufactures, prepares and packages natural medicine to be utilized at a healing center.

Natural medicine cannot be sold to individual consumers.

Natural Medicine Senate Bill 23-290

As of January 24th, 2025, this is the status of state-wide licensing applications for all natural medicine businesses (DORA).

NMD licensing services -Total Application submissions as of 1-24-25		
Application type	Number Received	Number Approved
Healing Center	4 standard 3 micro	0
Cultivation	2 standard 1 micro	0
Product manufacturer	1	0
Testing facility	1	0
Owner & Handler	21 owner 6 handler	0

Natural Medicine Senate Bill 23-290

- A local jurisdiction may enact ordinances or regulations governing:
 - Place, Manner, Time (zone districts, buffers from childcare and schools, etc.)
- A local jurisdiction may not prohibit the establishment or operation of natural medicine cultivating, testing, manufacturing, and healing centers.
- A local jurisdiction may not adopt ordinances that are unreasonable or in conflict with state legislation.



If a local jurisdiction does not adopt regulations, then natural medicine businesses will be regulated solely by Colorado Department of Regulatory Agencies (DORA) and Department of Revenue (DOR).

Natural Medicine Senate Bill 23-290

Our Proposed Text Amendment

- Zone Districts
 - Healing Center: use by-right in Multiple Residential and Office (R-5), Multiple Residential and Commercial (R-6), Neighborhood Office (O-1), and all Business (B-1 through B-4 and B-P) Zone Districts. It is not allowed in any residential-only Zone Districts or historic Zone Districts.
 - Cultivation, Testing, and Manufacturing Facilities: use by-right in a Business Park (BP) and all Industrial (I-1 through I-3) Zone Districts.

Zoning Comments and Discussions?

Natural Medicine Senate Bill 23-290

Our Proposed Text Amendment

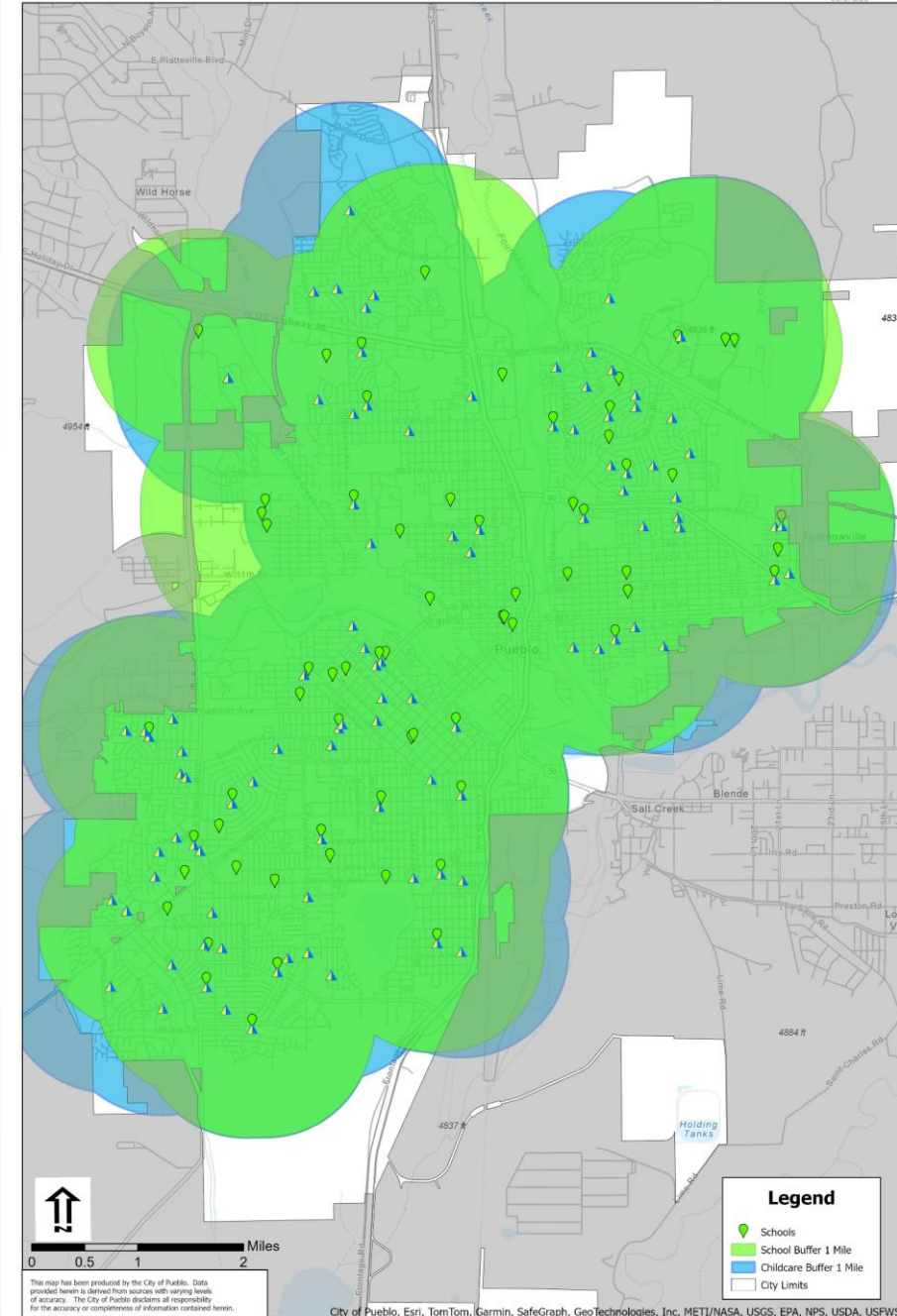
- Buffer
 - As proposed, no Healing Center shall operate out of a building within 1,000 ft. of a school which holds classes and programs, or childcare center or home.
 - The ordinance could be changed to include a buffer for all natural medicine businesses.

Natural Medicine Senate Bill 23-290

Buffer Options: 1-Mile

Area of CO Springs: 194 sq. miles

Area of Pueblo: 56 sq. miles



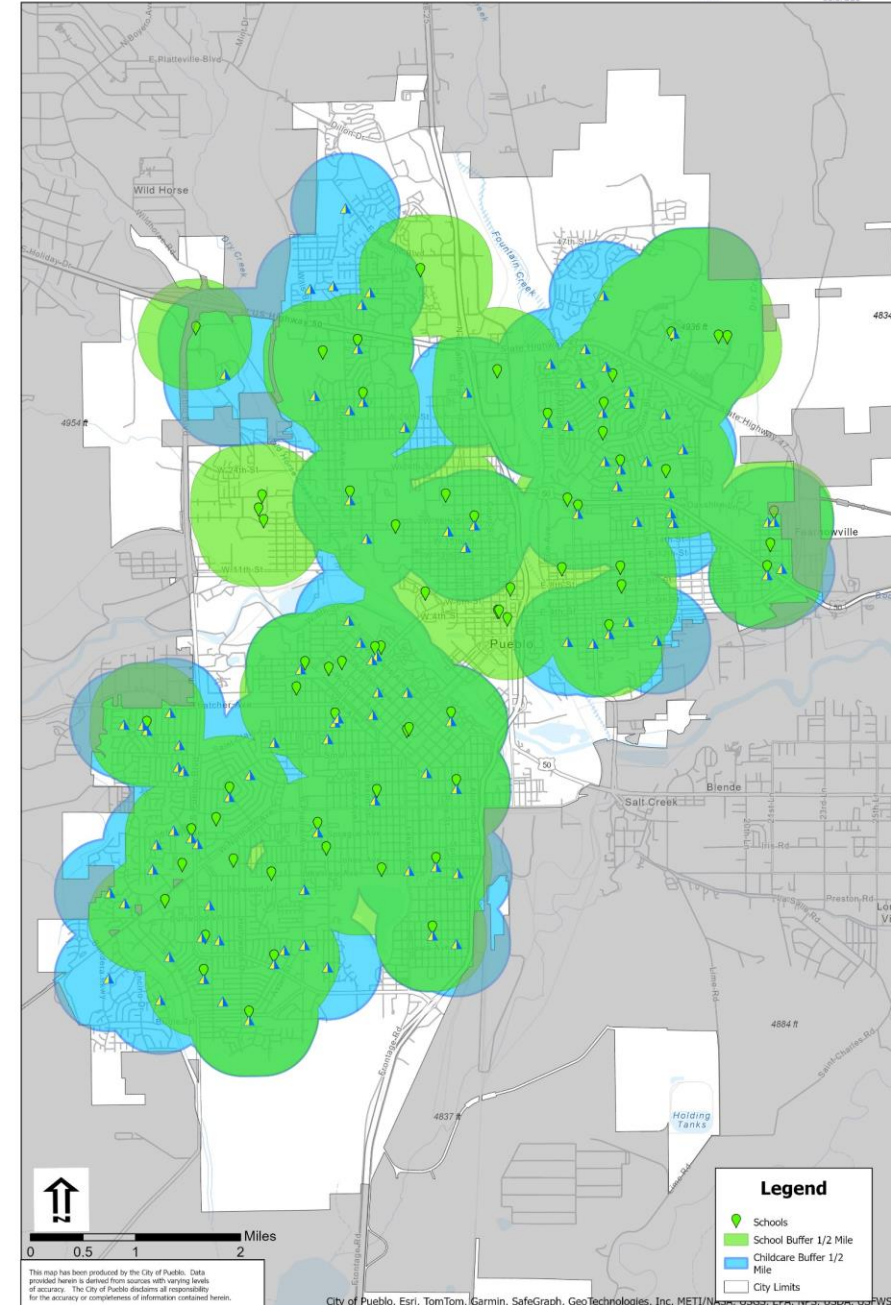
Natural Medicine Senate Bill 23-290

Buffer Options: 1/2 Mile

Area of CO Springs: 194 sq. miles

Area of Pueblo: 56 sq. miles

Natural Medicine Healing Center Buffers - 1/2 Mile



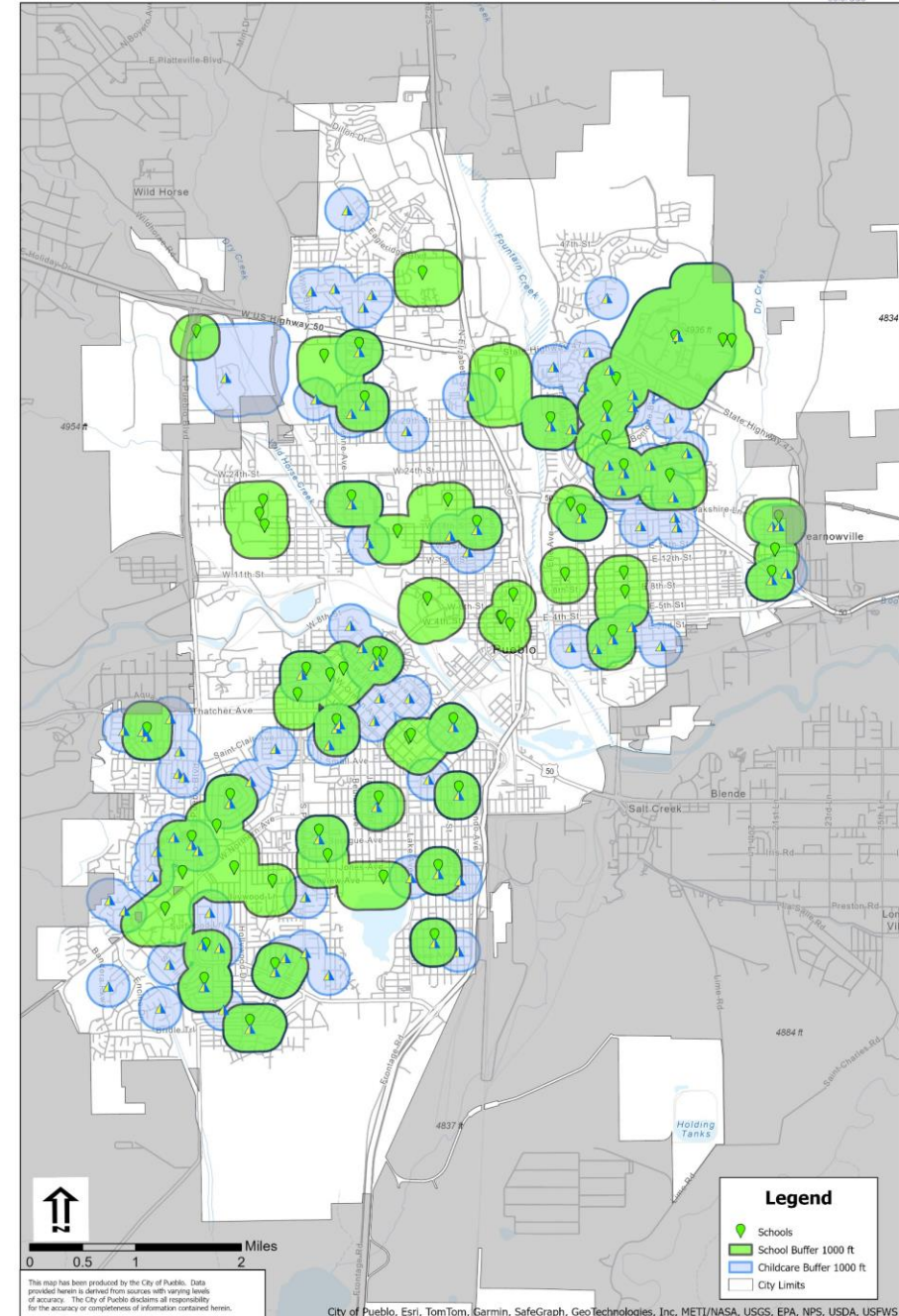
Natural Medicine Senate Bill 23-290

Buffer Options: 1,000 feet

Area of CO Springs: 194 sq. miles

Area of Pueblo: 56 sq. miles

Natural Medicine Healing Center Buffers - 1000 Feet



Natural Medicine Senate Bill 23-290

Our Proposed Text Amendment

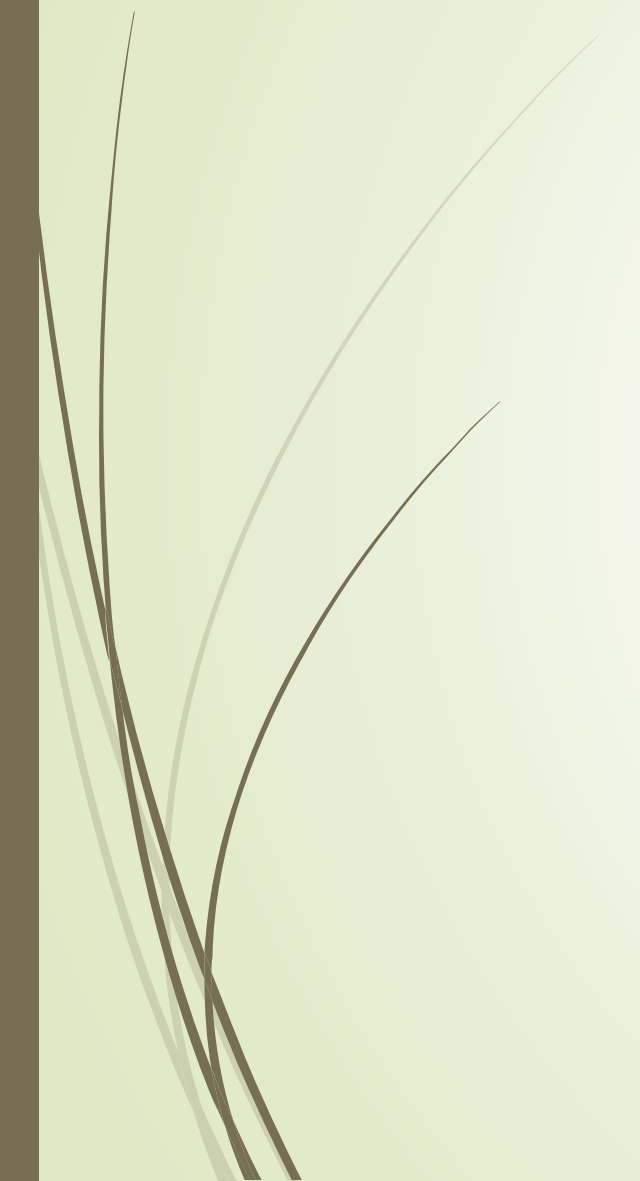


Buffer Comments and Discussion?

Natural Medicine Senate Bill 23-290

Colorado Springs' Ordinance

- Ordinance No. 24- 108
 - Zone Districts:
 - Healing Centers: allowed in zones where medical offices are allowed, which is all Mixed-Use and Industrial Zone Districts.
 - Cultivation, Manufacturing, and Testing Facilities: allowed in Heavy Mixed-Use and Industrial Zone Districts.
 - Buffers:
 - Healing Center: located at least 1 mile from any Elementary or Secondary School, Residential Childcare Facility, Drug or Alcohol Treatment Facility, or any other Natural Medicine Healing Center.
 - Cultivation, Manufacturing, and Testing Facilities: located at least 1,000 feet from any Elementary or Secondary School, Residential Childcare Facility, Drug or Alcohol Treatment Facility, or any other Healing Center.



Questions?