

RESOLUTION NO. 83-24

A RESOLUTION SUPPORTING A CONDITIONAL FINANCIAL COMMITMENT OF \$885,531 FOR THE LIBERTY APARTMENT HOUSING PROJECT

Recitals:

Aspire Residential LLC ("Developer") has requested that the City assist in funding the construction of the 192-unit apartment Liberty Apartment complex located at 2651 Stacy Drive, Grand Junction ("Project.")

The Developer's request for funding is attached and incorporated by this reference as if fully set forth. As provided in the request, the Developer is proposing to construct the units in two phases with 72 units to be completed by June 2026 and 120 units to be completed by April 2028.

The Developer is now proposing the Project be rent-restricted using either Proposition 123 Equity Program or Concessionary Debt. Those programs require either:

- Rental rates at 90% AMI Average for all units for a period of 30 years (Proposition 123 Equity Program); or,
- 20 percent of units (38) at 80 percent AMI for a period of 30 years (Proposition 123 Concessionary Debt.)

If the Project receives funding from either of these competitive Proposition 123 funding sources, the units will count toward the City's Proposition 123 commitment so long as the units receive a Building Permit(s) prior to December 31, 2026. The City's financial support for Phase I is conditioned upon the utilization of one of these Proposition 123 funding sources as well as meeting the December 31, 2026 deadline for issuance of Building Permit(s) for the 72-units. The City's Proposition 123 commitment is 375 affordable units for the 3-year period commencing in 2024 until December 31, 2026.

At this time, the Developer has modified its request for the City to contribute \$885,531 to the Phase I portion of the Project including 72 units. The City's 2025 budget includes \$344,637 from the 201 Sales Tax Fund; the additional funding of \$510,894 for the Project would need to be allocated from City reserves.

City policy does not provide incentives for housing that does not meet its adopted definition of Affordable (60 percent AMI or less); however, by virtue of the Project's location in the community and that the units will assist in meeting the 123 commitment, the City Council does find and determine that it is right and proper to conditionally support the Project by and with conditional approval of funding in the amount of \$885,531.

With the passage and adoption of this Resolution, the City Council is authorizing and directing the City staff to work with the Developer to draft an agreement outlining

expectations for performance and timing for the City contribution ("Funding Agreement.")

With passage and adoption of this Resolution, the City Council further directs the City staff to agendize an ordinance for authorization of \$510,894 as a supplemental appropriation from City General Fund reserves.

The funding contemplated by this Resolution is expressly contingent and conditioned on an award to the Developer of Proposition 123 Equity Program or Concessionary Debt and negotiation and approval by the City Council of a Funding Agreement and a majority of the City Council approving the Funding Agreement and the supplemental appropriation being heard, approved and becoming legally effective as provided by law.

For and in consideration of the foregoing Recitals, the City Council authorizes the City Manager, City Attorney and other City staff act in accordance with and pursuant to this Resolution.


NOW THEREFORE, BE IT RESOLVED THAT:

1. The Recitals are incorporated herein and in consideration of the same and with due deliberation the City Council expresses its conditional support for a financial commitment by the City of a total of \$885,531 in support of Phase I of the Liberty Apartment project.
2. The City Council by and with this Resolution authorizes the City Manager and City Attorney to initiate negotiations with the Developer to draft an agreement outlining expectations for performance and timing for the City contribution ("Funding Agreement.")
3. The City Council by and with this Resolution authorizes the City Manager to initiate supplemental budget appropriations, subject to the adoption by the City Council of the introduce and heard appropriation ordinance, to allocate \$885,531 from the General Fund reserves to conditionally support Phase I of the Liberty Apartment project.
4. This Resolution and any commitment(s) made or purported to be made are conditional and the City is not and shall not be obligated by the passage and adoption hereof unless and until each and every condition of law and policy are satisfied to as determined by the City Council in its sole and absolute discretion.

FURTHERMORE, BE IT RESOLVED THAT

5. With the adoption of this Resolution the City Council is not deciding any matter that relates, or may be claimed to relate, to land use approval(s) or any other matter not taken up herein or herewith.

Passed and adopted this 20th day of November 2024.



Abram Herman
President of the City Council

ATTEST:


Selestina Sandoval
City Clerk

