

CITY OF GRAND JUNCTION, COLORADO

RESOLUTION NO. 13-23

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT REQUEST TO THE COLORADO DEPARTMENT OF LOCAL AFFAIRS (DOLA) INNOVATIVE AFFORDABLE HOUSING INCENTIVES GRANT

RECITALS.

In May 2021, a Grand Valley Housing Needs Assessment (HNA) showed among other things, a 16 percent poverty rate in Grand Junction and a rental housing gap of 2168 units for households earning less than \$25,000 (roughly 30-50 percent Average Monthly Income (AMI)), a need for accessible housing units for the 15 percent of the City's population that are disabled, and a generalized substandard condition of housing units within the community.

In October 2021 in response to the HNA, the City Council adopted twelve housing strategies tailored to begin to address the needs identified in the HNA. One of those strategies, Strategy 6, provides for the allocation of city owned land (and/or strategically acquire vacant or underutilized properties) for affordable and mixed-income housing.

In 2022 the Grand Junction City Council allocated \$1 million to support implementation of the adopted housing strategies. In the 2023 adopted budget, City Council carried forward the \$1 million for utilization for housing strategy implementation. Of those funds, the City has set aside \$750,000 to be utilized for a cash match for the Department of Local Affairs (DOLA) Innovative Affordable Housing Incentive Grant.

In September 2022, a Letter of Interest ("LOI") was submitted to DOLA for the Innovative Affordable Housing Incentives Grant ("Grant"). If the Grant is awarded it will assist with purchase of a 15-acre property for Grand Junction Housing Authority ("GJHA") for future affordable housing construction ("Project").

On December 22, 2022, DOLA notified City Staff that a grant application for the Project described in the LOI would be considered.

The Project includes the acquisition of 15 acres for future development by the GJHA. The GJHA would utilize the property to construct approximately 300 rental units in three different phases with two-thirds of the units serving 60% AMI and below, and the other one-third serving 80% AMI and below. The target construction start date of Phase 1 would be in 2025.

The purchase price of the property is \$2,812,500 with approximately \$187,500 in due diligence costs and work, architecture, and engineering services for a total acquisition cost of \$3 million. The Grant requires a 20% match

The property is in the 24 Road corridor which is a high growth area of the City and near major employers including Community Hospital and Mesa Mall. The location is within walking distance to Canyon View Regional Park, City Market grocery store and

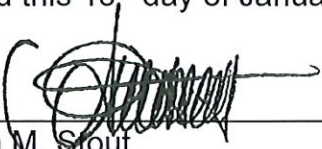
Community Hospital's childcare facility. The area currently has very limited housing options.

This Project aligns with the criteria for the Grant whereby the City would leverage a \$750,000 grant match in support of the Project. If the Grant is approved, then the contract could be assigned to GJHA or to the City.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Grand Junction does hereby authorize the City Manager to submit an application to the Department of Local Affairs for the Innovative Affordable Housing Grant in the amount of \$2,250,000, with a \$750,000 City cash match, for a total Project cost of \$3 million all in accordance with and pursuant to the foregoing Recitals.

FURTHERMORE, if the Grant (\$2,250,000) is not approved or if there is a less than full award, then the City Manager is authorized to expend \$750,000 in support of the GJHA purchasing less than 15 acres if a purchase may be made, with the remainder of the site being acquired, if at all, when other funding is secured.

Dated this 18th day of January 2023.



Anna M. Stout
President of the Council



ATTEST:



Amy Phillips
City Clerk