

CITY OF GRAND JUNCTION, COLORADO

RESOLUTION NO. 94-23

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT REQUEST TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR THE PRO HOUSING GRANT

RECITALS.

Communities nationwide are suffering from a lack of affordable housing, and housing production is not meeting the increasing demand for accessible and available units in many urban and rural areas. The Pathways to Removing Obstacles to Housing (PRO Housing) Grant through the Department of Housing and Urban Development (HUD) supports communities that are actively taking steps to remove barriers to affordable housing, such as: impediments caused by outdated zoning, land use policies, or regulations; inefficient procedures; gaps in available resources for development; deteriorating or inadequate infrastructure; lack of neighborhood amenities; or challenges to preserving existing housing stock such as increasing threats from natural hazards, redevelopment pressures, or expiration of affordability requirements. HUD issued a Notice of Funding Opportunity (NOFO) under the authority of the Consolidated Appropriations Act which appropriates \$85 million for competitive grant funding for the identification and removal of barriers to affordable housing production and preservation. Grantees may use awards to further develop, evaluate, and implement housing policy plans, improve housing strategies, and facilitate affordable housing production and preservation.

Property and/or building acquisition costs, especially in developed areas of the city, are a major component of the cost of developing affordable housing and were identified as a significant barrier in the adopted 2021 Grand Junction Housing Needs Assessment. In current markets, land and/or building acquisition can be up to 20% of the overall project.

In 2019, there was an identified housing unit shortage of 2,168 units serving households at 60% AMI and below. Further, to retain the same ownership rates and income distribution, the County will need to add around 1,500 ownership units and around 1,400 rental units for incomes below 50% AMI by 2030. By 2040, the County will need to add around 3,300 ownership units and around 3,100 rental units affordable to households with income below 50% AMI. Moreover, as the market has exponentially increased in cost, it is likely creating a higher need for even more housing units for low and moderate- income households.

To address these barriers, in October 2021, City Council adopted twelve housing strategies to create a balanced approach for promoting both affordable housing and attainable housing. Affordable Housing for the City has been defined as rental housing for households making less than 60% or for-sale units for households earning less than

100% AMI. Attainable housing is defined by the City as rental housing for households making between 60% AMI and 80% AMI and for-sale units for households earning between 60% and 120% AMI. Adopted Strategy 6 calls for the City to "Allocate city-owned land and/or strategically acquire vacant or underutilized properties for affordable and mixed-income housing." This strategy was intended to assist in meeting the shortage of affordable/attainable housing and to promote more opportunities for housing choices that meet the needs of people of all ages, abilities, and incomes.

On March 15, 2023, the Grand Junction City Council adopted Resolution No. 30-23 creating the Land and Building Acquisition Program (LAP). The LAP was created in response to a generalized shortage of affordable housing in Grand Junction. The primary purpose of the LAP is the contribution of funds to assist investors with the acquisition of property to help alleviate the housing shortage in Grand Junction.

On April 5, 2023, funding was allocated to the LAP and appropriated for spending through a supplemental appropriation ordinance. To date, the LAP has supported the purchase of the Hilltop Project in the amount of \$300,000. There are currently multiple projects working towards entitlements of properties and/or buildings and are expected to formally apply in late 2023 or early 2024 and would likely exceed proposed 2024 funding.

The City of Grand Junction is applying for a PRO Housing grant in the amount of \$4,000,000 to increase resources to fund the City's Land and Building Acquisition program.

This Project aligns with the criteria for the PRO Housing Grant whereby the City utilizes \$2,000,000 as leverage for the program for a cash match in support of the Project. The Grant did not require a match but does increase the competitiveness of the application.


NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Grand Junction does hereby authorize the City Manager to apply to the United States Department of Housing and Urban Development for the PRO Housing Grant in the amount of \$4,000,000, with a \$2,000,000 City leveraged cash match, for a total Program fund of \$6,000,000 million all in accordance with and pursuant to the foregoing Recitals.

Dated this 18 day of October 2023.



Anna M. Stout
President of the City Council

ATTEST:



Amy Phillips
City Clerk

