

**CITY OF GRAND JUNCTION, COLORADO
RESOLUTION NO. 44-24**

**A RESOLUTION ADOPTING A FEE WAIVER OR REDUCTION FOR A
PRODUCTION INCENTIVE FOR AFFORDABLE FOR SALE AND AFFORDABLE
FOR RENT UNITS IN THE CITY OF GRAND JUNCTION, COLORADO**

RECITALS:

In May 2021 the City, in conjunction with several housing agencies, completed a Grand Valley Housing Needs Assessment (HNA). The HNA showed a poverty rate in Grand Junction of 16%, that is well above the state average, a rental housing gap of 2,168 units for households earning less than \$25,000 (roughly 30% to 50% Area Median Income [AMI]), a need for accessible housing units for the 15% of the City's population that are disabled, and a generalized substandard condition of housing units within the community.

In response to and informed by the HNA, on October 6, 2021, the City Council approved Resolution 82-21 adopting a Housing Strategy outlining twelve strategies tailored to address certain needs identified in the HNA with two of the top needs being production and availability gaps including needs for additional affordable rentals and affordable homeownership opportunities. Strategy 5 calls for the City to "formalize existing incentives and consider additional incentives for affordable housing development." On December 21, 2022, the city approved Resolution 96-22, which added a thirteenth housing strategy to promote community engagement and education around housing.

In August 2023, the City Council approved Resolution 65-23 and adopted a definition of *Affordable Housing* as rental housing units affordable to households earning 60 percent AMI or below, or for-sale housing units that are affordable to households earning 100 percent AMI or below. Additionally, attainable housing rental housing units are affordable to households earning 80 percent to 100 percent AMI and for-sale housing that is affordable to households earning 100 percent to 140 percent. The Resolution included a goal to increase affordable housing stock by 124 annually (or 372 over three years). By and with the adoption of this Resolution, the City Council provides an incentive to produce Affordable Housing consistent with its previously established policy.

For the reasons expressed, among others, in these Recitals, the Grand Junction City Council hereby approves a fee waiver or reduction in fees to incentivize the production of for sale and affordable for rent Affordable Housing units in the City of Grand Junction to become effective immediately, and to continue, unless amended or repealed by further action of the City Council, to subject to annual appropriation through December 31, 2027.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:

The 2024 Affordable Housing Production Incentive Program, is hereby adopted and made effective immediately (Effective Date) as follows:

1. The foregoing Recitals are incorporated herein and in consideration of the same the City Council finds, determines, and resolves that as follows:
 - a. Upon application and a determination by the Director of the Community Development Department that an Affordable Housing project (Project) has, or will when developed conform to the Grand Junction Municipal Code (GJMC), the City Manager is authorized to pay from the General Fund, in an amount not to exceed the appropriated budget for such expenditure, all applicable Development Impact Fees (Transportation Capacity Payment [TCP], police, fire, parks, and other impact fees as may be adopted)) and Plant Investment Fees (water, sewer), and Open Space in lieu of dedication fees collectively referred to as "Fees" for Affordable Housing Units that: i) have an affordability term of at least 30 years enforced by a mechanism such as a recapture agreement, land use restriction agreement, deed restriction, use covenant, or other comparable document commonly utilized in affordable housing models and are determined by the City to be *affordable* as defined and described herein.
 - b. *Affordable For Sale Units*
 - For sale units at 100% AMI or below for income-qualified households shall receive up to 100% of Fee waivers.
 - c. *Affordable For Rent Units*
 - For rent units at 60% AMI or below for income-qualified households shall receive up to 100% Fee waivers.
 - A Project providing at least one *Affordable For Rent Unit* (at 60% AMI or below) that comprises at least 10% of the overall residential rental units shall receive up to 100% fee waivers for the income qualified affordable for rent units and up to a 25% Fee waiver for the project's non-affordable rental units, limited to that part of a mixed-use Project that is residential.
 - A Project providing at least two *Affordable For Rent Units* (at 60% AMI or below) that comprise at least 20% of the overall residential rental units shall receive up to 100% fee waivers for the income

qualified affordable for rent units and up to a 40% Fee waiver for the project's non-affordable rental units, limited to that part of a mixed-use Project that is residential.

2. Without further action by the City Council this Resolution and subject to annual appropriation of funds the Affordable Housing Production Incentive Program is adopted and approved hereby and herewith the Program shall expire on the earlier of non-appropriation or December 31, 2027.

ADOPTED AND APPROVED THIS 3rd day of July 2024.



Abram Herman
President of the City Council

ATTEST:



Selestina Sandoval
City Clerk

