

RESOLUTION NO. 52-24

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A GRANT REQUEST TO THE COLORADO DEPARTMENT OF LOCAL AFFAIRS MORE HOUSING NOW AND LAND USE INITIATIVE UNDER THE ENERGY & MINERAL IMPACT ASSISTANCE FUND PROGRAM.

RECITALS.

City Council has adopted thirteen housing strategies to create a balanced approach for promoting both affordable and attainable housing. Affordable housing is defined by the City as rental housing for households earning less than 60% of the Area Median Income (AMI) or for-sale units for households earning less than 100% AMI. Attainable housing is defined as rental housing for households earning between 60% and 80% AMI, and for-sale units for households earning between 100% and 120% AMI. Strategy 6 of the adopted strategies aims to "Allocate city-owned land and/or strategically acquire vacant or underutilized properties for affordable and mixed-income housing." This strategy is intended to address the shortage of affordable and attainable housing and to create more housing opportunities for people of all ages, abilities, and incomes.

In developed areas of the City, property and acquisition costs are a major component of the overall cost of affordable housing, contributing up to 20% of the total project cost. With the current market's increased costs for labor, supplies, and inflation, the expense of providing necessary infrastructure to support affordable housing development is a significant barrier. Developers face high expenses to extend roads, water lines, and sewage systems to new sites, which often makes projects financially unfeasible or results in higher rents or purchase prices. Limited land availability in poorly serviced areas further restricts development, as these areas require additional infrastructure upgrades, constraining affordable housing development. Immediate infrastructure investment is essential to reduce costs, attract development, and meet the critical housing needs of low- to moderate-income families in Grand Junction.

The Salt Flats project represents a transformative development aimed at increasing affordable and workforce housing. It will utilize 21.45 acres of a 35.85-acre parcel to develop up to 550 affordable and attainable housing units completed in an estimated 3 to 4 phases over the next ten years. Located centrally along 28 Rd between the I-70 Business Loop and North Avenue, the site is under subdivision review to create city-owned and commercial lots, including one for Enstrom's Candies expansion. The project will offer a range of rental and homeownership options, focusing on affordable rental units for those earning below 60% AMI, for-sale units for those earning 100% AMI, attainable/workforce housing rental units for households earning up to 120% AMI, and for-sale units for those earning up to 140% AMI.

The City of Grand Junction currently has a Letter of Intent (LOI) with EN-SIM QOF, LLC (Enstrom's) for the Salt Flats project, as approved by City Council through Resolution 23-24. The LOI outlines the terms for the City's purchase of 21.45 acres, with a purchase price of \$3.2 million. The project has been selected for Proposition 123 funding through the Landbanking program of the Colorado Housing and Finance Authority (CHFA) for \$2.2 million to assist with the property acquisition, with a \$1 million City Match encumbered in the 2024 City Housing Budget. The LOI also stipulates that the City will contract for various street improvements through and adjacent to the development.

Future unit development will involve collaboration with multiple non-profit and housing developers through the City's Request for Proposal (RFP) process.

Phase one of the infrastructure for the project is estimated to cost approximately \$2.8 million, with \$2 million being requested through DOLA's More Housing Now Grant, and approximately \$800,000 which includes a \$500,000 grant match and contingency funds set aside from reserve funds.

Phase one infrastructure will include construction of approximately 1650 feet of 70 foot wide collector of roadway connecting Grand Ave at 28 Rd to 28 ¼ Rd. Construction of half of a 78 ft collector cross-section on the east side of the property connecting 28 ¼ Rd from Grand Ave north to existing 28 ¼ Rd, installation of 5800 feet of water, sewer and storm drain lines, installation of gas, electric, telephone, and conduit for fiber along the Grand Ave and 28 1/4 Road to support residential developments and development of stormwater management systems, and a retention basin to ensure proper drainage and mitigate flood risks.

The improved infrastructure will enhance transportation networks, as the site has been strategically selected for not only its accessibility, but also to increase future accessibility. It is located near an existing bus route and within 0.24 miles of two established bus stops. Grand Valley Transit has preliminarily indicated that once the site is developed, one of the nearby bus stops will be relocated to the site, further improving public transportation accessibility. The Salt Flats infrastructure will create active transportation connections in both north-south and east-west directions, where none exist today, including new sidewalk facilities and pedestrian connections.


Enhanced infrastructure will also support economic development by creating construction jobs and increasing local business opportunities. Its proximity to key employment and health service corridors including the Lincoln Park Sports Complex, Colorado Mesa University, Veteran's Administration Hospital, North Avenue, and Downtown Business Corridors, along with the addition of commercial areas expected to develop on the southern portion of the current parcel, makes this a prime area for economic opportunity for residents.

The Salt Flats site is currently undergoing the subdivision process, with staff expecting to be under contract for acquisition in late August or early September.

The Project aligns with the criteria for the Grant whereby the City commits a \$500,000 cash match in support of the project, which aligns with the grant's 25% match requirement.


NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Grand Junction does hereby authorize the Interim City Manager to apply to the Colorado Department of Local Affairs for the More Housing Now and Land Use Initiative under the Energy & Mineral Impact Assistance Fund Program in the amount of \$2,000,000, with a \$800,000 expenditure of reserve funds in the amount of \$800,000 that includes a \$500,000 City cash match, and contingency funds for a total project cost of \$2,800,000, all in accordance with the foregoing Recitals.

Dated this 7th day of August 2024.



Abe Herman
President of the City Council

ATTEST:



Selestina Sandoval
City Clerk