

To access the Agenda and Backup Materials electronically, go to [the City of Grand Junction Website](#). To participate or watch the meeting virtually register for the [GoToWebinar](#).



**GRAND JUNCTION CITY COUNCIL
MONDAY, SEPTEMBER 16, 2024
WORKSHOP, 5:30 PM
FIRE DEPARTMENT TRAINING ROOM
625 UTE AVENUE**

1. Discussion Topics

- a. 7th Street Active Transportation Corridor Facility discussion
- b. Housing Strategy Update
- c. Animal Control Services Update
- d. Impact Fee Study Project Update

2. City Council Communication

An unstructured time for Councilmembers to discuss current matters, share ideas for possible future consideration by Council, and provide information from board & commission participation.

3. Next Workshop Topics

4. Other Business

What is the purpose of a Workshop?

The purpose of the Workshop is to facilitate City Council discussion through analyzing information, studying issues, and clarifying problems. The less formal setting of the Workshop promotes conversation regarding items and topics that may be considered at a future City Council meeting.

How can I provide my input about a topic on tonight's Workshop agenda?

Individuals wishing to provide input about Workshop topics can:

- 1. Send input by emailing a City Council member ([Council email addresses](#)) or call one or more

members of City Council (970-244-1504)

2. Provide information to the City Manager (citymanager@gjcity.org) for dissemination to the City Council. If your information is submitted prior to 3 p.m. on the date of the Workshop, copies will be provided to Council that evening. Information provided after 3 p.m. will be disseminated the next business day.

3. Attend a Regular Council Meeting (generally held the 1st and 3rd Wednesdays of each month at 5:30 p.m. at City Hall) and provide comments during "Public Comments."



Grand Junction City Council

Workshop Session

Item #1.a.

Meeting Date: September 16, 2024

Presented By: Henry Brown, Mobility Planner, Tamra Allen, Community Development Director, Trent Prall

Department: Community Development

Submitted By: Henry Brown, Mobility Planner

Information

SUBJECT:

7th Street Active Transportation Corridor Facility discussion

EXECUTIVE SUMMARY:

Seventh Street is the first corridor to be re-evaluated through the lens of the Pedestrian and Bicycle Plan since that plan's adoption in 2023. KLJ Engineering was selected to lead the feasibility study via a competitive bidding process and will present on the corridor's existing conditions and their proposed alternatives for various cross-sections from Horizon Drive to the Riverfront Trail at Struthers Avenue. The proposed alternatives aim to balance the Level of Traffic Stress (LTS) for sidewalk users and cyclists, increase modeled vehicular delay, impact on existing street trees and landscaping, and cost/impact on private property. Public input was provided via EngageGJ surveys, in-person community outreach, and at key project milestones with the 7th Street Steering Committee.

BACKGROUND OR DETAILED INFORMATION:

Based on community input compiled into the 2020 One Grand Junction Comprehensive Plan and 2023 Pedestrian Bicycle Plan, the public expects the City to "continue to develop a safe, balanced, and well-connected transportation system that enhances mobility for all modes" (Strategy 6.1), including installing "high-comfort bike facilities on the Active Transportation Corridors as recommended" (Objective Q1). Further, the City Council has articulated in their 2024-2026 Strategic Framework the following Strategic Outcome: Placemaking. "Grand Junction catalyzes projects and investments that emphasize people-centric spaces with inclusive infrastructure that promotes vibrant, multi-use environments to ensure people can comfortably live, recreate, and move throughout our community." This project works to implement the Framework, Comprehensive Plan and Pedestrian and Bicycle Plan.

7th Street was selected for consideration based on:

- Presence on the High Injury Network (given the high frequency of crashes impacting vulnerable road users between Pitkin Avenue and Horizon Drive);
- Priority rating in the Pedestrian and Bicycle Plan, which is variously High and Medium for both sidewalk and cycling facilities;
- Proximity to key civic facilities, medical services, and important commercial areas, in addition to Tope Elementary School, GJHS, and CMU;
- On being the most popular route for accessing the Riverfront Trail from Downtown;
- On being the only corridor to continuously connect the Riverfront Trail to north of I-70; and
- The City's existing/ongoing investment in multi-modal infrastructure along 26 1/2 Road, north of Horizon Drive.

KLJ began the process with an existing condition assessment, including investigation of existing Level of Traffic Stress (LTS) for sidewalk (pedestrian) users and for bicyclists, crash history, vehicular demand (current, including turn movements, and 20-year volume models), and landscaping (street trees) assessment. An EngageGJ survey received input from more than 200 community members, with additional participants learning and engaging at Market on Main (July 11, 2024).

Based on these five inputs, KLJ have developed proposed cycle lane, cycletrack, and trail alignments, including recommended cross-over locations, for a low-stress facility which runs the length of 7th Street, from the RFT entrance at Struthers Avenue to the planned cross-section north of Horizon Drive. Intersection safety enhancements have been proposed to reduce pedestrian exposure, and right-sizing the roadway capacity to suitably match existing and 20-year vehicular demand is proposed through the 7th Street Historic District to minimize impact to historic street trees.

KLJ will present more detail on their findings, recommendation and next steps for City Council discussion. At this time, project costs for the various scenarios//alternatives for the segments are not available but will be forthcoming.

FISCAL IMPACT:

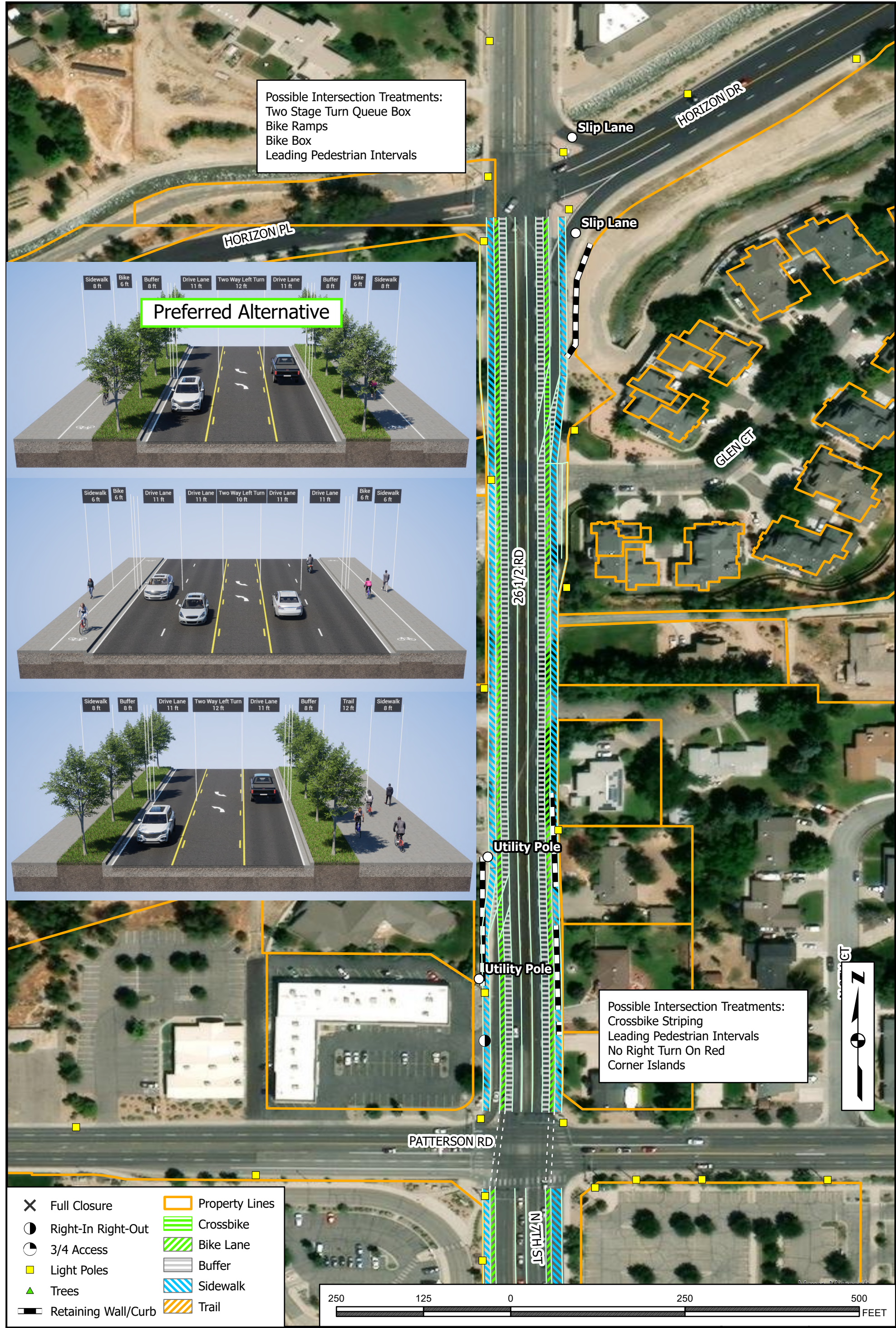
There is no fiscal impact related to this discussion. The work with KLJ is being completed under a competitive RFP process in an amount not to exceed \$79,915.04. Depending on the options selected by Council moving forward for this corridor, the project cost will vary.

SUGGESTED ACTION:

This item is for discussion purposes only.

Attachments

1. Segment Recommended Vision



Segment 1: Horizon Drive to Patterson Road
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

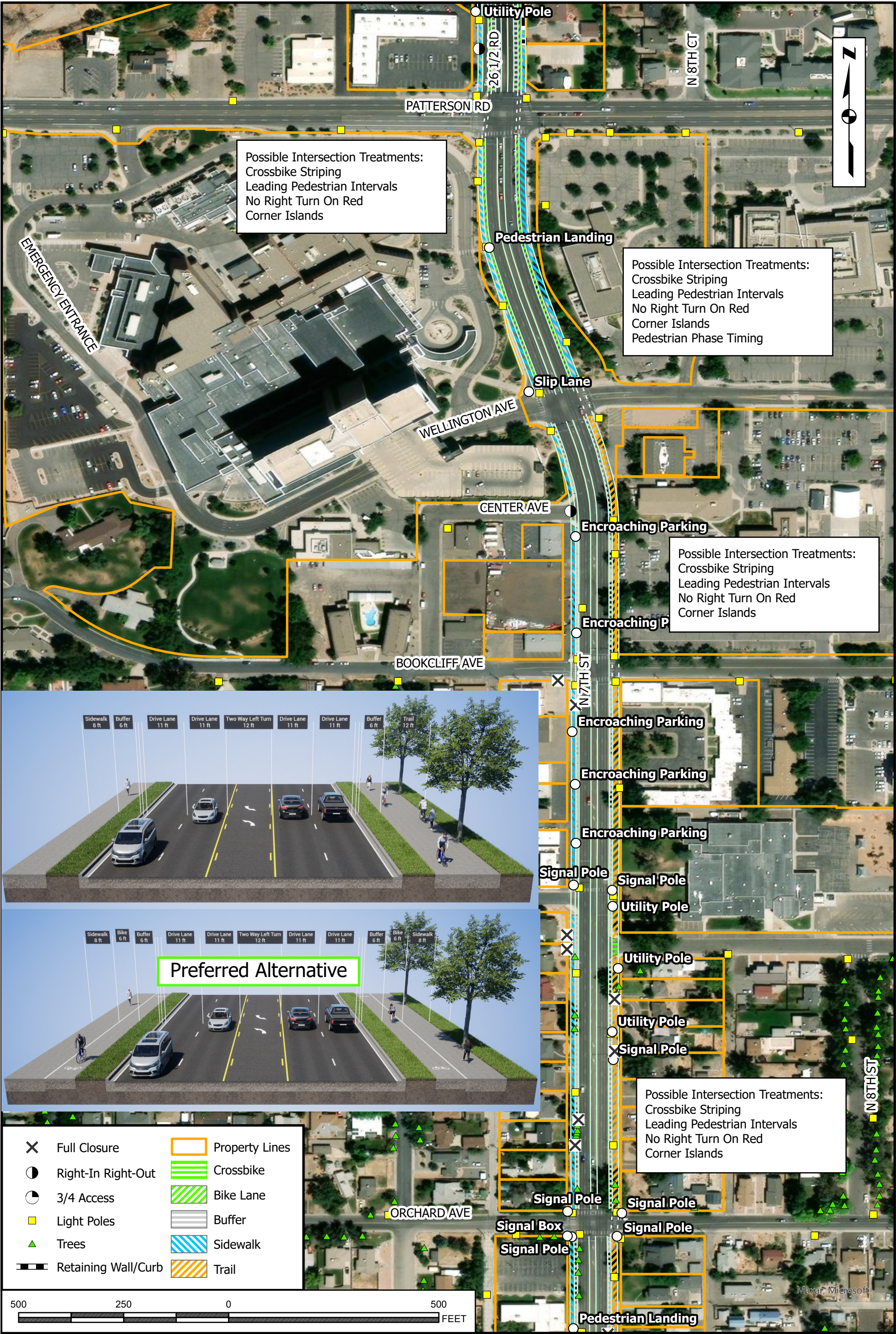
PROJECT NUMBER:
2404-00271

SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 1 OF 7





Segment 2: Patterson Road to Orchard Boulevard
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

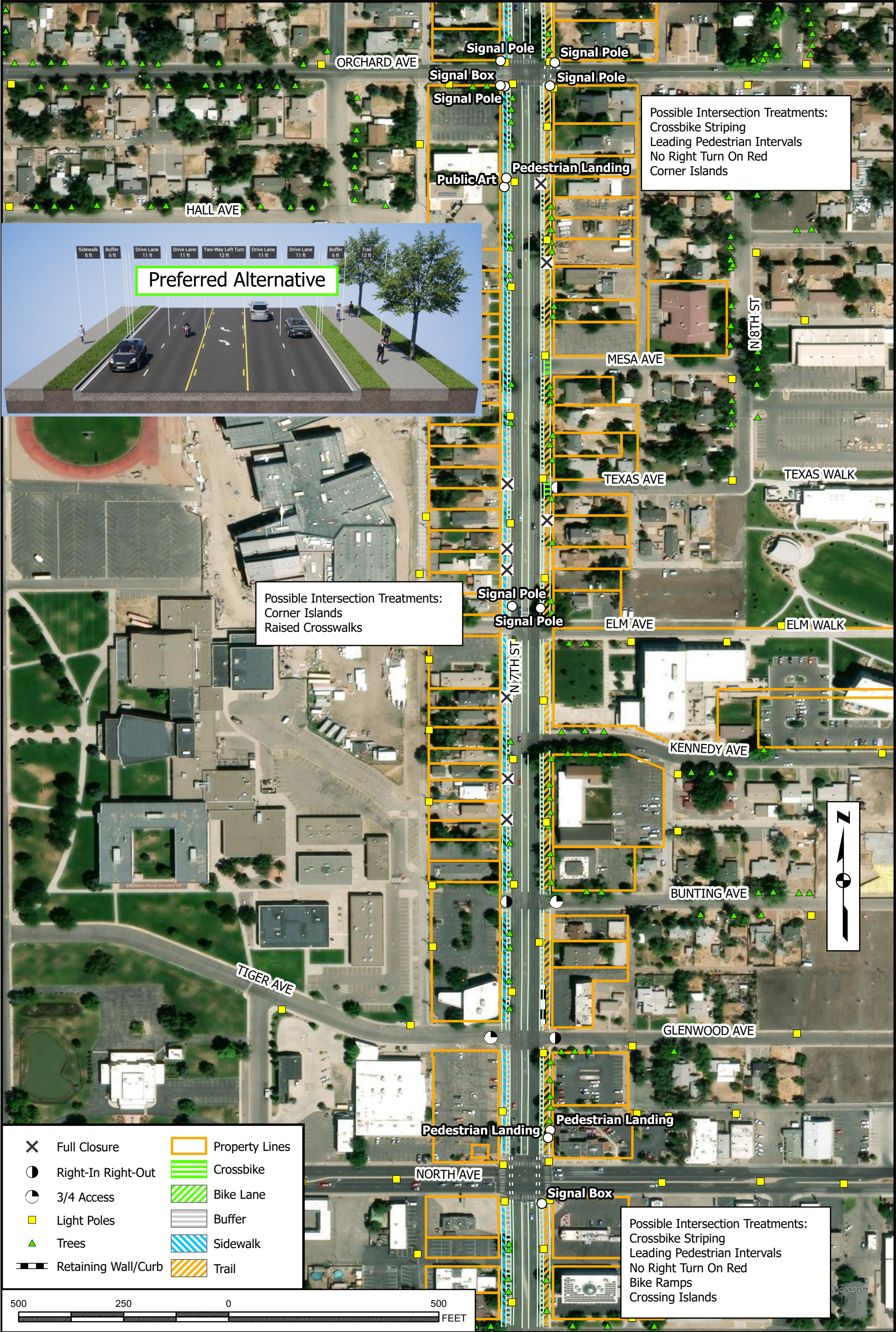
PROJECT NUMBER:
2404-00271

SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 2 OF 7





Segment 3: Orchard Avenue to North Avenue
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

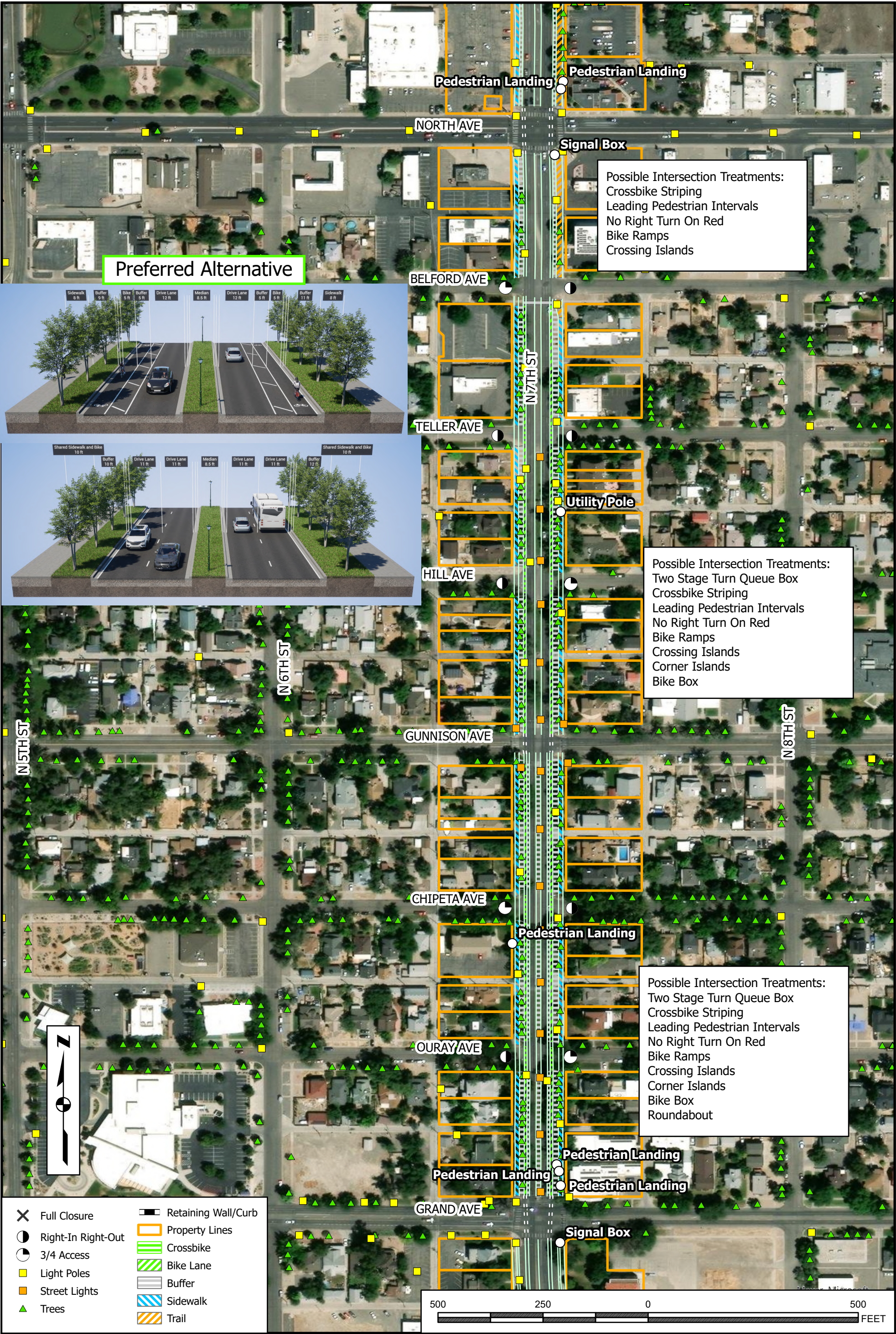
PROJECT NUMBER:
2404-00271

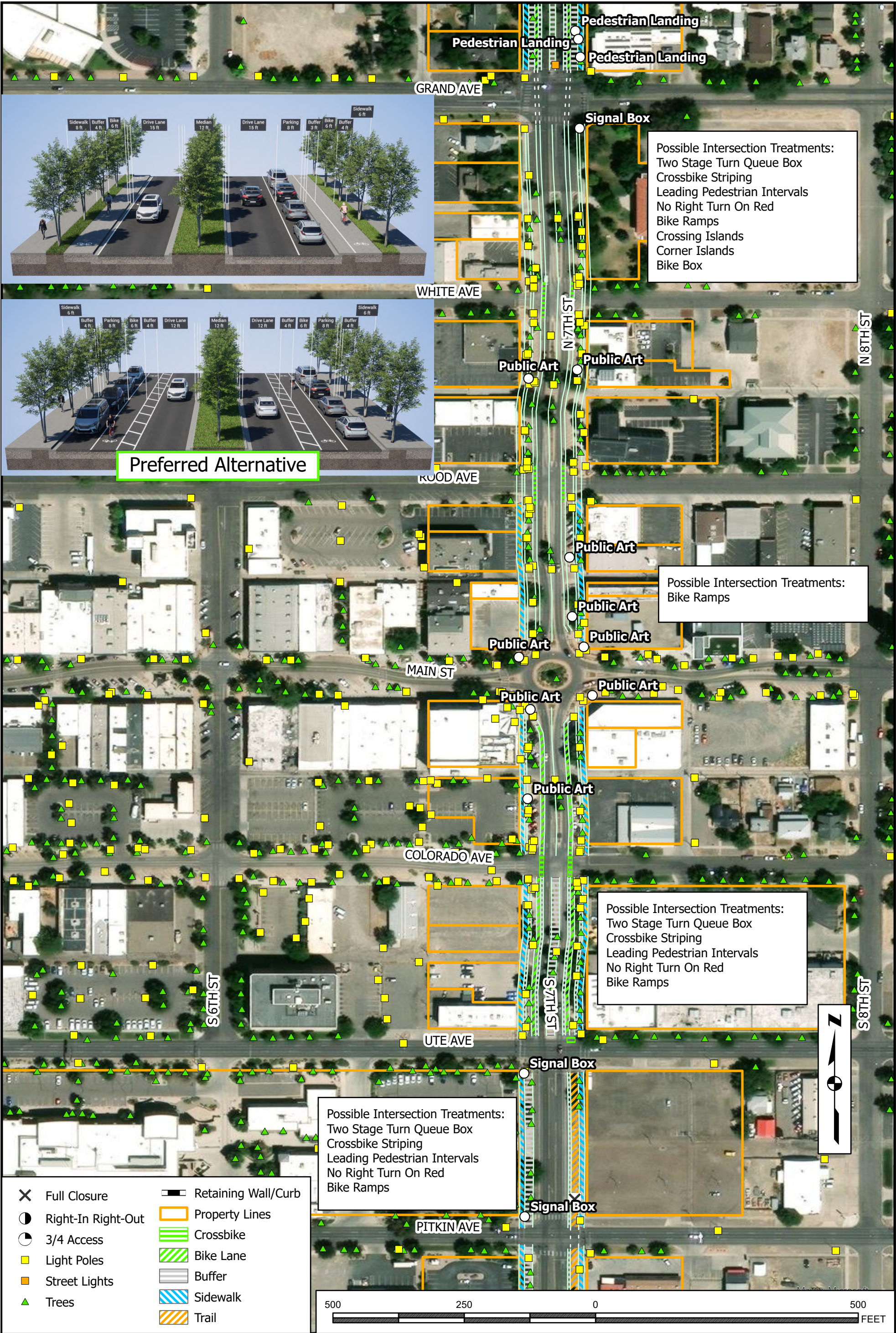
SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 3 OF 7







Segment 5: Grand Avenue to I-70 Business-Ute/Pitkin Ave
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

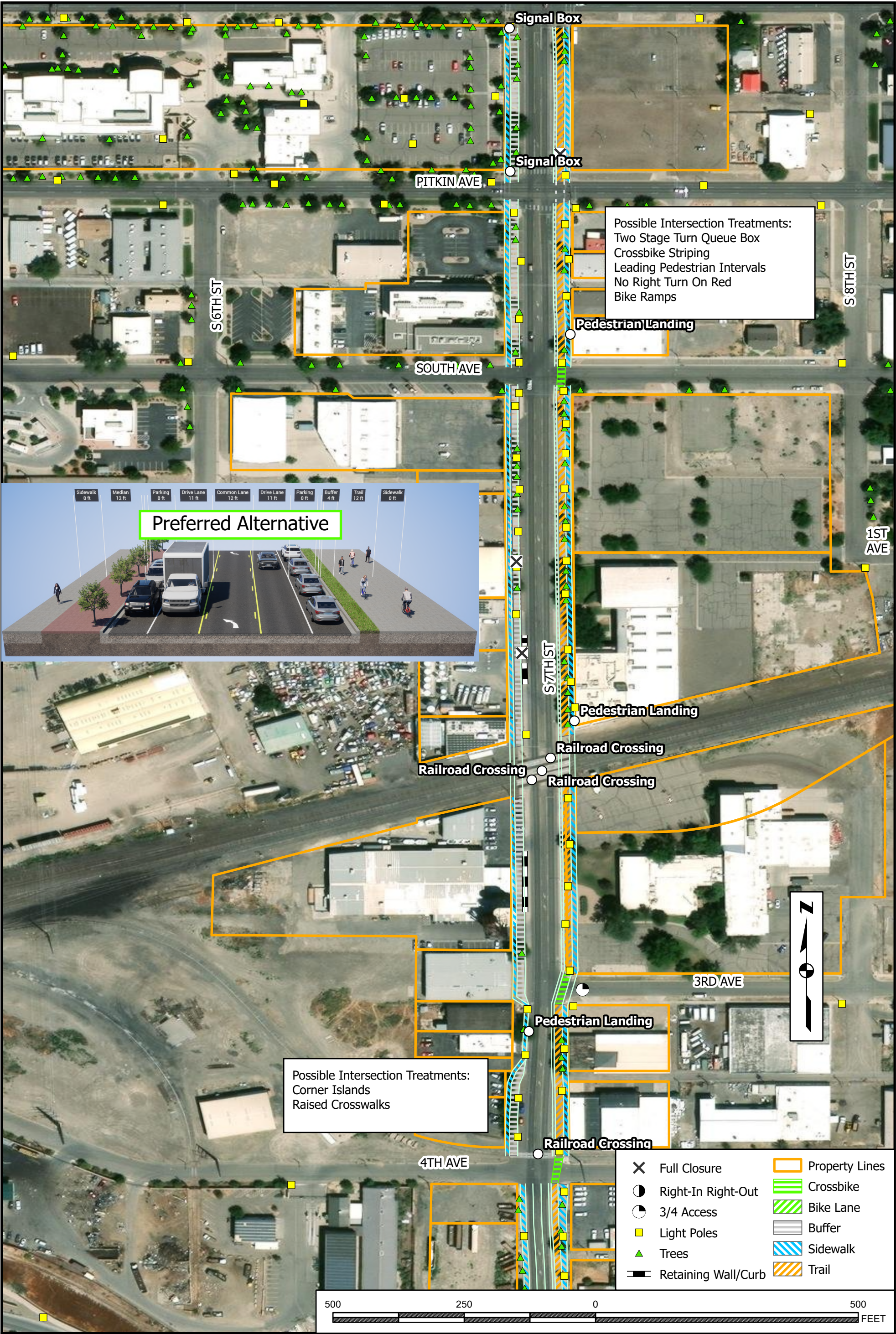
PROJECT NUMBER:
2404-00271

SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 5 OF 7





Segment 6a: I-70 Business-Ute/Pitkin Avenue to 4th Avenue
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

PROJECT NUMBER:
2404-00271

SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 6 OF 7



Possible Intersection Treatments:
Corner Islands
Raised Crosswalks

4TH AVE

Railroad Crossing

Sidewalk 8 ft
Drive Lane 11 ft
Two Way Left Turn 12 ft
Drive Lane 11 ft
Buffer 4 ft
Trail 12 ft

Preferred Alternative

WINTERS AVE

NOLAND AVE

S 7TH ST

RIVERSIDE PKWY

KIMBALL

STRUTHERS AVE

Intersection treatments:
Bike Ramps
Crossbike Striping
Leading Pedestrian Intervals
No Right Turn On Red

- | | |
|-----------------------|----------------|
| ✕ Full Closure | Property Lines |
| ● Right-In Right-Out | Crossbike |
| ◐ 3/4 Access | Bike Lane |
| ■ Light Poles | Buffer |
| ▲ Trees | Sidewalk |
| ▬ Retaining Wall/Curb | Trail |



Segment 6b: 4th Avenue to Struthers Avenue
7th Street Active Transportation Study

HORIZONTAL DATUM: GCS WGS 1984
VERTICAL DATUM: NAVD 88
AERIAL IMAGERY SOURCE: [AERIAL IMAGERY SOURCE]

PROJECT NUMBER:
2404-00271

SITE LOCATION:
Grand Junction

DATE:
SEPTEMBER 6, 2024

PAGE 7 OF 7





Grand Junction City Council

Workshop Session

Item #1.b.

Meeting Date: September 16, 2024

Presented By: Mollie Fitzpatrick, Root Policy Research, Ashley Chambers, Housing Manager

Department: Community Development

Submitted By: Ashley Chambers, Housing Manager

Information

SUBJECT:

Housing Strategy Update

EXECUTIVE SUMMARY:

Root Policy Research will present to City Council to provide an overview of housing data, present preliminary recommendations for refining the City's Housing Strategy, and gather Council's feedback strategy recommendations.

BACKGROUND OR DETAILED INFORMATION:

In 2019, Root Policy Research completed the Grand Valley Housing Needs Assessment. In 2021, they collaborated with the City of Grand Junction staff and local stakeholders to draft the City's first Housing Strategy. This strategy originally included 12 strategies, with a 13th added in 2023. Ten of these strategies were prioritized for action within two years. Given the City's progress, the availability of new state and federal resources, and changing market conditions, the City has re-engaged Root Policy to refresh housing data and provide a comprehensive update to the housing strategy.

During the June 17, 2024, City Council Workshop, Staff and Root Policy provided an update on local housing market changes and data, sought the City Council's feedback on evaluating progress on current housing strategies, assessed accomplishments and outcomes, and explored opportunities to refine existing strategies or introduce new ones, including potential funding resources. The City Council discussed these efforts in detail. In July 2024, as part of the ongoing review of the housing strategy, Root Policy surveyed local housing stakeholders, including non-profit service providers, market-rate and affordable housing developers, and real estate professionals. Nearly 100 stakeholders responded. Insights from these surveys were used to develop preliminary recommendations for refining the housing strategy.

On September 3, 2024, Root Policy and City staff hosted a public meeting to present a broad overview of these preliminary recommendations. Approximately 23 individuals attended, asking questions related to housing initiatives and providing feedback on the preliminary strategies. Another meeting was held on September 4, 2024, with approximately 30 housing and development stakeholders to gather further input.

Key feedback points from both sessions included:

- Evaluating process improvements and timelines to streamline development approvals.
- Continuing to monitor and adapt innovative best practices in zoning for affordability.
- Enhancing cross-departmental collaboration to assess how decisions in other areas may impact the affordability of existing housing stock and new development.
- Exploring the potential of offering incentives for attainable housing.

Root Policy will review the housing data and present the preliminary recommended Housing Strategies and proposed timelines, seeking City Council's feedback on the next steps.

FISCAL IMPACT:

For Discussion Purposes Only.

SUGGESTED ACTION:

Staff recommends City Council review the information, discuss, and provide overall direction to staff and consultants to develop a final updated Housing Strategy.

Attachments

1. DRAFT GJ Housing Strategy Update
2. GJHA Current Waitlist



Root Policy Research
6740 E. Colfax Avenue, Denver, CO 80220
www.rootpolicy.com
970.880.1415

Grand Junction Housing Strategy Update 2024

REPORT

September 10, 2024

GRAND JUNCTION HOUSING STRATEGY UPDATE 2024

Table of Contents

Introduction.....	1
Purpose	
Housing as a City Priority	
Housing Vision & Production Goal	
Defining Affordability	
Top Housing Needs in Grand Junction	4
Progress Previous Housing Strategies.....	5
2024 Strategy Update.....	8
<i>Appendices: A. Key Housing Metrics Data Update</i>	
<i> B. Stakeholder Survey</i>	

PURPOSE

In 2021, Root Policy Research drafted Grand Junction's first citywide Housing Strategy, in collaboration with City staff and local stakeholders. Given the City's progress on housing strategies along with new state-level resources and shifting market conditions, the City contracted Root to lead an update to the Housing Strategy. The Update builds on the City's accomplishments and investments over the past 3 years, complements the recently completed Unhoused Strategy, and is tailored to address identified needs. The recommended strategies offer a balanced approach for promoting housing affordability and attainability within Grand Junction.

HOUSING AS A CITY PRIORITY

Grand Junction's Comprehensive Plan serves as a blueprint for the city, with its foundation resting on the community's vision for the future. The Housing Strategy Update integrates the priorities identified as most crucial by the City Council into the broader framework of city planning and development.

Comprehensive Plan Principle 5: Strong Neighborhoods and Housing Choices.

1. Promote more opportunities for housing choices that meet the needs of people of all ages, abilities, and incomes.
2. Partner in developing housing strategies for the community.
3. Support continued investment in and ongoing maintenance of infrastructure and amenities in established neighborhoods.
4. Promote the integration of transportation mode choices into existing and new neighborhoods.
5. Foster the development of neighborhoods where people of all ages, incomes, and backgrounds live together and share a feeling of community.

2023-2025 City Council Strategic Outcome: Welcoming, Livable, Engaging. Grand Junction fosters a sense of belonging, where people are accepted as themselves and have access to the amenities and services they need to thrive, and actively seeks participation from our community.

GRAND JUNCTION HOUSING VISION & GOAL

HOUSING VISION & PRODUCTION GOAL

The City of Grand Junction is committed to enacting housing policies and partnering with outside organizations that seek to increase affordable housing options, diversify housing choice, decrease the gap between need and housing inventory, and assist those without homes to access supportive and housing services.

The city's goal (as adopted in Resolution 48-22 and adjusted for Prop 123 alignment in Resolutions 64-23 and 65-23) is to:

Increase affordable housing stock by 3% per year.

Based on the current baseline, this goal equates to a 9% increase over 3 years (374 units) or approximately 125 units annually by December 31, 2026. The City formally committed to Prop 123 unit production goals in August 2023. For the year 2023, there were 44 new rental units, one new for sale unit, and five potential units counted toward the Prop 123 commitment (those built after August 2023). Due to being a partial year, all 2023 units will contribute to the 2024 unit production goals. As of September 2024, the City estimates that 69 completed units and 71 pending units will count toward the 2024 unit production goal.

DEFINING AFFORDABILITY

On August 2, 2023, the City Council adopted Resolution 65-23 which amended the City of Grand Junctions Housing Goal and the definitions for Affordable and Attainable Housing.

- **Affordable Housing** is defined as units that have a contractual requirement for an income restriction for affordability (housing costs are less than 30%) for thirty or more years.
 - Rental Units affordable to households at/below 60% AMI*
 - For-Sale/Homeownership units affordable to households at/below 100% AMI.
- **Attainable/Workforce Housing** is defined as:
 - Rental Units affordable to 80% - 100% AMI households
 - For-Sale/Homeownership units affordable to 100% - 140% AMI households.

***Area median income—or AMI:** Housing programs rely on income limits published by the U.S. Department of Housing and Urban Development (HUD) that are represented as percentages of the area median family income (commonly abbreviated as “HUD AMI” or simply “AMI”). AMI is defined annually by HUD market studies; it varies geographically and by household size. The figure on the following page shows 2024 AMI for the Grand Junction MSA (defined as Mesa County) in 2024; along with affordable rent and home prices.

GRAND JUNCTION HOUSING VISION & GOAL

Figure 1. 2024 Mesa County Area Median Income and Affordable Rents and Home Prices

			1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
Social Security Income (up to \$943/mo. or \$11,316/yr. for individual) CO Min. Wage (\$14.42/hr)	30% AMI	Income	\$19,800	\$22,620	\$25,440	\$28,260	\$30,540	\$32,790
		(hourly)	(\$9.52)	(\$10.88)	(\$12.23)	(\$13.59)	(\$14.68)	(\$15.76)
		Affordable Rent	\$495	\$566	\$636	\$707	\$764	\$820
		Affordable Home Price	\$65,262	\$74,557	\$83,852	\$93,147	\$100,662	\$108,078
Food service, Healthcare Assistance, Daycare Providers, Teacher's Aides	50% AMI	Income	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650
		(hourly)	(\$15.87)	(\$18.13)	(\$20.38)	(\$22.64)	(\$24.47)	(\$26.27)
		Affordable Rent	\$825	\$943	\$1,060	\$1,178	\$1,273	\$1,366
		Affordable Home Price	\$108,770	\$124,261	\$139,753	\$155,244	\$167,769	\$180,130
Agriculture, Sales/Retail, EMTs	60% AMI	Income	\$39,600	\$45,240	\$50,880	\$56,520	\$61,080	\$65,580
		(hourly)	(\$19.04)	(\$21.75)	(\$24.46)	(\$27.17)	(\$29.37)	(\$31.53)
		Affordable Rent	\$990	\$1,131	\$1,272	\$1,413	\$1,527	\$1,640
		Affordable Home Price	\$130,524	\$149,114	\$167,703	\$186,293	\$201,323	\$216,156
Teachers, Social Services, Firefighters, Construction	80% AMI	Income	\$52,800	\$60,320	\$67,840	\$75,360	\$81,440	\$87,440
		(hourly)	(\$25.38)	(\$29.00)	(\$32.62)	(\$36.23)	(\$39.15)	(\$42.04)
		Affordable Rent	\$1,320	\$1,508	\$1,696	\$1,884	\$2,036	\$2,186
		Affordable Home Price	\$174,032	\$198,818	\$223,605	\$248,391	\$268,431	\$288,207
Nurses, Police Officers	100% AMI	Income	\$66,000	\$75,400	\$84,800	\$94,200	\$101,800	\$109,300
		Affordable Rent	\$1,650	\$1,885	\$2,120	\$2,355	\$2,545	\$2,733
		Affordable Home Price	\$217,540	\$248,523	\$279,506	\$310,489	\$335,539	\$360,259
Engineers, Legal, Management	120% AMI	Income	\$79,200	\$90,480	\$101,760	\$113,040	\$122,160	\$131,160
		Affordable Rent	\$1,980	\$2,262	\$2,544	\$2,826	\$3,054	\$3,279
		Affordable Home Price	\$261,048	\$298,227	\$335,407	\$372,586	\$402,647	\$432,311

Source: City of Grand Junction, Root Policy Research and HUD 2024 income limits.

TOP HOUSING NEEDS IN GRAND JUNCTION

MARKET TRENDS

Appendix A provides a data refresh on key housing metrics in Mesa County and the City of Grand Junction. Key findings are:

- At the median, renter income gains kept pace with rising rents; however, an affordability shortage persists for low income renters and vacancy rates are extremely low (3.1%)
- The rental market saw losses of units priced below \$800 per month and increases in units priced above \$1,500 per month. Newly constructed units rent at a premium—most around \$1,500 per month, or 80% AMI.
- The rental gaps analysis shows a rental affordability gap of 1,211 units priced below \$625 (affordable to households earning less than \$25,000). This is down from the 2019 gap of 2,168 units, primarily due to rising renter incomes. *(Note: Some sources suggest that current income data may be falsely inflated due to lingering impact of COVID stimulus packages).*

- After sharp increases into 2022; home prices are stabilizing; however, affordability (i.e., purchasing power) has dropped due to high interest rates. Forty-two percent of homes sold in 2021 were affordable to 80% AMI compared to just 9% in 2024.
- Similar to rentals, newly constructed homes sell at premium: 93% of Grand Junction homes constructed since 2021 were affordable only to households over 120% AMI.
- Cash purchases—signaling investor presence—are increasingly common at entry-level prices, particularly among products affordable to 50% AMI but also to 80% AMI.
- The for-sale gaps analysis shows a growing purchase affordability gap and an acute affordability mismatch impacting households earning up to \$75,000 per year, or 120% AMI (up from 80% AMI in 2019).

HOW HAVE HOUSING NEEDS CHANGED?

2021: Top Housing Needs

- **Additional affordable rentals** (or rental assistance), specifically for residents earning less than \$25,000 per year.
- **Starter homes and family homes priced near or below \$250,000.** Over the past decade, for-sale affordability and ownership rates have fallen.
- **Housing resources for special needs populations** including residents with accessibility/mobility needs, older adults, people experiencing homelessness, and low-income households.
- **Diverse housing options to accommodate evolving needs** of residents and a wider array of market preferences and special needs.

2024 Update

- Gap is lower but need persists (acute rental need is <30% AMI)
- Shortage impacting higher income households than in 2021 (exacerbated by interest rates)
- Need persists; see UHNA for in depth analysis of needs among unhoused residents.
- Need persists to accommodate demographic shifts and changes in housing preferences.

PROGRESS ON PREVIOUS HOUSING STRATEGIES

2021 HOUSING STRATEGY PROGRESS

The original Grand Junction Housing Strategy was formally adopted by City Council in 2021. It included twelve housing strategies for implementation to increase housing options, affordability, and increase access to services. In 2022, the City adopted a thirteenth housing strategy focused on community engagement and education. Since that time, the City has made significant strides toward improving housing affordability and delivery in Grand Junction, including the following highlights:

- **Creation of the Housing Division.** The Housing Division was launched in 2022 following the adoption of the City of Grand Junction Housing Strategy. The Housing Division has grown to three full-time staff and has been supported by other temporary employees.

- **Funding.** In the last two years, the City committed \$19 million to housing and houseless needs. This funding encompassed capital projects, operational support for service providers, emergency assistance during COVID, funding for housing and homeless projects, matching and securing grants for housing initiatives, and actively expanding the City's role in addressing housing and houselessness issues. (However, limited General Funds and a lack of dedicated revenue makes future funding uncertain).
- **Award recipient.** The City of Grand Junction's Housing Division received the 2023 Mary J. Nelson Inspirational Award from United Way of Mesa County for their outstanding work in implementation of housing initiatives and community education efforts.

The figure below shows each 2021 strategy with current updates on accomplishments and progress.

Figure 2. Progress on Previous (2021) Housing Strategies

2021 Strategy		Progress Update 2024
1	Participate in regional collaboration regarding housing/homelessness needs and services.	Ongoing - Monthly meetings with housing and service providers; - County-wide collaborative for the unhoused
2	Adopt a local affordable housing goal(s).	Adopted City Goal: To Increase affordable housing stock by 9% over three years (374 units) or approximately 125 units annually by December 31, 2026.
3	Implement land use code changes that facilitate attainable housing development and housing diversity.	Adopted & Ongoing City adopted new ZDC in December 2023. Included: - increased range of allowed housing types; - incorporate higher levels of bike and ped connectivity; - revised standards to increase flexibility in design, setback, and buildable area; - decreased parking requirements for residential uses and affordable development City adopted ZDC changes to allow zoning for interim housing and shelter solutions in support of Unhoused Strategies in Aug. 2024; effective late Sept. 2024

PROGRESS ON PREVIOUS HOUSING STRATEGIES

2021 Strategy		Progress Update 2024
4	Encourage development of accessory dwelling units (ADUs).	Ongoing Created ADU Production Program (funded at \$250,000) to incentivize and support ADUs (19 ADUs were approved for funding January-July 2024).
5	Formalize existing incentives and consider additional incentives for affordable housing development.	Adopted The Affordable Housing Incentive program was adopted in July 2024 and includes fee waivers of up to 100% for units affordable at 100% AMI (for sale)/60% AMI (for rent). City adopted an expedited review process for projects that include 10% of units affordable at 80% AMI (for sale) or 60% AMI (for rent) in December 2022.
6	Allocate city owned land (and/or strategically acquire vacant or underutilized properties) for affordable and mixed-income housing.	Ongoing <ul style="list-style-type: none"> - Passed Ballot Measure 2b to modify lease terms for using city land for affordable/workforce housing; - In process of acquiring 21 acres for affordable development (\$1MM from City; \$2.2MM from CHFA); - Supported GJHA 15 acre parcel purchase (with \$750k City funds)
7	Create a dedicated revenue source to address housing challenges.	Ongoing Over the past two years leading into 2024, the City committed \$19 million in housing/unhoused funding, which includes \$4.45 million in awarded grants--this investment leveraged over \$43 million from partners (for a total housing investment of \$62 million). However, funding is still discretionary, not dedicated (failed to pass dedicated lodging tax and STR tax).
8	Provide financial support to existing housing and homelessness services and promote resident access to services.	Ongoing City funding and ARPA funding to a wide range of services related to housing and homelessness. Even so, need for services exceeds available resources.
9	Support acquisition/ rehabilitation that creates or preserves affordable housing.	Ongoing Launched Land and Building Acquisition Program and applied for PRO Housing Grant Funding but was not awarded and program remains unfunded.
10	Consider implementation of an inclusionary housing/linkage fee ordinance.	Ongoing Nexus study to inform linkage discussion is underway.
11	Explore designation of an Urban Renewal Areas (URA) and utilization of Tax Increment Financing for affordable housing.	No update Recommended timeline for implementation is 4-6 years; no update at this time.
12	Consider adoption of a voluntary rental registry program in conjunction with landlord incentives.	Adopted Launched At Home in GJ Landlord and Tenant Program in 2024, which includes a voluntary rental registry, landlord incentives, and tenant education workshops which continue in 2024.
13	Provide community engagement and education opportunities to address housing challenges and promote community participation	Ongoing City staff continue to provide education/engagement opportunities, including the following efforts in 2023: Housing Book Club; New Dimensions Class (Home for All); panel discussions and events; engagement in Unhoused Strategy, Poverty Immersion Experience (by United Way).

Source: City of Grand Junction and Root Policy Research.

PROGRESS ON PREVIOUS HOUSING STRATEGIES

UNHOUSED STRATEGIES

In addition to the progress summarized above, the City has also adopted strategies “to fill key gaps and address significant needs of people experiencing houselessness (PEH) in the Grand Junction area in support of reaching the community goal of functional zero.”

The Grand Junction Area Unhoused Strategy identifies the following recommendations:

1. Establish a community-wide framework for enhancing Coordinated Entry and System of Care Processes.
2. Establish a flexible city-county housing fund to support housing security and increase coordination between services and collaboration among service providers.
3. Increase access to prevention, diversion, and housing navigation services.
4. Expand accessibility to basic needs and hygiene.
5. Expand mental health care services and substance use treatment options for PEH.
6. Increase accessibility and expand transportation services for PEH.
7. Increase non-market housing options including interim housing and shelter units.

STAKEHOLDER ENGAGEMENT

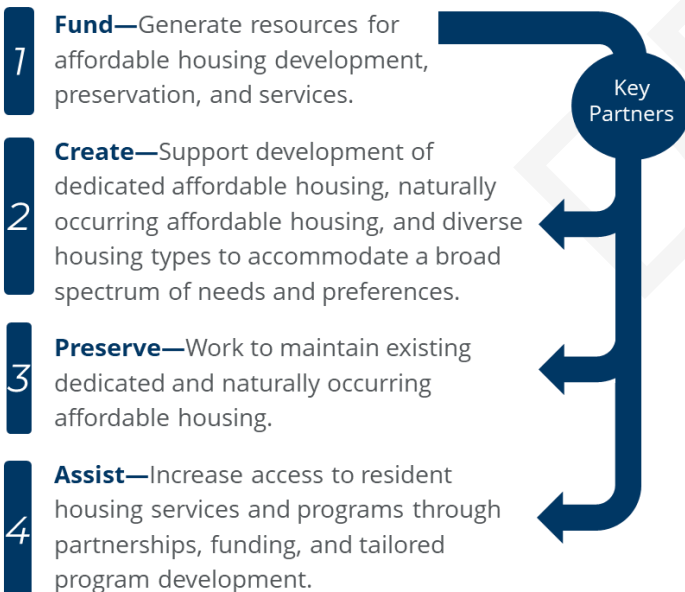
As part of the existing housing strategy review, Root surveyed local housing stakeholders including non-profit service providers, market-rate and affordable housing developers, and real estate professionals about their perception of housing needs, strategies, and priorities. Stakeholders were also invited to provide feedback on the 2024 draft strategies at three community meetings held in early September. Feedback from the survey and community meetings are incorporated into the 2024 Housing Strategy Updates. An analysis of survey responses is included in Appendix B.

2024 HOUSING STRATEGY UPDATES

STRATEGY FRAMEWORK?

There is no single strategy—or “silver bullet”—to resolve a community’s housing challenges. Instead, it is important to have a toolkit of strategies to effectively address needs and respond to changing market and policy conditions.

An integrated approach that creates funding and leverages key partners (e.g., service providers, PHAs, affordable developers, etc.) to create and preserve affordability as well as assist low- and moderate-income households will have the most success.



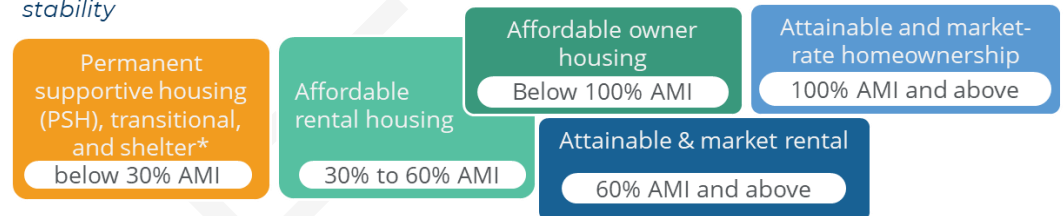
Strategies across the continuum...

PUBLIC ASSISTANCE NEEDED

subsidies, incentives, and policies to create/preserve income-qualified units; and programs to improve housing stability

THE MARKET AS A PARTNER

land use and zoning tools to unlock supply and improve natural affordability



Incomes and housing options

**shelter is not a “housing” solution but a temporary step toward housing graphic adapted from CHFA’s Housing Continuum*

The graphic above shows the full spectrum of housing from transitional/shelter housing up through market-rate homeownership. Not surprisingly, the farther up the income/price spectrum, the more likely it is that the private market can provide housing without subsidy or intervention from public entities. However, at the most affordable end (housing below 30% AMI), deep subsidies are needed to produce and operate housing.

The City can leverage the market to develop needed housing at the upper end by using land use tools to unlock supply and increase natural affordability. (Zoning policies manage the type, volume, and location of housing that can be constructed, which directly impacts product and price-point diversity).

Even with adequate zoning, the private market cannot produce affordable housing for lower income households due to the high cost of new construction, land, and financing. Therefore, direct subsidies (e.g., gap financing, LIHTC, land donations, etc.) are needed to create affordable rental housing and to create access to homeownership for low- and moderate-income households.

2024 HOUSING STRATEGY UPDATES

IMPLEMENTATION

Since the adoption of the Housing Strategy, the City has created an effective infrastructure for implementation of housing priorities, primarily through the allocation of resources to support housing efforts including staff, funding, and programs.

A crucial asset to the City in addressing ongoing needs is its strong network of service providers and housing-related non-profits, including the Grand Junction Housing Authority. Key providers and their primary housing programs are shown in the figure at right.

Effective implementation going forward will include:

- Continued City staff support;
- Regional coordination and partnerships;
- Transparent progress tracking of housing goals and monitoring individual program outcomes; and
- Consistent/predictable funding.

The City reports on these items to City Council through workshops, memoranda, and the Annual Housing Report.

Figure 3. Strategic Housing Partners

Organization	Housing Programs/Services
Grand Junction Housing Authority	Affordable rental housing construction/property management, Housing Choice Voucher (and other voucher programs) administration, transitional housing program for homeless families with school-children, homeownership education and counseling, housing advocate and family stability program, family self-sufficiency program.
Housing Resources of Western Colorado	Affordable rental housing, housing counseling, homebuyer education, housing rehabilitation loan program, weatherization assistance program, and Self-Help Build Housing program (supports affordable home ownership construction).
Grand Valley Catholic Outreach	Permanent supportive housing, transitional supportive housing, rapid rehousing, utility assistance (one-time financial aid for qualifying households), day center for people experiencing homelessness, and affordable housing search assistance.
Homeward Bound of the Grand Valley	Year-round homeless shelter and services for people experiencing homelessness.
Karis, Inc.	Shelter, housing, and services for individuals experiencing homelessness, primarily youth.
Hilltop Community Resources	Provides a wide range of human services. Housing specific programs include shelter for victims of domestic violence and transitional housing and case management to youth transitioning from the foster care system.
Habitat for Humanity of Mesa County	Affordable homeownership construction and non-profit home improvement stores and donation centers.
For-Profit Housing Developers	Contribute market-rate units thereby addressing overall supply shortages, increasingly willing to partner for future affordable development (this includes for-profit developers that contribute affordable units utilizing LHTC and PAB financing tools).

Source: City of Grand Junction and Root Policy Research.

2024 HOUSING STRATEGY UPDATES

RECOMMENDED STRATEGIES

The following recommendations are designed to provide a balance approach to helping the City achieve its affordable goal and address identified housing needs; they were developed in conjunction with Grand Junction City Council, City staff, and input from Grand Junction Area housing stakeholders. **Many of the strategies reflect a continuation of previous strategies or minor modifications to previous strategies; however, the action items within each strategy build on previous accomplishments and introduce new approaches to delivering outcomes.** (Note that the 2021 strategies of regional coordination and goal setting no longer appear as strategies, but instead are reflected in the preceding discussion as critical components of implementation rather than stand-alone strategies. The previous ADU strategy is now embedded in Strategy 10 as it shifts into program monitoring rather than a new effort. Tracking progress on the City's goal is also included in Strategy 10).

Figure 4 summarizes the recommendations and action items; detailed descriptions follow the figure. The figure includes a proposed timeline for each Strategy, though individual action plans may have accelerated or delayed timeframes relative to strategy overall.

Figure 4. Recommended Strategies and Action Items

2024 Strategy and Action Items		Timeline
1	Continue to implement land use code changes that facilitate attainable housing development and housing diversity.	1-2 years
	<ul style="list-style-type: none">• Implement state-mandated changes to occupancy limits (HB24-1007).• Evaluate process improvements and timeframes to help streamline development approvals.• Evaluate additional code changes to allow for innovative practices in zoning (e.g., parking reductions, minimum lot sizes, etc.) to encourage increased affordability and diversity of housing product.• Continue to work across City departments to evaluate how decisions in other areas may impact affordability of existing housing stock and development (e.g., parks, fire, public works, etc.).	
2	Explore new incentives for affordable and/or attainable housing development.	1-2 years
	<ul style="list-style-type: none">• Evaluate the City's current practice of back-filling fee exemptions for exempt entities (GJHA).• Consider meaningful density bonuses (and/or lot size reductions) for both multi-family and single-family affordable projects.• If/as funding allows, contribute to infrastructure costs for sites with planned affordable construction.	

2024 HOUSING STRATEGY UPDATES

<ul style="list-style-type: none"> • Explore the potential of offering non-cash incentives for attainable housing that does not meet the city's definition of affordability. • Continue to fund ADU Production Program and Affordable Housing Production Incentive 	
3 Leverage city owned land and/or strategically acquire land for affordable and mixed-income housing.	1-2 years; ongoing
<ul style="list-style-type: none"> • The City's top priority within this strategy is to focus on the delivery of affordable housing on any city-owned or acquired land. Deliver outcomes that serve the greatest housing needs (<60% AMI and <100% AMI owner); include mixed-income units while prioritizing both affordable rental and affordable homeownership opportunities; leverage efficiencies in both land use (appropriate density) and construction (e.g., modular); and incremental infrastructure development. • Continue to maintain an inventory of existing public land that could be suitable for affordable/attainable housing. • Maintain partnerships with local and regional affordable developers. • Continue to evaluate strategic acquisitions as opportunities arise. 	
4 Create a dedicated revenue source to address housing challenges.	1-2 years
<ul style="list-style-type: none"> • To the extent feasible, continue to appropriate General Funds in the short-term. • Create a Housing Fund—a separate fund for transfer of General Fund allocations, grants, or other dedicated housing funding. • Establish a working group to evaluate the potential for sustainable, dedicated local funding. • Consider testing voter support of small sales tax, excise tax, or property tax. • Continue to evaluate the cost of other prioritized housing strategies to determine ongoing needs for funding. 	
5 Continue / expand funding for existing housing and homelessness services.	2-4 years; ongoing
<ul style="list-style-type: none"> • Continue existing program funding (federal, state, and local funds) and look for opportunities to maximize impact. • Leverage Private Activity Bonds (PAB) to increase LIHTC capacity by pursuing 4% non-competitive LIHTC projects (through partnerships). • Continue to monitor new state and federal resources. • Support local partners in securing funding from state, federal, and foundation sources. • Maintain consistent communication with local service providers to identify critical needs that are underfunded and work to fill service gaps. • Continue to fund services in support of the Unhoused Strategy recommendations. 	
6 Support preservation of existing housing that serves low- and moderate-income households.	4-6 years
<ul style="list-style-type: none"> • Maintain a database of the City's income restricted housing properties to help City staff identify opportunities for preservation programs. 	

2024 HOUSING STRATEGY UPDATES

	<ul style="list-style-type: none"> • Maintain partnerships with local non-profits, housing providers, affordable developers, and other entities who could be able to acquire expiring income-restricted or NOAH properties and units. • As opportunities arise, dedicate local funds to support resident ownership of manufactured housing communities and/or non-profit or PHA acquisition/rehabilitation that renews affordability contracts or preserves NOAH. • Explore a local program to incentivize residents to deed restrict their properties to help maintain affordability in the community for future generations. 	
7	Evaluate inclusionary housing and/or a linkage fee ordinance.	1-2 years
	<ul style="list-style-type: none"> • Complete linkage fee currently underway while concurrently evaluating its impact on housing affordability and overall community goals related to economic development • Monitor inclusionary and linkage fee programs implemented to better understand the outcomes and lessons learned from their programs. 	
8	Explore designation of Urban Renewal Areas and Tax Increment Financing for affordable housing.	2-4 years
	<ul style="list-style-type: none"> • Convene task force to evaluate the viability of URA designation and TIF priorities in specific geographic areas that may benefit from housing and revitalization such as along North Avenue. 	
9	Provide community engagement and education opportunities to address housing challenges and promote community participation.	Ongoing
	<ul style="list-style-type: none"> • Continue to create opportunities for community engagement and education regarding housing issues. • Consider convening a regular ad-hoc group of housing professionals (e.g., financial, builders, developers, planners, etc.) to discuss housing issues and solutions. 	
10	Monitor goal progress and housing program outcomes	Ongoing
	Continue to monitor the City's affordable housing production—and its progress toward Prop 123 goals—as well as program outcomes for all housing programs, including the ADU Production Program and At Home in GJ Landlord and Tenant Program.	
	Ensure transparent tracking of progress and regular (annual) reporting to City Council and the community.	
	As needed, modify programs to improve outcomes and/or create new programs to address evolving needs.	
11	Support legislative efforts at the state level to improve housing outcomes.	1-2 Years
	<ul style="list-style-type: none"> • Promote state exploration of single-stair access codes. • Support construction defects reform to improve market feasibility of attached ownership products. • Reform mitigation of damages from methamphetamine and CDPHE clean-up standards. 	

Source: Root Policy Research.

2024 HOUSING STRATEGY UPDATES

STRATEGY 1. CONTINUE TO IMPLEMENT LAND USE CODE CHANGES THAT FACILITATE ATTAINABLE HOUSING DEVELOPMENT AND HOUSING DIVERSITY.

Land use and zoning regulations that provide flexibility, clarity, and incentives for residential development are essential for promoting the development of affordable housing. Zoning regulations that negatively impact residential development affordability include restrictions such as minimum house and/or lot sizes, limited land zoned for moderate density (missing middle) options and/or multifamily, prohibitions on accessory dwelling units, and prohibitions on manufactured housing.

In December of 2023, the City adopted updates to its Zoning and Development Code (ZDC) to better reflect the key principles and policies described in the 2020 One Grand Junction Comprehensive Plan, including changes that created opportunity for affordable and attainable housing, consistent with recommendations in the previous Housing Strategy. In August 2024, the City adopted additional changes to allow zoning for interim housing in support of Unhoused Strategies.

Continuing this strategy into future years serves as a reminder to consistently review the ZDC for opportunities to unlock

supply and allow the production of naturally affordable/attainable housing products.

Recommended actions for Grand Junction:

- Implement state-mandated changes to occupancy limits (HB24-1007).
- Evaluate process improvements and timeframes to help streamline development approvals.
- Evaluate additional code changes to allow for innovative practices in zoning to encourage affordability and diversity of housing product. Potential reforms to track include single-exit stairways on multifamily (which failed in a statewide measure but is being considered by several local jurisdictions)¹, relaxed parking and lot size requirements, flexibility in setbacks (especially for infill) as well as any new recommendations that come from the Colorado Housing Affordability Project or the Housing Accelerator Playbook, as authored by APA and NLC.²
- Continue to work across City departments to evaluate how decisions in other areas may impact affordability of existing housing stock and development (e.g., parks, fire, public works, etc.)

¹See <https://leg.colorado.gov/bills/hb24-1239> for the state bill; see <https://www.centerforbuilding.org/singlestair-tracker> for more info on efforts nationwide.

² Much of the existing CHAP platform and the Accelerator Playbook have been adopted. Track new recommendations here: cohousingaffordabilityproject.org/ and www.planning.org/publications/document/9289884/

2024 HOUSING STRATEGY UPDATES

STRATEGY 2. EXPLORE NEW INCENTIVES FOR AFFORDABLE AND/OR ATTAINABLE HOUSING DEVELOPMENT.

Development incentives to encourage developers/builders to build affordable housing can take many forms:

- Permit or process-oriented incentives (e.g., expedited review for affordable developments as adopted by the City in 2022; city-assigned, dedicated planning advocate to help move the development through the approval process);
- Regulatory incentives such as density bonuses or lot size reductions (allows for more units to be built than allowed by right);
- Fee waivers/rebates (Colorado state law and the City of Grand Junction allow impact fees to be waived for affordable housing); and
- Tax incentives for affordable development (or land donation to affordable development).

Development incentives are tied to a contractual commitment to produce an agreed-upon share of affordable units (can be rental or owner-occupied). When well structured, incentives can be relatively high impact (generate a moderate number of units) for very little cost to the city.

Grand Junction already has a policy to pay fees on behalf of projects (contingent on funding) for affordable units and has created a fast-track review protocol for affordable developments in compliance with State Proposition 123. Even so, there are opportunities to better leverage existing incentives

and evaluate new incentives, as outlined in the recommended actions below.

Recommended actions for Grand Junction:

- Evaluate the City's current practice of back-filling fee waivers for exempt agencies (GJHA). Currently, the city waives fees for affordable units, but covers the cost of those fees by backfilling from the city's housing funds. While this practice does help support the intent of fees, it also requires meaningful funding that could be prioritized to leverage additional affordable unit production or housing services instead. In 2024, one affordable multifamily unit carries fees of \$11,880—\$5,349 in impact fees for transportation, parks, fire, police, and open space, and \$6,531 in water, sewer, and tap fees. Fees for one affordable single family unit include \$6,615 in impact fees and \$11,054 in water, sewer, and tap fees for a total of \$17,669.
- Consider meaningful density bonuses for both multi-family and single-family affordable projects including (but not limited to) lot size reductions, additional dwelling units per acre, height bonuses, and/or incremental zoning (allowing the next increment of density by right). Note that density bonuses for single family are most effective when they override minimum lots size or width restrictions and offer flexibility on setbacks.
- If/as funding allows, offset (in full or part) infrastructure costs for sites with planned affordable construction. Contributing to and completing the infrastructure not only serves as a gap-fill to lower the cost of development, but it has the added benefit of timing, because the infrastructure

2024 HOUSING STRATEGY UPDATES

costs are subsidized—and the work completed—up front, it shortens the building timeline for affordable developers and lowers their financing costs.

- Explore the potential of offering non-cash incentives for attainable housing that does not meet the city's definition of affordability. Some communities offer a tiered incentive program in which light incentives (typically process or land use incentives but not financial subsidies) are extended to attainable or missing middle developments.
- Continue to fund ADU Production Program and Affordable Housing Production Incentive

STRATEGY 3. LEVERAGE CITY OWNED LAND (AND/OR STRATEGICALLY ACQUIRE PROPERTIES) FOR AFFORDABLE AND MIXED-INCOME HOUSING.

Property acquisition costs, especially in developed areas of the city, is a major component of the cost of developing affordable housing. It is increasingly common for local governments to donate, discount, or lease vacant land or underutilized properties (e.g., closed schools, vacant or out-of-date public sector offices) for use as residential mixed-income or mixed-use developments. Some properties are acquired after businesses have been closed for illegal use or very delinquent taxes.

These properties are held in a “land bank” by the City and eventually redeveloped by nonprofit or private developers through a proposal process. Land banks vary in forms from

single parcels to multiple, scattered site properties, to large tracts of land. The land can be donated, discounted, or offered on a land lease to the selected developer who agrees to a specified affordability level or community benefit. A good starting point in this process for any community is creating an inventory of existing public land that could be used for housing sites in the future.

The city and other public agencies, such as Mesa County and the school district (D51), own properties which could potentially reduce costs and facilitate development of affordable housing. While much of this property is either already utilized for public facilities or is inappropriate for residential development, there may be opportunities to leverage additional affordable and mixed-income housing through better utilization of publicly owned property.

Since this strategy was adopted in the original Housing Strategy, the City has made significant progress including:

- Passing ballot measure 2b which removed some barriers to leasing public land for affordable housing;
- Starting the acquisition process for a strategic 21.45 acre parcel for affordable development with funding support (\$2.2 million) from CHFA's Land Banking Program and a \$1 million match from the City's General Fund; and
- Assisting the Grand Junction Housing Authority with the purchase of a 15-acre property to support the development of approximately 300 affordable rental units (\$750,000 in City funds and \$2.25 million in grant funding).

2024 HOUSING STRATEGY UPDATES

Recommended actions for Grand Junction:

- The City's top priority within this strategy is to focus on the delivery of affordable housing on any city-owned or acquired land. In shepherding this project, the City should consider the following:
 - Delivering outcomes that serve the greatest housing needs and satisfy Prop 123 goals for rental units below 60% AMI and for-sale units below 100% AMI.
 - Prioritize and maximize projects utilizing funding that contributes to the Prop 123 unit production goals including those that allow for higher income levels (Equity program, etc.).
 - Delivering mixed-income units while prioritizing both affordable rental and affordable homeownership opportunities.
 - Leveraging efficiencies in both land use (appropriate density) and construction. This could include exploring the option for modular construction on site.
 - Incremental development of infrastructure to increase overall affordability and support development of a thriving neighborhood.
- Continue to maintain an inventory of existing land (including land owned by the City, the County, the school district, and others), work towards using city owned land identified to deliver units in the community, and evaluate feasibility for residential development.
- Maintain partnerships with local and regional affordable developers who may be able to develop the land into

affordable rental or ownership units and explore potential public private partnership opportunities.

- Though the current priority for the City is development of current land assets for affordable development, the City should continue to evaluate strategic acquisitions as opportunities arise, prioritizing infill sites with access to services. This could include vacant land, underutilized/vacant commercial, and/or small naturally occurring affordable multifamily housing.

STRATEGY 4. CREATE A DEDICATED REVENUE SOURCE TO ADDRESS HOUSING CHALLENGES.

Dedicated local funds for affordable housing production, preservation, and programs (or a "Housing Trust Fund") can have a high impact on housing needs, especially in cities with adopted housing plans, clear and measurable housing goals, and/or additional development capacity. Revenue from local sources vary widely but can include General Obligation Bonds, commercial and/or residential linkage fees, sales tax, property tax, general fund allocations, set-aside or cash-in-lieu from inclusionary housing ordinances, and other taxes directly tied to housing demand.

Local funds are particularly effective for affordable housing development projects because they provide a sustainable and flexible funding source without federal or state regulations. Fee revenue can be used for gap financing of low-income housing projects, land banking, development incentives or subsidies

2024 HOUSING STRATEGY UPDATES

(such as fee or tax rebates), and/or leveraging state and federal funding that requires a local match.

Dedicated funds—as opposed to discretionary allocations—have the added benefit of dependable future revenue, which is stable and allows a City to bond against the revenue, which can support up-front costs of major housing investments. Grand Junction has supported housing investments through General Fund allocations and one-time ARPA funding, but a sustainable, dedicated source would provide reliability and consistency for future investments.

The biggest challenge for most communities in creating a dedicated funding source is lack of political support for meaningful sources, especially in Colorado where all taxes require approval by the taxpayers. For example, the City of Grand Junction did attempt to pass a lodging tax increase and an STR tax for affordable housing but neither measure passed.

Recommended actions for Grand Junction:

- Continue to appropriate General Funds in the short-term for implementation of the Housing Strategic Plan.
- Create a Housing Fund—a separate fund for transfer of General Fund allocations, grants, or other dedicated housing funding, which would separate funds designated for housing (and related services) and prevent reallocations of unspent funds.
- Establish a working group or task force to evaluate the potential for sustainable, dedicated local funding and

determine the most appropriate source of funds. As part of this effort, interview other cities/counties that have a dedicated housing funding source.

- Consider testing voter support of small sales tax or property tax (either on all properties or exclusively on high-value properties).
- Evaluate the cost of other prioritized housing strategies and/or related capital items to quantify ongoing needs for funding.

STRATEGY 5. CONTINUE / EXPAND FUNDING FOR AFFORDABLE HOUSING AND HOMELESSNESS SERVICES.

As outlined in detail in the City's 2023 Annual Housing Report, the City is actively supporting housing and homelessness services through local and federal funds. In addition, the City has worked hard to increase resident awareness of programs through ongoing community engagement and improved web presence, including contact info for referrals to services, a list of community resources, and an interactive online Community Resource Map.

Despite this support, the need for services exceeds the current resources available. Stakeholders specifically highlighted a need for case management and resource navigators, supportive services (paired with housing), and an increase in rent subsidies or housing vouchers.

2024 HOUSING STRATEGY UPDATES

Recommended actions for Grand Junction:

- Continue existing program funding (federal, state, and local funds) and look for opportunities to maximize impact.
- Regularly evaluate expenditures (including CDBG and local funds) to ensure alignment with articulated goals. Consider developing specific outcomes and key metrics for local services to ensure efficacy in use of funding.
- Leverage Private Activity Bonds (PAB) to increase LIHTC capacity by pursuing 4% non-competitive LIHTC projects in partnership with the local housing authority, non-profits, or LIHTC developers. Note that some communities assess fees when directly issuing PAB to developers, the revenue from which can also be allocated to affordable housing and services.
- Continue to monitor new state and federal resources, including Proposition 123 programs and ADU funding (created by HB24-1152).
- Support local partners in securing funding from state, federal, and foundation sources through grant-writing and application support, information sharing, etc.
- Maintain consistent communication with local service providers to identify critical needs that are underfunded and work to fill service gaps.
- Continue to fund services in support of the Unhoused Strategy recommendations.

STRATEGY 6. SUPPORT PRESERVATION OF EXISTING HOUSING THAT SERVES LOW- AND MODERATE-INCOME HOUSEHOLDS.

There are two different submarkets of properties serving low- and moderate-income households: income-restricted properties and naturally occurring affordable housing, or NOAH. Preservation efforts are needed when the affordability contracts on income-restricted units are set to expire and when NOAH is under market pressure to raise rents beyond what low-income households can afford.

Preservation is an attractive strategy because it utilizes existing housing stock and is not bound by the timeline and cost of new construction. However, preservation of NOAH, in particular, can be a challenge because it is driven by market opportunities and owned by private landlords—in other words, the City has no control over the rents.

Expiring affordability contracts. The most common form of preservation for expiring subsidies is to provide funding to non-profits for acquisition (and rehabilitation if needed) of the properties in exchange for long-term affordability. Financial resources can be allocated for activities including the identification of expiring properties, outreach and education, and/or funds to incentivize participation.

Naturally occurring affordable housing. NOAH refers to housing that does not have any income restriction but generally serves lower- and middle-income households through “naturally” affordable rents and home prices. It typically reflects

2024 HOUSING STRATEGY UPDATES

older apartments, smaller and attached for-sale homes, and/or manufactured housing (i.e., mobile homes). This critical segment of the market constitutes a large portion of the housing stock but can be challenging to preserve through policy tools because it is fully market-driven. NOAH preservation strategies are typically designed to incentivize property owners to institute long-term affordability periods by providing financial assistance to make needed improvements to their units and properties.

Mobile/manufactured homes as a form of NOAH. Mobile or manufactured home communities (MHPs) are a unique form of NOAH as they offer an affordable option but also come with unique vulnerabilities tied to owning the structure but renting the lot on which it stands. Preservation efforts for this housing type typically include preserving the existence of MHPs through zoning protection, preserve affordability within MHPs (through infrastructure improvement grants/loans and services), and mitigating displacement of residents by supporting resident ownership in the face of redevelopment pressures.

The State of Colorado recently passed legislation (B24-1175) that facilitates preservation by establishing a local government right of first refusal on existing/expiring income restricted housing and a right of first offer on aging multifamily that is 20 years or older and between 5 and 100 units (i.e., NOAH).

Recommended actions for Grand Junction:

- Maintain a database of the City's income restricted housing properties including affordability periods, expiration

timelines, ownership entities, and other data to help City staff identify opportunities for preservation programs.

- Maintain partnerships with local non-profits, housing providers, affordable developers, and other entities who could be able to acquire expiring income-restricted or NOAH properties and units.
- As opportunities arise, dedicate local funds to support resident ownership of manufactured housing communities and/or non-profit or PHA acquisition/rehabilitation that renews affordability contracts or preserves NOAH.
- Explore a local program to incentivize residents to deed restrict their properties to help maintain affordability in the community for future generations.

STRATEGY 7. EVALUATE INCLUSIONARY HOUSING AND/OR A LINKAGE FEE ORDINANCE.

The primary policy tools used to mandate affordable housing production in conjunction with new development are:

1. Mandatory inclusionary housing policies, which require affordable production (or fees-in-lieu) in conjunction with new residential development (note that these policies can include incentives/offsets for compliance); and
2. Affordable housing linkage fees, which mandate an impact fee on new development (residential, commercial, or both) in proportion to its impact on affordable housing needs.

2024 HOUSING STRATEGY UPDATES

Inclusionary ordinances are growing in popularity following state legislation that enables these policies to apply to both rental and for-sale developments. When structured well, inclusionary zoning can generate a substantial number of units at no direct cost to the city (other than enforcement and other administrative costs). Inclusionary programs can include “off-sets” and/or incentives for affordable housing provision, as well as a fee “in lieu” option for developers. Cities that allow developers to pay fees-in-lieu of developing income-restricted units typically allocate revenue generated from the fees to future affordable housing projects, but this is a challenging strategy to maintain, given the high costs of land and development.

Affordable housing linkage fees—similar to other impact fees—are tied to quantifiable impacts of new development. Implementation requires a nexus study to determine such impacts before setting fees. Revenues from linkage fees must be spent on affordable housing investments. A nexus study for affordable housing linkage fees in Grand Junction is already underway, as part of a broader impact fee update in the City. Results are expected in late 2024 and will contribute to future conversations on linkage fees.

Since both inclusionary policies and linkage fees apply exclusively to new development, they are most effective in markets that are actively developing new housing and/or commercial space and expect continued growth.

Recommended actions for Grand Junction:

- Complete linkage fee currently underway while concurrently evaluating its impact on housing affordability and overall community goals related to economic development.
- Monitor inclusionary housing and linkage fee programs implemented to better understand the outcomes and lessons learned from their programs.

STRATEGY 8. EXPLORE DESIGNATION OF AN URBAN RENEWAL AREAS AND TAX INCREMENT FINANCING FOR AFFORDABLE HOUSING.

An Urban Renewal Area (URA) is a statutory body created to prevent or eliminate blight in a targeted area of a community. A URA provides an opportunity for communities to target investment, public improvements and new development and unlocks a unique financing mechanism called Tax Increment Financing, or TIF.

TIF allows the URA to bond against the net new tax revenues—or the tax increment—that will be generated by redevelopment to fund up-front costs of that redevelopment. All or a portion of the tax increment can be set aside for affordable housing preservation and production. This strategy can generate affordable units or provide funding for incentives in new units within targeted areas. However, a URA can be cumbersome, expensive and time-intensive to establish and manage; and use of TIF for affordable housing can impact the total TIF package

2024 HOUSING STRATEGY UPDATES

as property tax revenue on affordable developments may be low.

Broadly, TIF as an affordable housing tool has the ability to generate a modest volume of affordable units and works best when affordable housing is paired with uses that generate higher future tax revenue (e.g., retail).

Recommended actions for Grand Junction:

Convene task force to evaluate the viability of URA designation and TIF priorities in specific geographic areas that may benefit from housing and revitalization, such as along North Avenue. Interview other communities where this approach is used to evaluate how it could apply in Grand Junction, such as Colorado Springs, Fort Collins, Loveland, and Denver—all of which use TIF to help finance affordable housing in designated URAs.

STRATEGY 9. PROVIDE COMMUNITY ENGAGEMENT AND EDUCATION OPPORTUNITIES TO ADDRESS HOUSING CHALLENGES AND PROMOTE COMMUNITY PARTICIPATION.

Housing issues and solutions are often complex, technical topics. Community engagement and education is essential to ensure that:

- The community understands and is informed on housing-related initiatives that might affect their daily lives; and
- Community housing needs are accurately identified, so that these needs can be addressed and prioritized by the City.

Formalizing and adopting a housing-specific community engagement and education strategy helps City leaders clearly communicate the City's housing strategies, bring all relevant stakeholders into the City's housing policy-making processes, and create equitable housing solutions that have the support of the community.

Throughout 2023, City staff participated in the following efforts:

- **Housing Book Club** - In partnership with Mesa County Libraries, City Staff launched three book clubs, attracting approximately 60 participants. Featured book titles included, "Fixer Upper" by Jenny Schuetz, "Homelessness is a Housing Problem" by Coburn and Aldern, "Evicted" by Matthew Desmond.
- **New Dimensions Class** - Staff co-taught "Home for All: A Conversation about Housing in the Grand Valley" with the participation of 80 individuals over two sessions.
- Staff served as panel participants at events such as Community Impact Council's State of the Community Event and GJEP Economic Summit.
- By invitation, staff spoke to numerous at local clubs, service organizations, community groups, churches, and schools about housing.

In addition, United Way of Mesa County, The City of Grand Junction, and several service partners collaborated together to create a community-based education workshop and immersive experience to help raise awareness, inspire solutions, and help solve the issue of homelessness. The United to Solve Homelessness Campaign has hosted two workshops on

2024 HOUSING STRATEGY UPDATES

homelessness and six Poverty Immersion Experiences. These events hosted more than 400 community members.

Recommended actions for Grand Junction:

- Continue to create opportunities for community engagement and education regarding housing issues.
- Consider convening a regular ad-hoc group of housing professional (e.g., financial, builders, developers, planners, etc.) to discuss housing issues and solutions.

STRATEGY 10. MONITOR GOAL PROGRESS AND HOUSING PROGRAM OUTCOMES.

As has been discussed throughout this Plan, the City has invested extensive staff and financial resources to addressing housing needs, including the development of multiple new housing programs such as the ADU Production Program and At Home in GJ Landlord and Tenant Program. (The Land and Building Acquisition Program and Affordable Housing Production Incentive were also created but have not received budgeted funding). The City has also committed to a quantitative production goal as part of Proposition 123: to increase affordable housing stock by 3% per year—or 374 units by December 31, 2026.

Critical to the success of these investments is consistent and transparent monitoring for program efficacy, potential improvements, and documenting achievements.

For example, the State of Colorado is developing an ADU financing program, which may include grant funding—once

implemented, this tool could be incorporated into Grand Junction's program.

Recommended actions for Grand Junction:

- Continue to monitor the City's affordable housing production—and progress toward Proposition 123 goals—as well as program outcomes for all housing programs.
- Ensure transparent tracking of progress and regular (annual) reporting to City Council and the community.
- As needed, modify programs to improve outcomes and/or create new programs to address evolving needs.

STRATEGY 11. SUPPORT LEGISLATIVE EFFORTS AT THE STATE-LEVEL TO IMPROVE HOUSING OUTCOMES.

When opportunities arise, engage in lobbying to support best practices and innovative housing solutions through state legislative changes. The City has already identified several priority issues (see recommended actions), but future efforts could also include tracking respected local housing policy platforms such as Housing Colorado's legislative agenda and the Colorado Chapter of the National Association of Housing and Redevelopment Officials (NAHRO) lobbying efforts.

Recommended actions for Grand Junction:

- Promote state exploration of single-stair access codes.
- Support construction defects reform to improve market feasibility of attached ownership products.

2024 HOUSING STRATEGY UPDATES

- Reform mitigation of damages from methamphetamine and CDPHE clean-up standards.

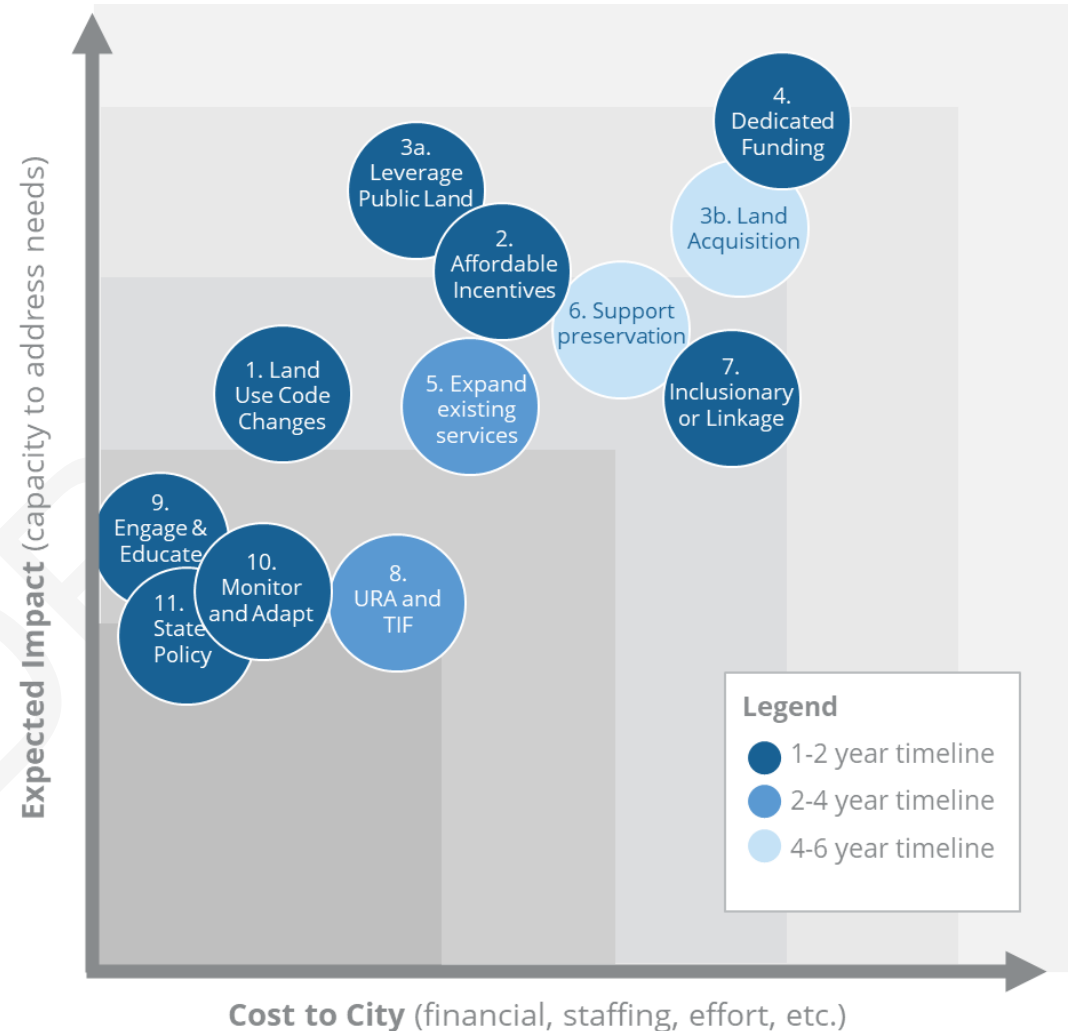
RELATIVE COST AND IMPACT OF STRATEGIES

Figure 5 plots the updated strategy recommendations along two axes to help gauge their relative cost and impact. It should be noted that “cost” is used broadly and can mean financial cost, staffing resources, political effort, etc. Note that cost and impact may differ from the figure depending on final policy/program design.

Strategies in the lower left portion of the figure are generally low cost but also low impact. Cost increases as you move to the right (x-axis) and impact increases as you move up (y-axis). Strategies in the upper right are generally high cost but also high impact. Strategies are color-coordinated based on their implementation timeline.

This matrix should not be the only criteria for evaluating strategies but does provide some guidance in considering the most effective options given resource constraints.

Figure 5. Relative Cost and Impact of Recommended Strategies



Source: Root Policy Research.

2024 HOUSING STRATEGY UPDATES

CONCLUSION AND NEXT STEPS

As the City of Grand Junction continues to pursue implementation of the Comprehensive Plan—including building “Strong Neighborhoods and Housing Choices”—the strategies outlined above provide a roadmap for achieving desired outcomes and addressing identified housing needs.

A balanced housing stock accommodates a full “life cycle community”—where there are housing options for each stage of life from career starters through centenarians—which in turn supports the local economy and contributes to community culture. Encouraging the market to develop sufficient supply to meet demand as well as actions that help mitigate price increases and preserve both market-rate and publicly assisted housing affordability will help provide essential housing for residents of Grand Junction.

Implementation of the strategies will require the City to address housing challenges head-on, pursue new policies, programs, and funding sources, and work collaboratively with regional stakeholders and public-private partnerships.

APPENDIX A.

Key Housing Metrics Data Update



Root Policy Research

6741 E Colfax Ave, Denver, CO 80220

www.rootpolicy.com

970.880.1415

Appendix A

Grand Valley

KEY HOUSING METRICS DATA UPDATE 2024

PREPARED FOR:

City of Grand Junction

UPDATED

7/15/2024

This memo provides a data refresh on key housing metrics in Mesa County and the City of Grand Junction. The update focuses on specific data points that were included in the 2021 Grand Valley Housing Needs Assessment and were instrumental in guiding policy recommendations in Grand Junction. This 2024 data refresh is in service of a Housing Strategy Update that is currently underway.

Grand Valley Housing Market Data Update

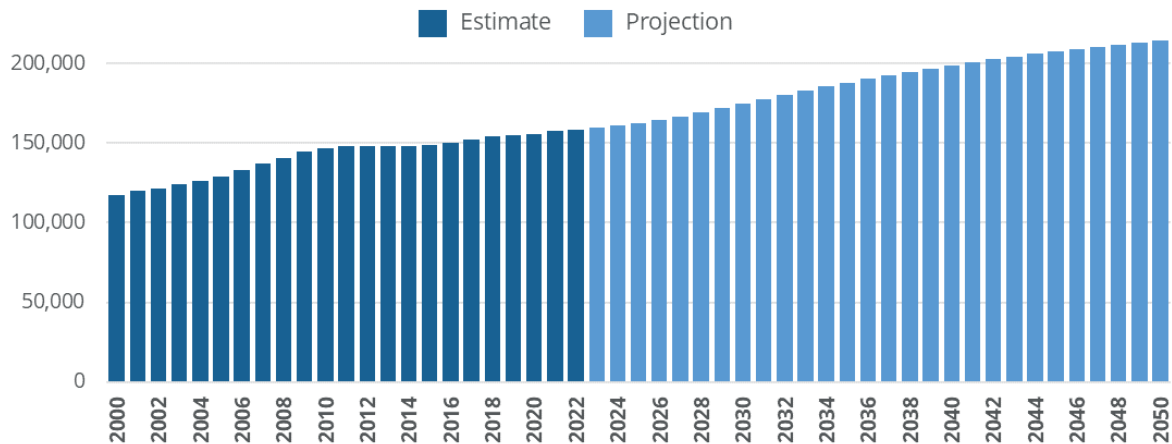
Key Findings

- Mesa County experienced continued population growth in 2022, 2023, and 2024 according to estimates and projections from the Colorado State Demographer. Between 2021 and 2022, poverty remained stable in Grand Junction at 13% and decreased in Mesa County overall from 12% to 11%.
- At the median, renter income kept pace with rising rental costs between 2021 and 2022; however, rental affordability challenges persist
 - Between 2020 and 2022, the rental market saw losses of units priced below \$800 per month and increases in units priced above \$1,500 per month.
 - In 2024, the median market-rate rent in Grand Junction is \$1,500—well above the median rent affordable to the median renter household (\$1,007 in 2022—the most recent year for which data are available).
 - Further, rental vacancy rates remain extremely low (3.1%).
 - Renter cost burden, which occurs when households pay more than 30% of their gross monthly income in housing costs, decreased from 47% in 2021 to 44% in 2022, but still indicates about 4,500 renter households are paying more than 30% of their income on rent.
 - Countywide there are 2,973 households (5,999 individuals) on the waitlist to receive a housing voucher; 94% have incomes below 50% AMI.
- A rental gaps analysis shows a rental affordability gap of 1,211 units priced below \$625 (affordable to households earning less than \$25,000). This is down from the 2019 gap of 2,168 units—primarily due to rising renter incomes—but needs persist, especially among lower income renters.
- Home prices are stabilizing after sharp increases into 2022; however, affordability (or purchasing power) is dropping due to relatively high interest rates. Forty-two percent of homes sold in 2021 were affordable to households earning 0-80% AMI; this decreased to 14% in 2022, 11% in 2023, and 9% in 2024 YTD.
- Cash purchases—signaling investor presence—are increasingly common at entry-level price-points, particularly among products affordable to 50% AMI households but also among products affordable to 80% AMI.
- A for-sale gaps analysis shows a growing purchase affordability gap and an acute affordability mismatch impacting households earning up to \$75,000 per year, or 120% AMI (up from \$80% AMI in 2019).

Population, Income, and Poverty

Population. Figure 1 presents estimates of Mesa County's population in 2000–2022 and population projections for 2023–2050. Mesa County was home to 158,534 residents in 2022 and projections estimate 161,143 residents in 2024. The county's population is expected to rise to 214,206 residents by 2050, largely due to positive net migration.

Figure 1.
Mesa County Total Population and Projections, 2000–2050

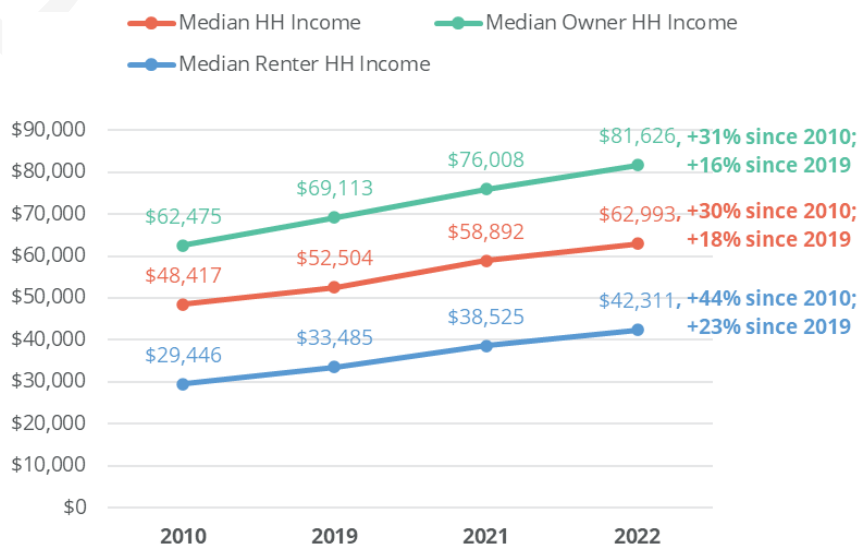


Source: DOLA.

Income. Figure 2 below presents changes in median household income overall and for owner and renter households between 2010 and 2022. In 2022, renter households had a median income of \$42,311—just over half of the median owner household income of \$81,626. Renter incomes grew at faster rates than owner incomes since 2010 and 2021. Note that data are 5-year averages, so estimated median incomes for 2021 and 2022 may be falsely inflated by COVID-19 stimulus funding.

Figure 2.
Median Household Income by Tenure, Grand Junction, 2010–2022

Source:
2010, 2019, 2021, 2022 5-year
ACS.



According to data from the Bureau of Labor Statistics, average annual wages in Mesa County rose at about the same rate as incomes overall: up 16% since 2019. However, wage increases were not experienced equally across industries.

Figure 3.
Average Annual
Wages by Industry,
Mesa County 2019
and 2022

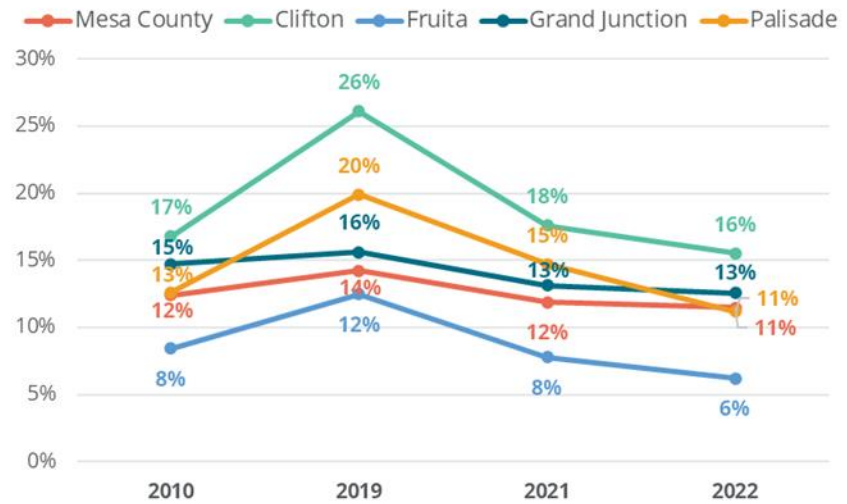
Source:
Bureau of Labor Statistics and Root
Policy Research.

	2019	2022	% Change
All Industries	\$45,849	\$53,406	16%
Agriculture, Forestry, Fishing, Hunting	\$38,931	\$38,456	-1%
Mining, Oil, and Gas	\$93,816	\$101,133	8%
Construction	\$54,363	\$61,080	12%
Manufacturing	\$46,113	\$50,552	10%
Wholesale Trade	\$60,681	\$67,090	11%
Retail Trade	\$32,447	\$44,887	38%
Transportation and Warehousing	\$51,606	\$57,229	11%
Utilities	\$91,048	\$96,345	6%
Information	\$49,258	\$65,152	32%
Finance and Insurance	\$70,066	\$79,541	14%
Real Estate	\$41,753	\$48,643	17%
Professional, Technology, and Science	\$57,396	\$69,553	21%
Management	\$94,874	\$89,237	-6%
Admin Support and Waste Managemer	\$37,992	\$48,059	26%
Educational Services	\$20,369	\$26,323	29%
Health Care and Social Assistance	\$49,062	\$59,040	20%
Accommodation and Food Services	\$20,675	\$25,366	23%
Arts, Entertainment, and Recreation	\$16,904	\$21,390	27%
Other Services	\$33,291	\$39,686	19%
Public Administration	\$62,297	\$70,820	14%

Poverty. Poverty rates for 2010, 2019, 2021, and 2022 are presented in Figure 4. In the City of Grand Junction, poverty rates were stable at 13%. In Mesa County overall and in all other jurisdictions, poverty decreased slightly since 2021. Note that data are 5-year averages, so estimated poverty rates for 2021 and 2022 partially reflect years impacted by temporary COVID-19 relief funding. In absence of this funding, poverty is likely higher than these estimates convey.

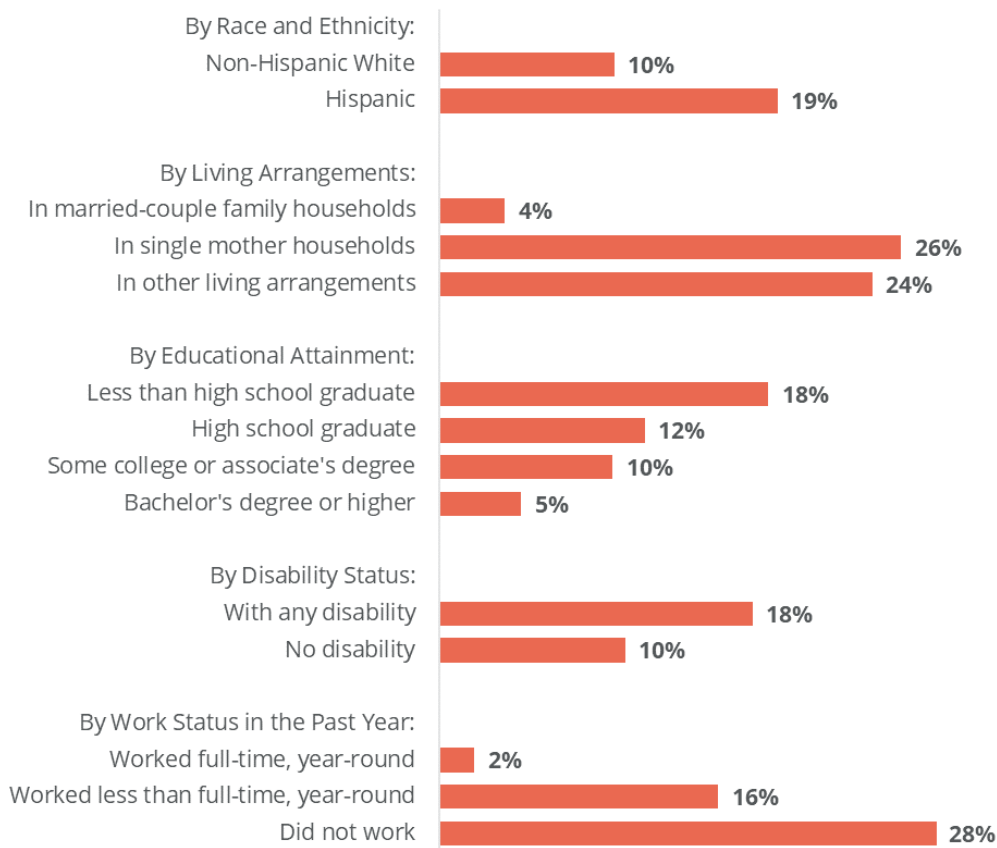
Figure 4.
Individual Poverty
Rate, Mesa County
and by Jurisdiction,
2010–2022

Source:
 2010, 2019, 2021, 2022 5-year ACS.



Individual poverty rates by race and ethnicity, living arrangements, educational attainment, disability status, and work status are presented in Figure 5. Poverty rates are especially high (18% or higher) for Hispanic residents, residents living in single mother households or nonfamily arrangements, residents who have not completed high school, residents with disabilities, and residents who did not work in the previous 12 months.

Figure 5.
Individual Poverty Rates by Selected Characteristics, Mesa County, 2022



Note: Additional racial and ethnic groups are not presented due to large margins of error. Educational attainment is calculated for population 25 years or older. Work status is calculated for population 16 to 64 years old.

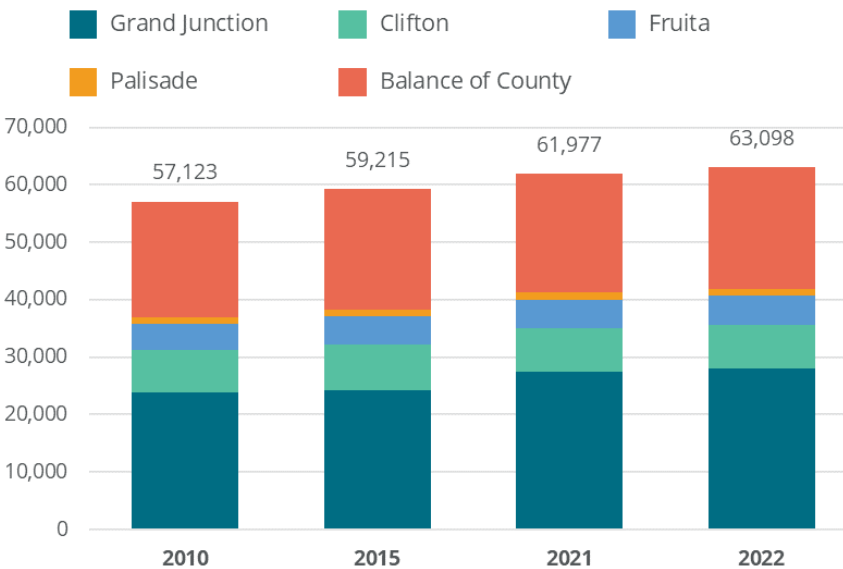
Source: 2022 5-year ACS.

Housing Inventory

Housing units. Figure 6 shows total housing units in Mesa County and by jurisdiction. There were 63,098 housing units in Mesa County in 2022, the greatest share of which are located in Grand Junction.

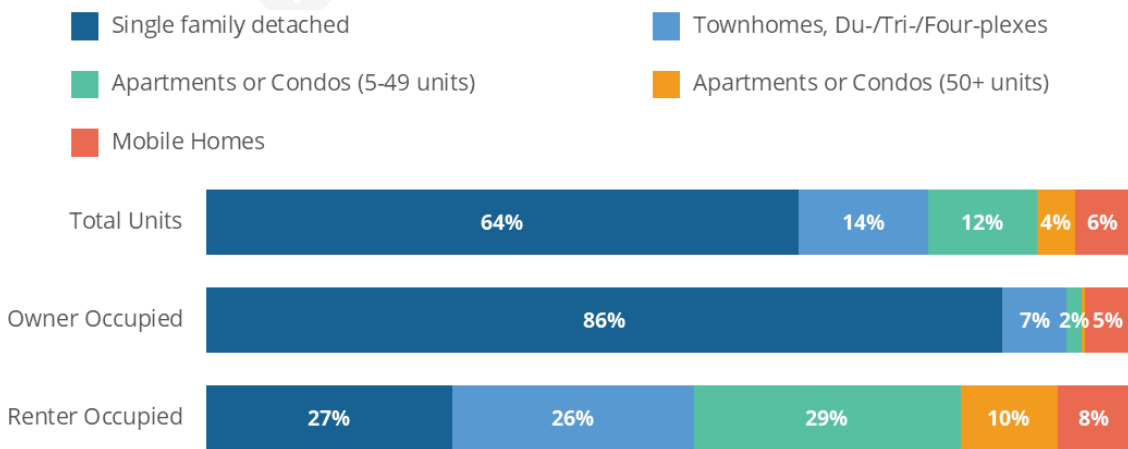
Figure 6.
Total Housing Units,
Mesa County, 2010–
2022

Source:
2010, 2015, 2021, and 2022 5-year
ACS.



Distributions of housing units by unit type are presented in Figure 7. About two-thirds (64%) of housing units in Grand Junction are single family detached. Owner households occupy single family detached units at a much greater rate (86%) than renter households (27%). Renter households are more likely than owner households to occupy mobile homes or attached units including townhomes, du-/tri-/four-plexes, and multifamily buildings (i.e., apartments or condominiums).

Figure 7.
Units by Type Overall and by Tenure, Grand Junction, 2022



Source: 2022 5-year ACS.

Figure 8 presents units in Grand Junction by number of bedrooms and by tenure. Renter occupied units are more likely to have two or fewer bedrooms, while owner occupied units are more likely to have three or more bedrooms.

Figure 8.
Housing Inventory
by Bedrooms by
Tenure, Grand
Junction, 2022

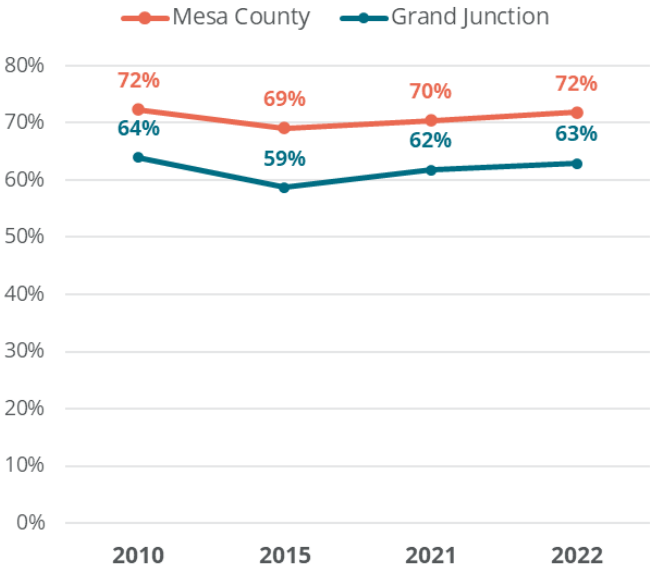
Source:
2022 5-year ACS.

	Owner Occupied		Renter Occupied	
	#	%	#	%
Total Units	17,683	100%	10,410	100%
No bedroom	23	0%	663	6%
1 bedroom	223	1%	2,327	22%
2 bedrooms	2,767	16%	4,224	41%
3 bedrooms	10,132	57%	2,481	24%
4 bedrooms	3,678	21%	561	5%
5 or more bedrooms	860	5%	154	1%

Tenure. Figure 9 shows changes in homeownership rates in Mesa County and Grand Junction since 2010 and since data were last updated in 2021. Since 2021, homeownership has increased by one percentage point in Grand Junction and by two percentage points in Mesa County.

Figure 9.
Homeownership
Rates, Mesa County
and Grand Junction,
2010–2022

Source:
2010, 2015, 2021, and 2022 5-year
ACS.



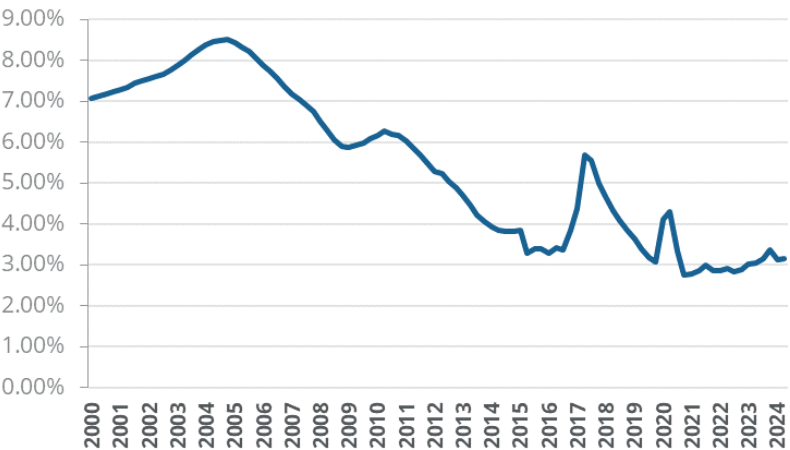
Rental Market Trends

Vacancy. As shown in Figure 10, multifamily rental vacancy rates remain very low in Grand Junction, signaling an extremely tight rental market. Generally, a vacancy rate around 5%-7% is considered a healthy market.

Figure 10.
Quarterly
Multifamily Rental
Vacancy Rate,
Grand Junction,
2015–2024 YTD

Note: Data reflect multifamily rentals only. 2024 data are current through June 2024.

Source: CoStar.



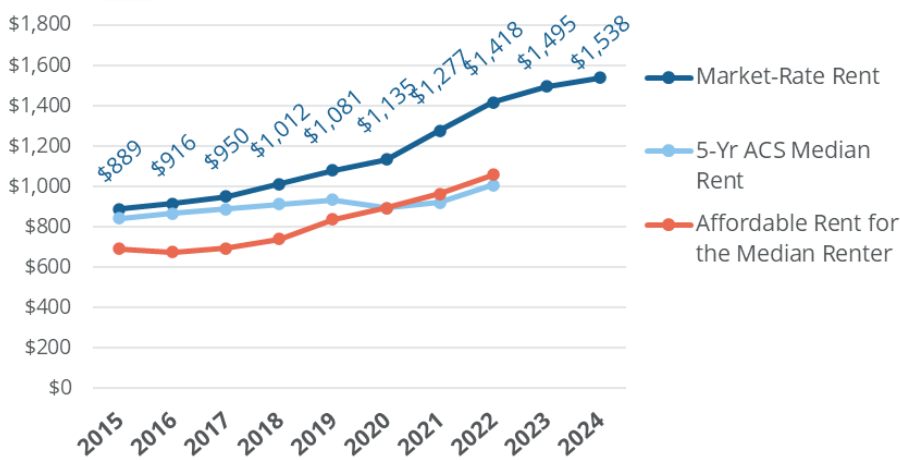
Market rents. Median market-rate rent in Grand Junction is currently about \$1,500¹—well above the monthly rent affordable to the median renter (\$1,007 in 2022—the most recent year for which data are available).

Figure 11 shows the typical market-rate rent compared to affordable rent for the median renter. ACS data are included for reference and discussed in more detail below.

Figure 11.
Typical Market-
Rate Rent,
Grand Junction,
2015–2023

Source:

Zillow Observed Rental Index, 2022 5-year ACS, and Root Policy Research.



¹ The Zillow Observed Rental Index (ZORI) offers a measure of rents that is most representative of what a household would encounter in shopping for a market-rate unit today. The index represents the average monthly price of the middle 30% of market-rate units by price and includes both multifamily and single family rental options.

ACS Rents. While the market-rate rental data above reflect the most representative measure of what a household would encounter in shopping for a market-rate unit today, American Community Survey (ACS) data offer more detail on the distribution of rental prices as well as an opportunity to compare rental trends across jurisdictions. Note that ACS data are based on residents’ reporting what they pay for monthly rental costs in Census surveys—this results in data that lag market data and that typically show lower median rents than market sources.²

ACS median rents by jurisdiction are shown in Figure 12. As of 2022, Fruita had the highest median rent in the county and experienced the largest increase in rents from 2010.

Figure 12.
Median Gross Rent,
Mesa County and by
Jurisdiction, 2010,
2015, 2020, and
2022.

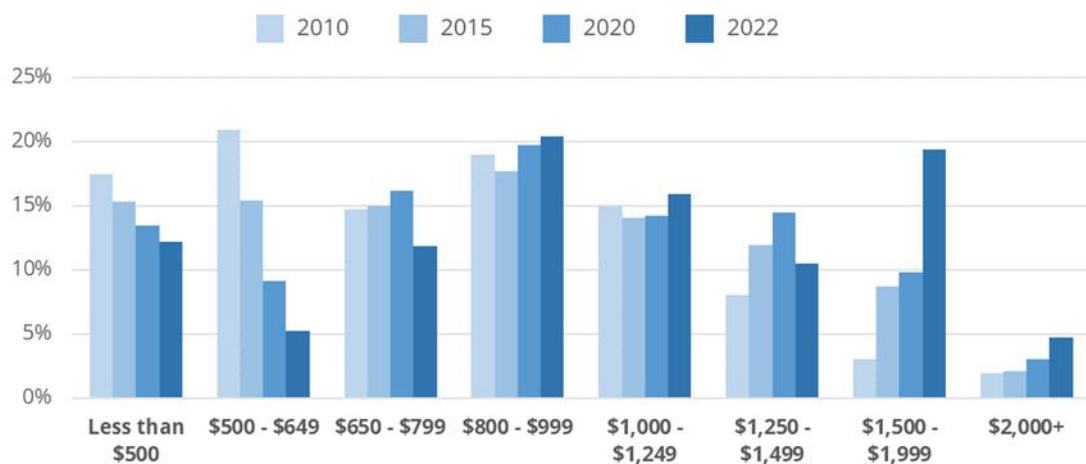
Source:
2010, 2015, 2020, 2022 5-year ACS.

	2010	2015	2020	2022	Percent Change 2010-2022
Mesa County	\$810	\$837	\$963	\$1,089	+ 34%
Clifton	\$741	\$698	\$969	\$1,031	+ 39%
Fruita	\$867	\$1,046	\$1,204	\$1,338	+ 54%
Grand Junction	\$770	\$844	\$895	\$1,007	+ 31%
Palisade	\$692	\$768	\$814	\$990	+ 43%

Growth in Grand Junction’s median rent between 2020 and 2022 is driven by losses in units priced below \$800 per month and gains in units priced above \$1,500, as shown in Figure 13.

² ACS data reflect residents’ reporting of what they pay for monthly rental costs in Census surveys. Residents who receive subsidies such as Housing Choice Vouchers report what they pay after the subsidy is applied, not the market rent of the unit. Further, renter households who have occupied their units for a long time often pay less than market rate for their units. Relative to the distribution of rental units currently available for rent at market rate, the distribution of rental units in ACS data may overstate the number of units affordable to low income households. Estimates of ACS median rent are likely lower than the median rent a household would encounter in shopping for a market-rate unit.

Figure 13.
Rent Distribution, Grand Junction, 2010, 2015, 2020, and 2022.



Source: 2010, 2015, 2020, 2022 5-year ACS.

Short-term rentals. Short-term rentals, or STRs, can play a unique role within housing markets because they can provide economic benefits (to homeowners through rental revenue and the City through sales tax/tourism revenue) but may disrupt the long-term rental market if they account for a substantial portion of the total housing stock (this is most common in tourist-driven economies such as mountain resort communities in Colorado).

According to data from the City, there are 289 homes listed as short-term rentals in Grand Junction. There are 132 total permits within the downtown area, defined as south of North Avenue, west of North 17th Street, north of Interstate 70 Business, and east of Highway 50. Within the downtown area there are 105 STRs on residentially zoned lots, consuming approximately 8.6% (105 of 1,218) of housing units downtown. Active STR listings in Grand Junction account for approximately 1% of the total housing stock in the city. This compares to 44% of the housing stock in Colorado's mountain resort counties—Eagle, Grand, Pitkin, Routt, and Summit.³

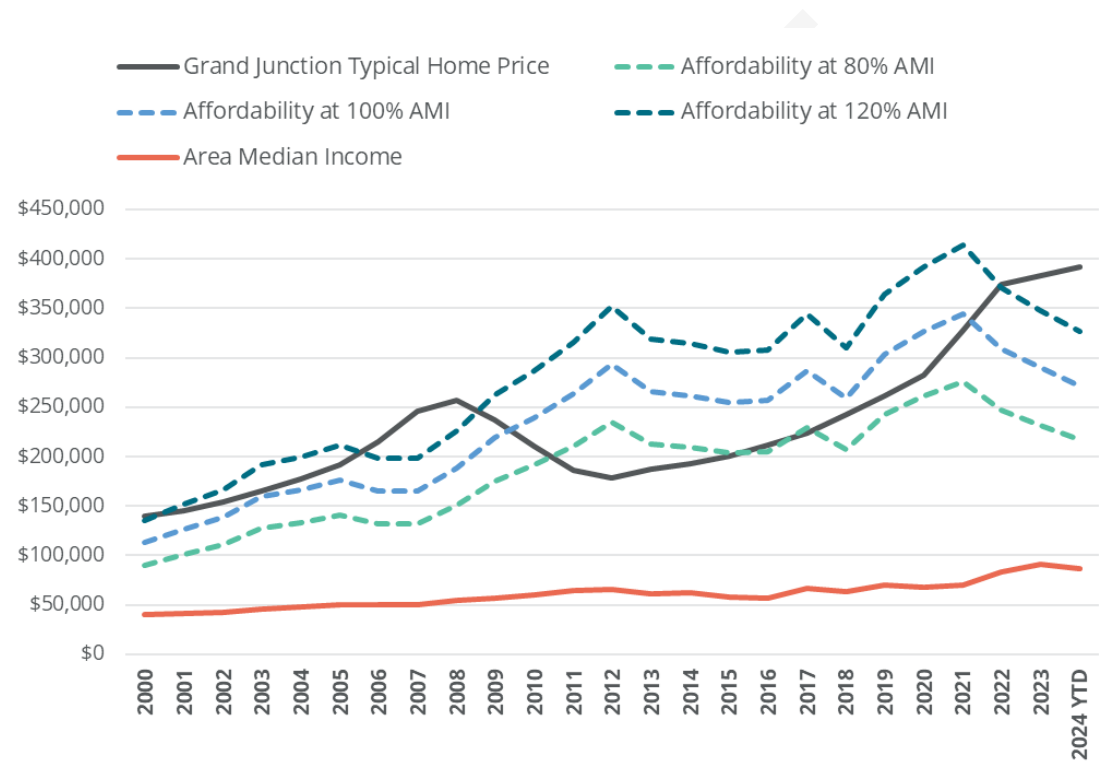
³ https://news.airbnb.com/wp-content/uploads/sites/4/2022/06/STR-Colorado-Impact-Study_Final_05.25.2022.pdf

For-Sale Market Trends

Home values. Figure 14 presents the market price of a typical home in Grand Junction alongside the maximum affordable home price for households earning 80%, 100%, and 120% AMI. Home price growth accelerated through the late-2010s and early 2020s, stabilizing in 2022-2024 as interest rate growth caused affordability to fall.

Typical-priced homes have been unaffordable to households earning 80% AMI since 2018. Typical-priced homes became unaffordable for households earning 100% AMI and 120% AMI in 2022.

Figure 14.
Typical Home Price and Affordability by AMI Level, 2000–2024 YTD

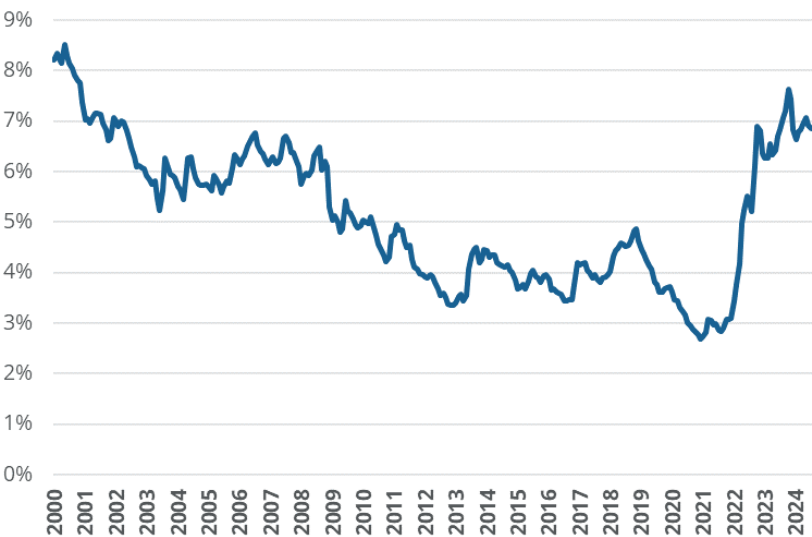


Note: 2024 YTD data include 1/2024-4/2024. Calculations use 4-person AMI limits.
Source: Zillow Home Value Index, HUD AMI Limits, and Root Policy Research.

Changes in purchase affordability—the dotted lines in Figure 14—are due to changes in incomes and changes in interest rates. Figure 15 shows average interest rates for mortgages from January 2000 to July 2024. Following pandemic-related interest rate hikes, average mortgage rates are higher than they have been since the early 2000s—currently, around 6.85%.

Figure 15.
30-Year Fixed Rate
Mortgage Average,
United States,
January 2000–July
2024

Source:
 Freddie Mac and FRED by the
 Federal Reserve of St. Louis.



The first row of the table in Figure 16 presents the maximum purchase price for households earning \$86,400, Grand Junction’s 2024 AMI, at different interest rates. The second row compares the maximum affordable price at the given interest rate to the maximum price at 3.0%, the prevailing rate in late 2020 and 2021. Solely as a result of rising interest rates, purchase affordability has decreased by between 33.3% and 36.6% since 2020/2021.

Figure 16.
Effect of Interest Rates on Home Purchase Affordability

	Interest Rate												
	2.0%	2.5%	3.0%	3.5%	4.0%	4.5%	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%	8.0%
Maximum Affordable Price	\$482K	\$451K	\$423K	\$397K	\$373K	\$352K	\$332K	\$314K	\$297K	\$282K	\$268K	\$255K	\$243K
Change in affordability vs. 3.0% rate	+13.9%	+6.6%	0.0%	-6.1%	-11.8%	-16.8%	-21.5%	-25.8%	-29.8%	-33.3%	-36.6%	-39.7%	-42.6%

3.0%
6.5% 7.0%

→ Change 2020/2021 to present

Note: Purchase affordability estimates assume households spend no more than 30% of income—in this case, Grand Junction’s 2024 AMI of \$86,400—on housing. Calculations assume a 30-year fixed rate mortgage with 10% down and 25% of monthly housing costs to non-mortgage expenses such as property taxes, utilities, and HOA fees.

Source: HUD AMI limits and Root Policy Research.

Home sales. Figure 17 shows the number of homes sold in Mesa County each year, 2019–2024 YTD, in total and by jurisdiction according to MLS data from Bray Real Estate. Over 70% of homes sold in the county each year were located in Grand Junction.

Figure 17.
Number Homes Sold, Mesa County and by Jurisdiction, 2019–2024 YTD

	Mesa County	Grand Junction	Clifton	Fruita	Palisade	Other
2019	4,109	2,934	285	433	91	366
2020	4,256	2,973	274	465	91	453
2021	639	458	44	61	14	62
2022	3,265	2,302	257	397	122	187
2023	2,886	2,112	199	353	81	141
2024 YTD	949	679	92	101	23	54

Note: 2024 YTD data include sales from 1/24-5/24.

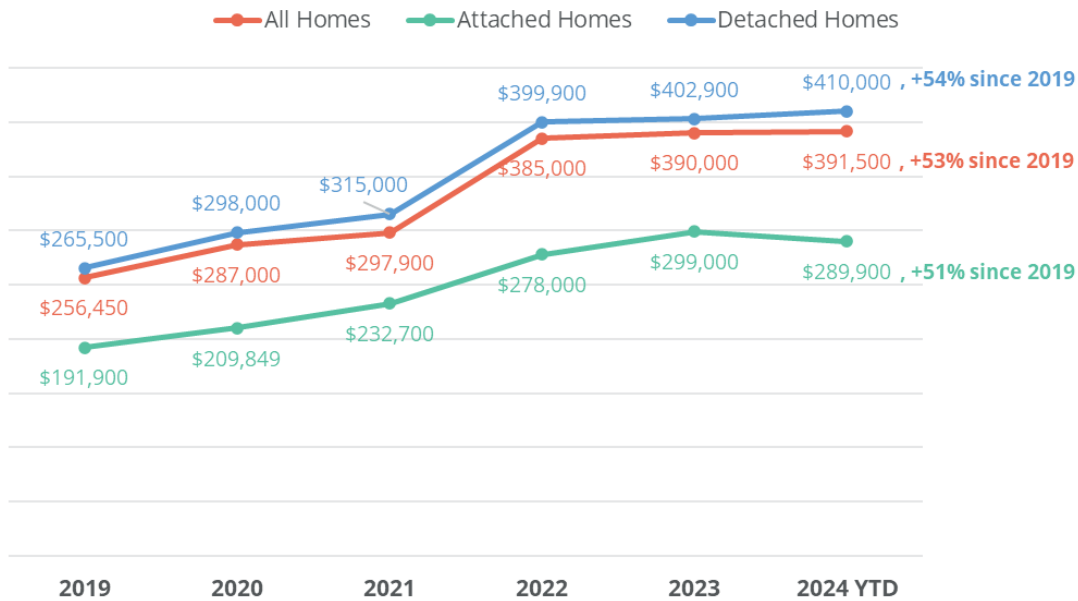
Source: MLS data (Bray Real Estate) and Root Policy Research.

Characteristics of sold homes. Detached units accounted for 87-89% of homes sold each year, while 11-13% of homes sold each year were attached. Studios and one-bedroom units accounted for around 1% of sales each year while two-bedroom units accounted for 12-14% of sales each year. The greatest shares of homes sold had three bedrooms (57-59% of sales each year) and four bedrooms (22-24% of sales each year). Between 3% and 6% of homes sold each year had five or more bedrooms.

Seventy percent or more of homes sold each year were built in 1980 or later, with between 41% and 48% of homes sold each year being built since 2000. Eight percent or less of homes sold each year were built before 1950.

Sale prices. Figure 18 shows median sale prices for all homes, attached homes, and detached homes in Mesa County each year, 2019–2024 YTD. The median home sales price in Mesa County increased by 53% from \$256,450 in 2019 to \$391,500 in 2024 YTD. In 2024 YTD, the median sale price for detached homes in Mesa County is \$410,000—significantly higher than that for attached homes (\$289,900).

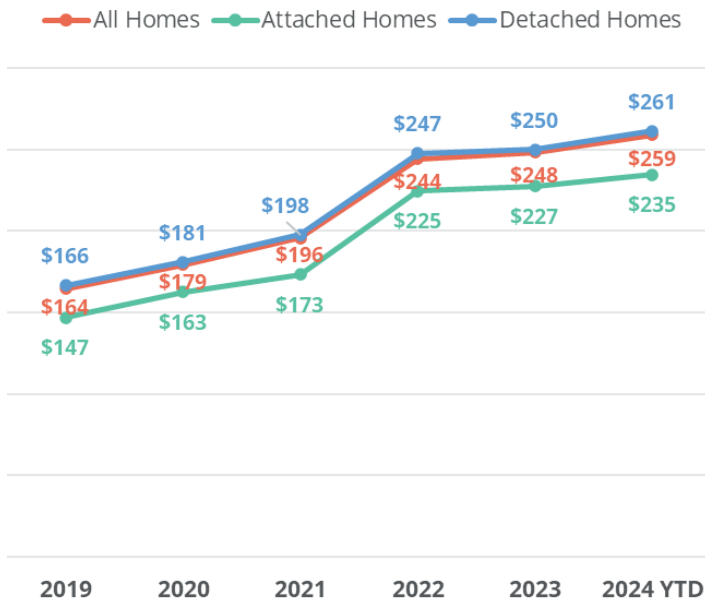
Figure 18.
Median Sale Price by Type, Mesa County, 2019–2024 YTD



Note: 2024 YTD data include sales from 1/24-5/24.
 Source: MLS data (Bray Real Estate) and Root Policy Research.

Median sale prices per square foot for all homes, attached homes, and detached homes are presented below. In 2024, the median price per square foot in Mesa County is \$259, up 57% from \$164 in 2019.

Figure 19.
Median Sale Price by Square Foot for Attached and Detached Homes, Mesa County, 2019–2024 YTD



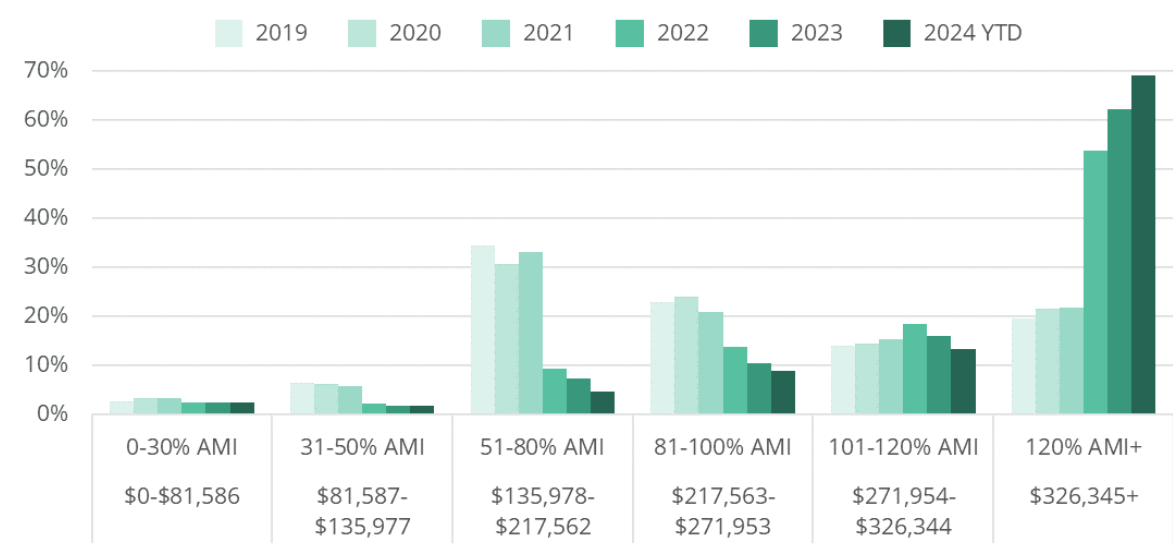
Note:
 2024 YTD data include sales from 1/24-5/24.

Source:
 MLS data (Bray Real Estate) and Root Policy Research.

Price distribution. Figure 20 shows the percent of home sales in specified affordability ranges each year, 2019–2024 YTD. Home purchase affordability has decreased since 2019, with the greatest decreases in affordability beginning with interest rate hikes in 2022.

Forty-two percent of homes sold in 2021 were affordable to households earning 0-80% AMI; this decreased to 14% in 2022, 11% in 2023, and 9% in 2024 YTD. Twenty-two percent of homes sold in 2021 were affordable to households earning 120% AMI or more; this rose to 54% in 2022, 62% in 2023, and 69% in 2024 YTD.

Figure 20.
Home Sales Distribution by Affordability Level, Mesa County, 2019–2024 YTD

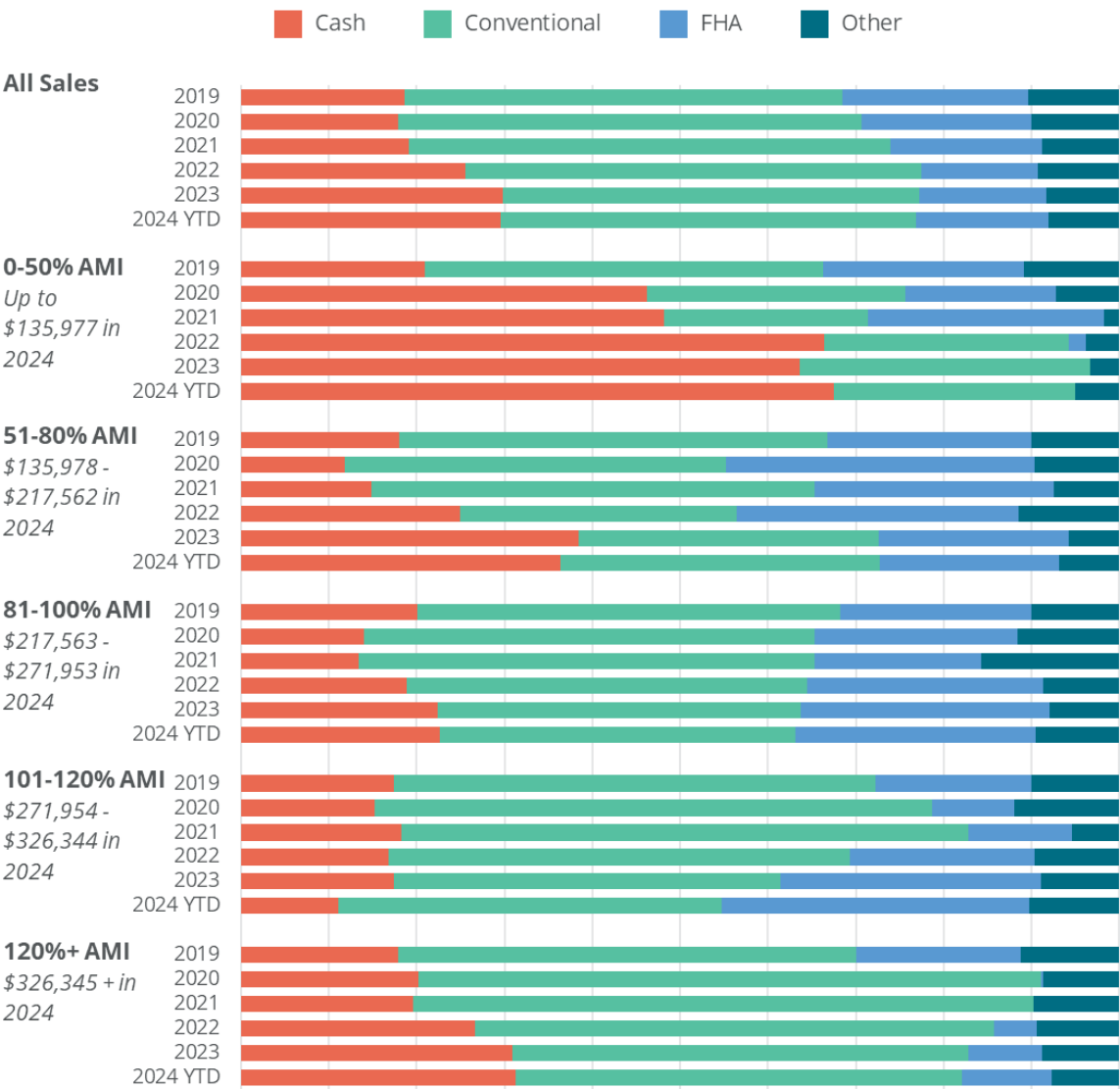


Note: **Affordable price ranges are current as of 2024 but differ by year with changes in AMI and interest rates.** 2024 YTD data include sales from 1/24-5/24. Data use 4-person HUD AMI limits.
Source: MLS data (Bray Real Estate), HUD AMI limits, and Root Policy Research.

Figure 21 shows the distribution of financing types employed in home sales overall and by affordability range in Mesa County. Investor presence in Mesa County’s home sales market, as indicated by the prevalence of cash purchases, has grown overall since 2019. Thirty percent of homes sold in Mesa County in 2023 and 2024 YTD were purchased with cash.

In particular, cash purchases are increasingly common in the 0-50% AMI and 51-80% AMI affordability levels. This indicates that cash buyers are crowding out traditionally financed households at increasingly higher price points.

Figure 21.
Distribution Financing Type by Affordability Level, Mesa County, 2019–2024 YTD



Note: **Affordable price ranges are current as of 2024 but differ by year with changes in AMI and interest rates.** 2024 YTD data include sales from 1/24-5/24. Data use 4-person HUD AMI limits.

Source: MLS data (Bray Real Estate), HUD AMI limits, and Root Policy Research.

Affordability

Cost burden. Figures 22 and 23 present cost burden and severe cost burden for owners and renters. Households are considered to be cost burdened when they pay 30% or more of their gross income in housing costs. Households are severely cost burdened when they pay 50% or more of their gross income in housing costs. In 2022, 44% of Grand Junction’s renter households are cost burdened, down from 47% in 2021. Owner cost burden increased in Grand Junction, from 21% in 2021 to 23% in 2022.

Figure 22.
Renter Cost Burden, Mesa
County and by
Jurisdiction, 2022

Source:
2022 5-year ACS.

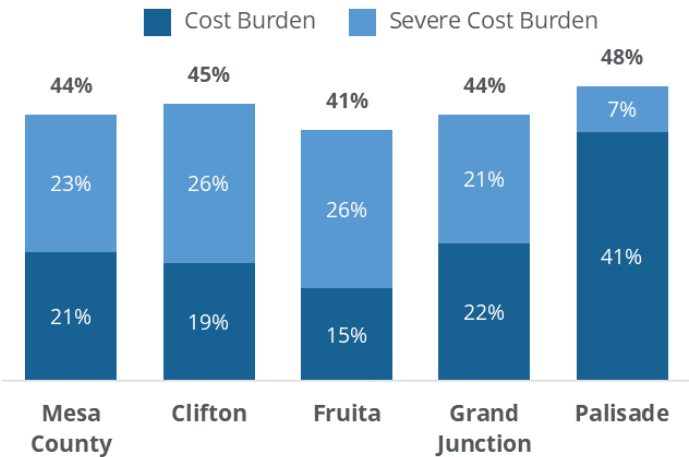
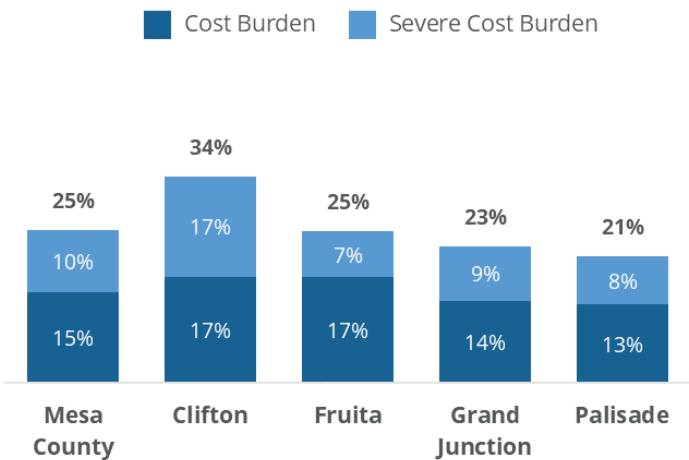


Figure 23.
Owner Cost Burden, Mesa
County and by
Jurisdiction, 2022

Source:
2022 5-year ACS.



Housing and transportation costs. Figure 24 broadens the affordability analysis by contextualizing housing costs with transportation and other costs in Grand Junction in 2019, 2021, and 2022. On average, Grand Junction households currently spend 25% of their income on housing costs and 22% of their income on transportation costs, with the remaining 53% of income going to other necessities, debt, savings, and disposable income. At the 2022 median household income of \$62,993, this translates to spending \$1,312 on housing, \$1,155 on transportation, and \$2,782 on other expenses and savings each month.

Figure 24.
Typical Grand
Junction Household
Monthly Budget, 2019,
2021, and 2022

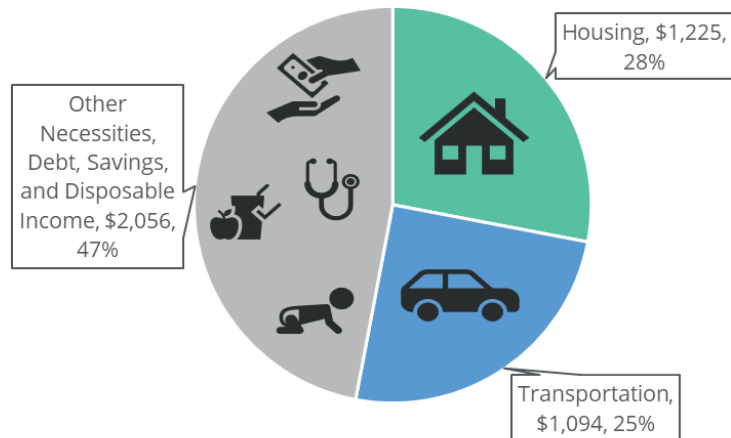
Note:

Figures for 2021 and 2022 apply 2020 housing/transportation/other expenses shares to 2021 and 2022 median household incomes.

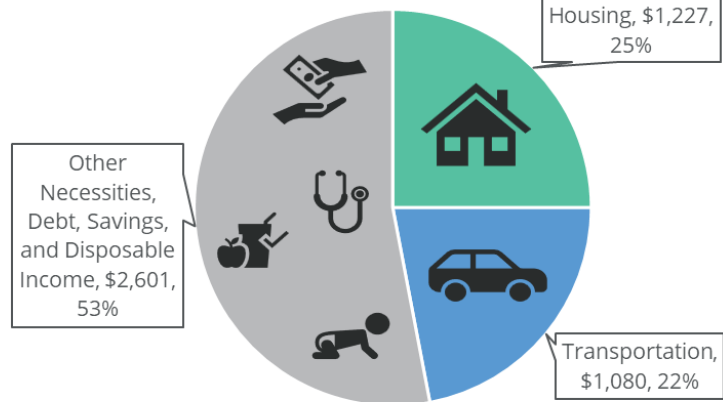
Source:

2019, 2021, and 2022 5-year ACS estimates (Median Household Income), Center for Neighborhood Technology Housing and Transportation Index 2019 and 2020 Releases, and Root Policy Research.

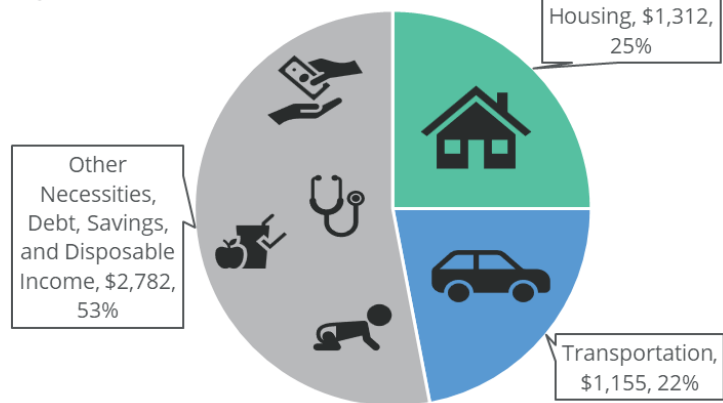
2019, Median Household Income: \$52,504



2021, Median Household Income: \$58,892



2022, Median Household Income: \$62,993



Affordable housing inventory. Mesa County's designated affordable housing stock is summarized in Figure 25. In this analysis, "designated affordable" includes income-restricted units administered by Grand Junction Housing Authority (GJHA), nonprofit organizations including Housing Resources of Western Colorado, Volunteers of America, Rocky Mountain Communities, and Catholic Outreach, and private real estate development

companies. Rents in these units may be subsidized by Low Income Housing Tax Credits (LIHTC), project-based vouchers, HUD funds, or other funding sources.

Altogether, there are 1,838 designated affordable units in Mesa County, most of which are deeply subsidized units wherein tenants pay 30% of their income in rent. The vast majority of affordable units in Mesa County (82%) have one or two bedrooms; 17% have three bedrooms; and 1% have four bedrooms. Larger families likely struggle to find affordable units large enough to accommodate them.

Figure 25.
Designated Affordable Units by Type and Bedrooms, Mesa County, 2024

	Total Units	% 1 BR	% 2 BR	% 3 BR	% 4 BR	% Other
Deeply Subsidized Units						
Tenants pay 30% of their income for rent	1,162	50%	35%	14%	1%	0%
Tax Credit Units						
Tenants pay a fixed rent based on a percentage of AMI from 30% to 60%	607	40%	36%	24%	0%	0%
Other Affordable Units						
Generally below market rent	69	19%	58%	10%	0%	13%
Total Affordable Units	1,838	45%	36%	17%	1%	1%

Note: By the end of 2024, 40 additional affordable units will be available in the Mother Theresa development. GJHA's The Current will offer 54 additional units in late 2025 or early 2026.

Source: City of Grand Junction.

In addition to the affordable units outlined above, housing vouchers or other direct landlord subsidies offer additional paths to affordability: Mesa County currently has 1,467 housing vouchers or other direct landlord subsidies in place. It should be noted that vouchers and units are not necessarily additive as vouchers can be used in subsidized units to create deeper affordability for extremely low-income households.

According to GJHA, there are currently 2,973 households (5,999 individuals) on the waitlist to receive a housing voucher—clearly demonstrating that need for affordable housing far exceeds the available supports. Of the households on the waitlist, 39% are households with children, 71% are female headed households, and 37% have a household member with some type of disability.

Affordability gaps analysis. To examine how the city's housing market is meeting the affordability needs of current residents, a gaps analysis was performed. The gaps analysis compares the supply of housing at various price points to the number of

households who can afford such housing. If there are more housing units than households, the market is “oversupplying” housing at that price point. Conversely, if there are too few units, the market is “undersupplying” housing at that price point.

Rental affordability gaps. Figures 26 and 27 show rental gaps for Grand Junction in 2019 and 2022.

As of 2022, there is an affordability gap of 1,211 units affordable to households earning less than \$25,000—units priced below \$625—in 2022.

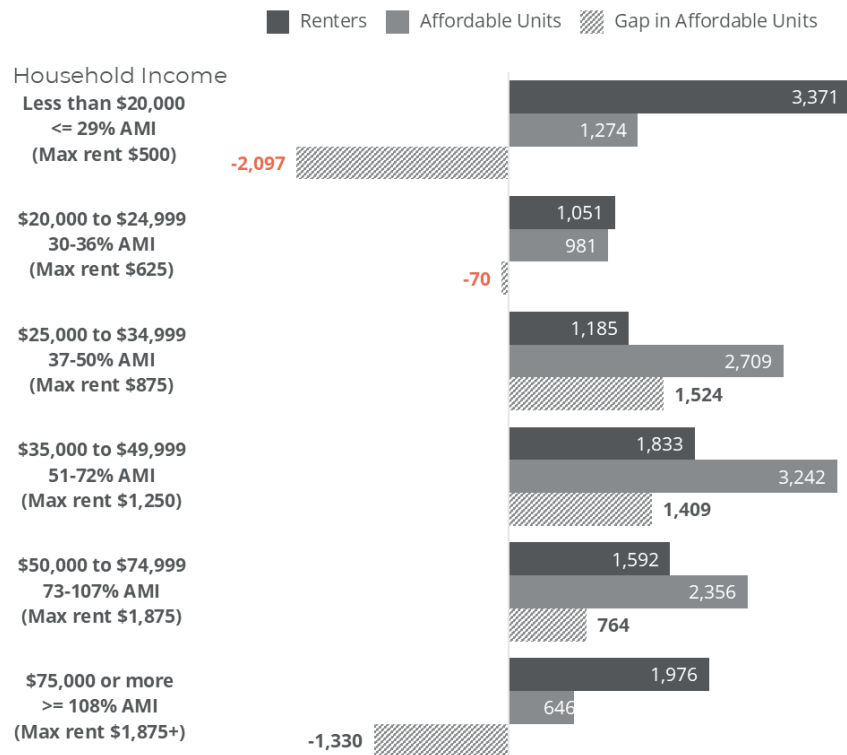
- 2,230 renter households have incomes below \$20,000 and can afford to pay \$500 in rent each month; however, there are only 1,337 rental units priced below \$500, resulting in a gap of 893 units affordable to these households.
- Another 767 renter households have incomes between \$20,000 and \$25,000 and require units priced at or below \$625, but only 449 units were priced within their affordability range, leaving a shortage—or gap—of 318 units.
- In both 2019 and 2022, rental affordability gaps were present up to roughly 30% AMI for 2-person households. Grand Junction’s 2022 rental gap (1,211 units priced below \$625) is smaller than the rental affordability gap Grand Junction faced in 2019 (2,168 units priced below \$625). This is largely due to rising renter incomes: 4,422 renter households earned less than \$25,000 in 2019, compared to 2,997 in 2022.

For-sale affordability gaps. Figures 28 and 29 show homeownership gaps for Grand Junction in 2019 and 2023-24. This analysis compares the shares of total renter households—roughly, the number of potential first-time homebuyers—with shares of total home sales affordable to them.

In 2019, 51% of Grand Junction’s renter households had incomes below \$35,000 annually. To affordably enter homeownership, these households would require homes priced at or below \$152,306. Only 8% of homes sold in Grand Junction in 2019 were priced at or below \$152,306, resulting in an affordability gap of -43% below \$35,000. This translates to roughly 80% AMI for a 2-person household.

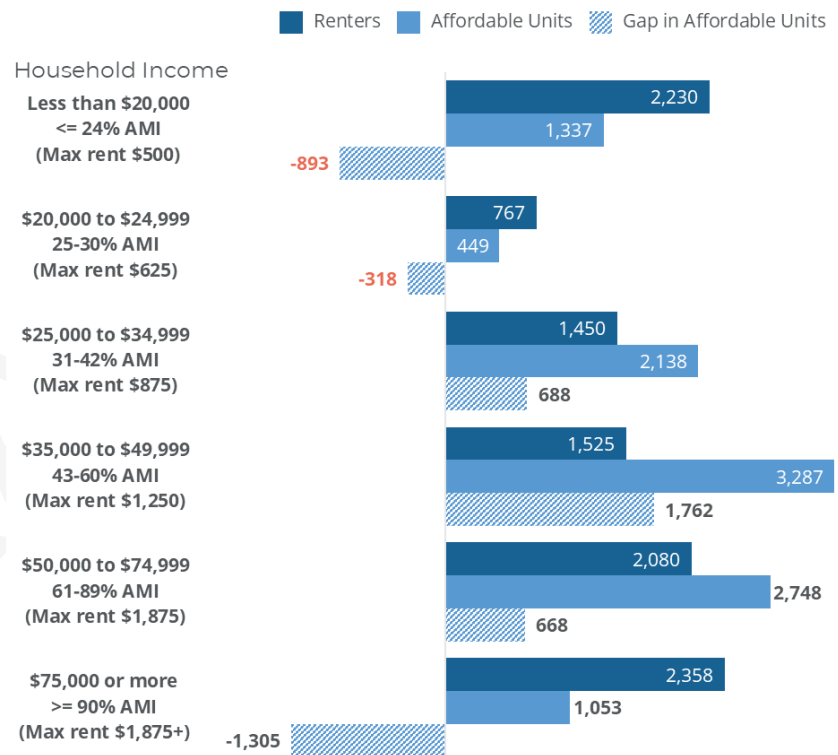
Due to rising home prices and the effects of higher interest rates on purchasing power, homeownership gaps grew and expanded to higher income levels by 2023-24. In 2022 (the most recent year for which data are available), 77% of Grand Junction’s renter households earned less than \$75,000. Based on 2023 interest rates, these households required homes priced at or below \$237,036. Only 9% of units sold in 2023 and 2024 YTD were priced at or below \$237,036, leaving an affordability gap of -68% below \$75,000. This translates to approximately 120% AMI for a 2-person household.

Figure 26.
Rental Affordability Gaps, 2019



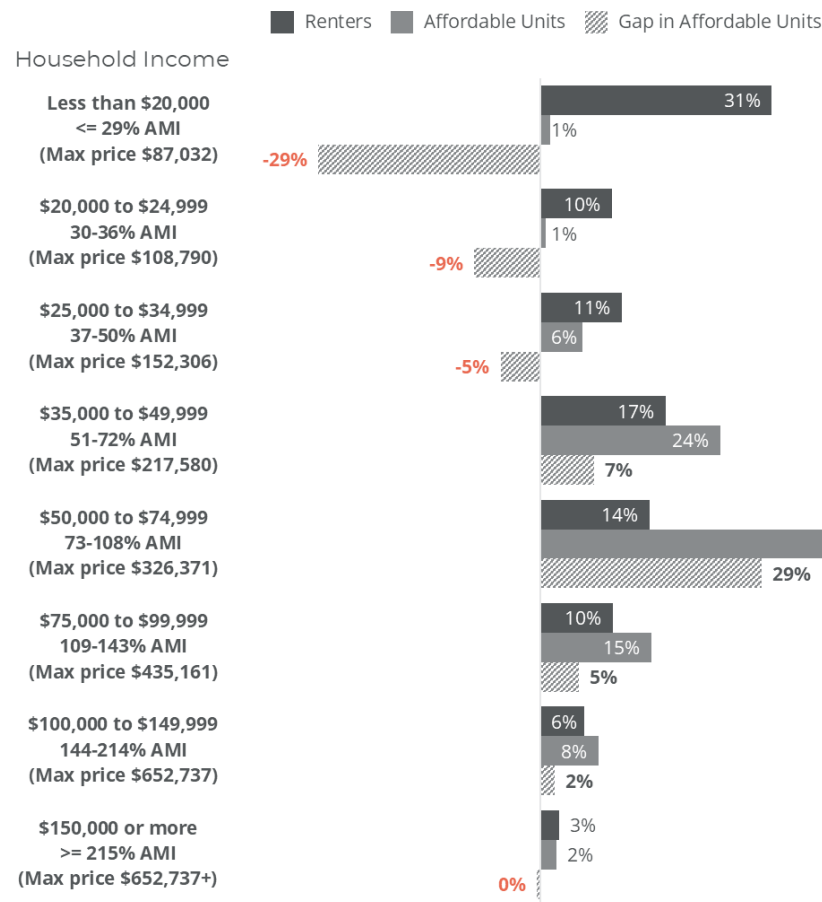
Note: AMI ranges presented are based on 4-person 2019 HUD AMI limits.
Source: 5-year ACS and Root Policy Research.

Figure 27.
Rental Affordability Gaps, 2022



Note: AMI ranges presented are based on 4-person 2022 HUD AMI limits.
Source: 5-year ACS and Root Policy Research.

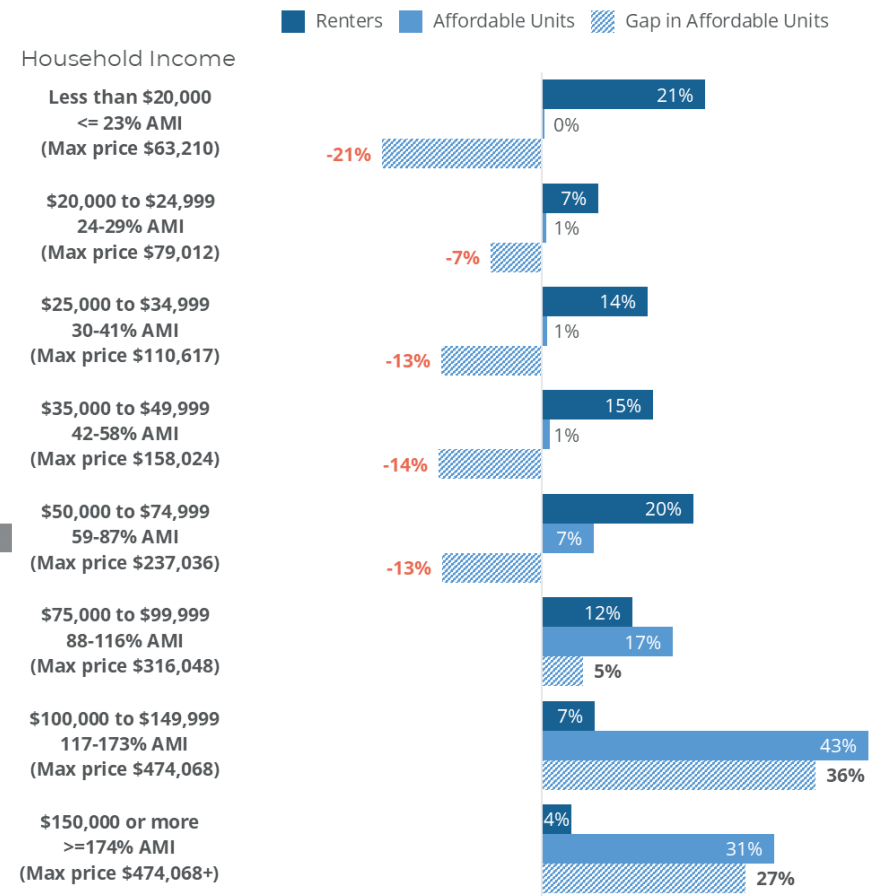
Figure 28.
For-Sale Affordability Gaps, Grand Junction, 2019



Note: Assumes a 30-year mortgage with 10% down at a 3.94% interest rate, with additional 25% of the monthly housing payment to property taxes, utilities, insurance, etc. AMI ranges presented are based on 4-person 2019 HUD AMI limits.

Source: MLS data (Bray Real Estate), 2019 5-year ACS, and Root Policy Research.

Figure 29.
For-Sale Affordability Gaps, Grand Junction, 2023-24 YTD



Note: Assumes a 30-year mortgage with 10% down at a 6.81% interest rate, with additional 25% of the monthly housing payment to property taxes, utilities, insurance, etc. AMI ranges presented are based on 4-person 2024 HUD AMI limits.

Source: MLS data (Bray Real Estate), 2022 5-year ACS, and Root Policy Research.

APPENDIX B.

Stakeholder Survey Responses



Root Policy Research

6741 E Colfax Ave, Denver, CO 80220

www.rootpolicy.com

970.880.1415

Appendix B

Grand Valley

Stakeholder Survey on Housing Strategies 2024

PREPARED FOR:

City of Grand Junction

UPDATED

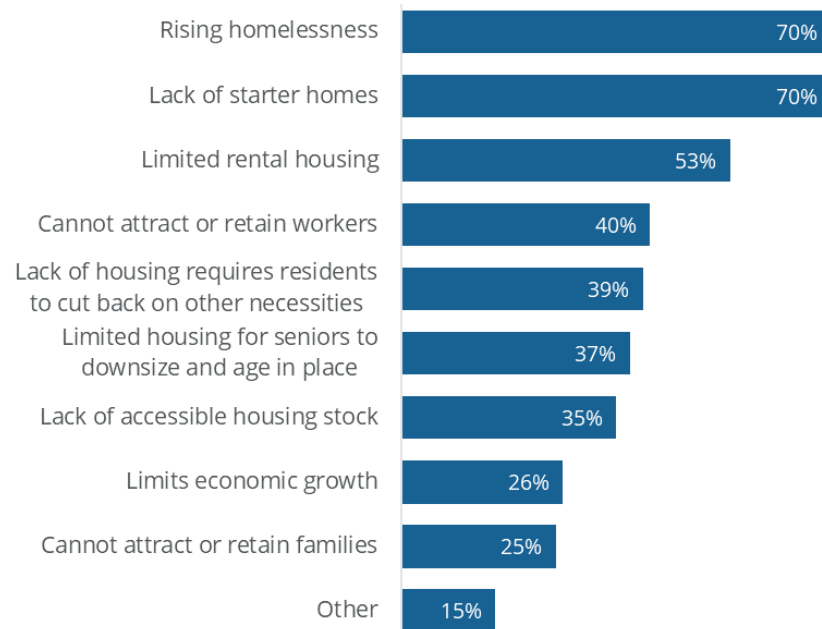
8/22/2024

This memo provides the results from the Stakeholder Survey conducted in support of Grand Junction's Housing Strategy Refresh.

APPENDIX B: STAKEHOLDER SURVEY RESPONSES

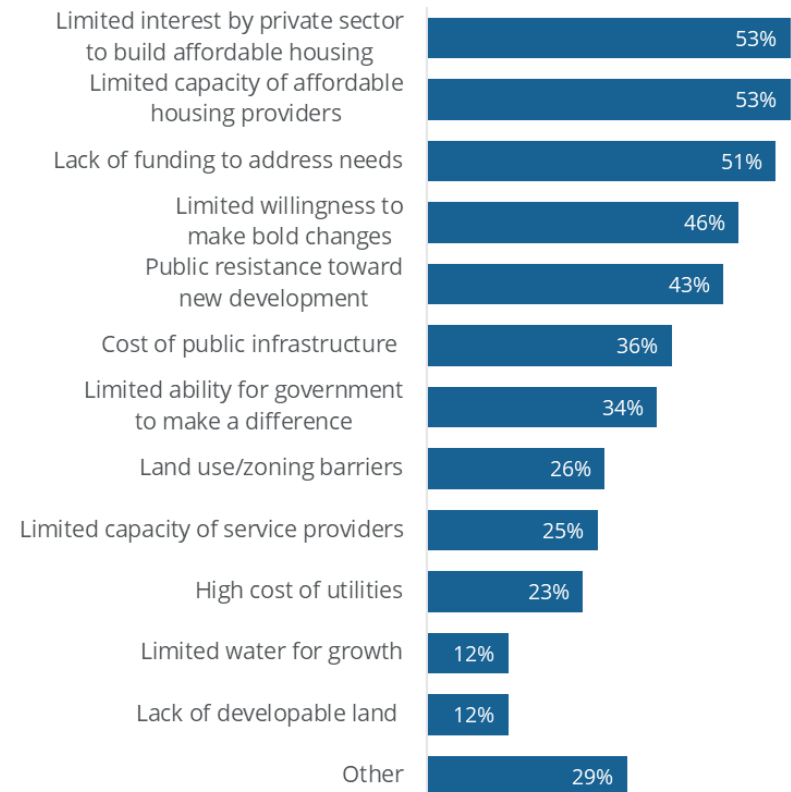
As part of the existing housing strategy review, Root surveyed local housing stakeholders including non-profit service providers, market-rate and affordable housing developers, and real estate professionals. Nearly 100 stakeholders responded and results are summarized in the following figures (response options have been shortened and paraphrased for formatting).

Figure 1. When you think about affordable housing challenges in Grand Junction, what concerns you the most? Check all that apply.



Source: 2024 Housing Strategy Stakeholder Survey.

Figure 2. In your opinion, what are the greatest barriers to addressing housing needs in your community? Check all that apply.



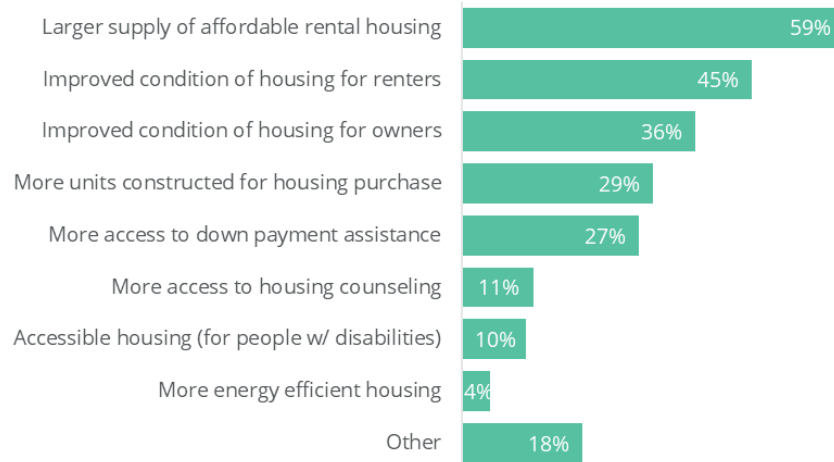
Other responses:

- General lack of affordable housing product
- Construction costs (incl. labor and materials)
- Regulatory barriers (e.g. regulatory costs/fees, lengthy/complicated process)
- Market factors (e.g. inflation, interest rate hikes)

Source: 2024 Housing Strategy Stakeholder Survey.

APPENDIX B: STAKEHOLDER SURVEY RESPONSES

Figure 3. If you could pick up to 3 priority Housing outcomes from the investment of housing funds in Grand Junction, what would those be?

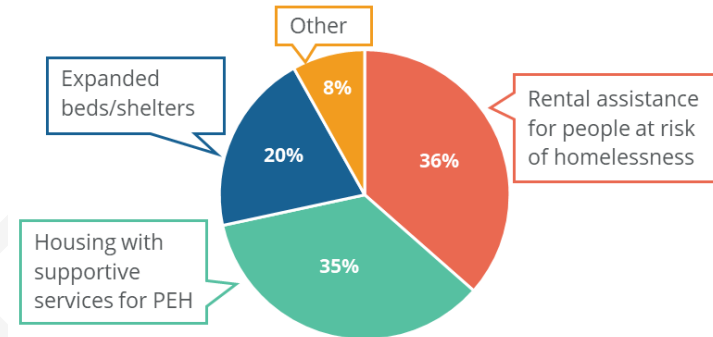


Other responses:

- Housing/service solutions for unhoused (e.g. interim housing, emergency shelter, designated camping)
- Fee assistance or fee reductions for developers
- Other incentives for developers
- Increased HUD voucher availability
- ADUs
- Greater home purchase affordability
- Options for pet ownership in multifamily units

Source: 2024 Housing Strategy Stakeholder Survey.

Figure 4. How would you prioritize the below-listed Homeless Assistance outcomes? (Top priority shown)



Source: 2024 Housing Strategy Stakeholder Survey.

APPENDIX B: STAKEHOLDER SURVEY RESPONSES

Figure 5. Which existing housing strategies do you consider most important for the City to continue? (Select up to 3).

Strategy	Description	Rank	% Resp. Prioritizing
Strategy 1	Participate in regional collaboration regarding housing/houselessness needs and services.	7	17%
Strategy 2	Adopt a local affordable housing goal.	3	34%
Strategy 3	Implement land code changes that facilitate housing development.	4	33%
Strategy 4	Encourage Accessory Dwelling Unit (ADU) Development.	10	14%
Strategy 5	Formalize existing incentives and consider additional incentives for affordable housing development.	1	40%
Strategy 6	Utilizing City owned land and/or acquire vacant or underutilized properties for Affordable and Mixed-Income Housing.	1	40%
Strategy 7	Create a dedicated funding source to address housing challenges.	5	23%
Strategy 8	Provide financial support to existing housing and houseless services and promote resident access to services.	6	21%
Strategy 9	Support acquisition/rehabilitation that creates or preserves affordable housing.	7	17%
Strategy 10	Consider implementation of an inclusionary housing/linkage fee ordinance.	13	1%
Strategy 11	Explore designation of an Urban Renewal Area (URA) and utilization of Tax Increment Financing for affordable housing.	7	17%
Strategy 12	Consider adoption of a voluntary rental registry program in conjunction with landlord incentives.	12	8%
Strategy 13	Provide community engagement and education opportunities to address housing challenges and promote community participation.	10	14%

Source: 2024 Housing Strategy Stakeholder Survey.

Are there housing programs or policies that you wish the City would explore or consider? (open ended)

- Housing-first approach
- Streamline development process
- Subsidize entry-level housing
- Case management and supportive services
- Reduce development regulations
- Develop mobile home parks and support resident ownership of parks
- Establish designated camping areas
- Lower development fees
- Remove city fees on <80% AMI
- Develop tiny home communities
- Eliminate tier structure in redevelopment areas that favors big developers
- Public/private partnerships
- More transitional housing
- Support development of infrastructure
- Modular housing
- Allow alternative occupancy arrangements (e.g., dorm-style living)
- Tax breaks to businesses paying livable wages
- Increase availability of vouchers

Source: 2024 Housing Strategy Stakeholder Survey

GJHA Waiting Lists 9-Aug-24 Mesa County Applicants			<u>if 60 Units</u>	<u>Rounded</u> Even	<u>If 62 Units</u>	<u>Rounded</u> Even	<u>If 64 Units</u>	<u>Rounded</u> Even	<u>If 68 Units</u>	<u>Rounded</u> Even
One	1,172	54.89%	32.9	36	34.0	33	35.1	36	37.3	38
Two	601	28.15%	16.9	16	17.5	21	18.0	20	19.1	20
Three	308	14.43%	8.7	8	8.9	8	9.2	8	9.8	10
Four	50	2.34%								
Five	4	0.19%								
	2,135		58.5	60	60.4	62	62.4	64	66.3	68

Note: These calculations are not required; just a reflection of GJHA's current waiting list. Other options exist.

What construction style? How many stories? Elevator or no elevator? Common amenities on the first floor? Other Floors?
Each of these questions may affect the rational unit mix, based on construction economies.

Waiting List Statistics as of August 9, 2024 In Mesa County

	Families	Elderly not Disabled	Disabled, not Elderly	Elderly and Disabled	Total on Master list	% of Total
# of Households	1144	259	512	220	2,135	
Female HOH	882	174	296	116	1,468	68.76%
Male HOH	257	82	214	102	655	30.68%
Gender not given	5	3	2	2	12	0.56%
 # of Families with Children	 721	 8	 94	 5	 828	 38.78%
# of Children	1,466	10	146	7	1629	
Total # of individuals on waiting list	2,921	301	764	279	4265	
 Average Monthly Income of Households with children	 \$1,576	 \$2,268	 \$1,302	 \$1,606	 \$1,551	
Average Monthly Income of All Household	\$1,472	\$1,619	\$1,027	\$1,378	\$1,373	
Affordable Rent+Utilities for all households = 30% of monthly income	\$442	\$486	\$308	\$414	\$412	

By Bedroom Size						
One	382	229	376	185	1,172	54.89%
Two	436	26	106	33	601	28.15%
Three	273	4	29	2	308	14.43%
Four	49	0	1	0	50	2.34%
Five	4	0	0	0	4	0.19%

30% of AMI or below	728	166	431	173	1,498	70.16%
40% of AMI or below	211	47	46	29	333	15.60%
50% of AMI or below	121	27	27	12	187	8.76%
60% of AMI or below	59	12	4	5	80	3.75%
80% of AMI or below	0	0	0	0	0	0.00%
Not Low	25	7	4	1	37	1.73%



Grand Junction City Council

Workshop Session

Item #1.c.

Meeting Date: September 16, 2024
Presented By: Matt Smith, Chief of Police
Department: Police
Submitted By: Andrea Phillips

Information

SUBJECT:

Animal Control Services Update

EXECUTIVE SUMMARY:

The purpose of this update is to discuss the plan with Council for assuming these duties starting in January 2025.

BACKGROUND OR DETAILED INFORMATION:

Mesa County has been handling animal control and enforcement activities, including sheltering of animals, for the city for many decades. In July, County staff informed the City that starting in January 1, 2025 the County would no longer be able to provide enforcement services. This letter is attached. However, the County has assured staff that they will continue operating the countywide animal shelter. Since that notification, Police Department and Finance Department staff have been working on exploring the resources that would be required to stand up a new program under the Police Department. It should be noted that since this is a new program for the city, and the call volume is unknown, there will be tweaks to this program over time.

FISCAL IMPACT:

Staff is estimating costs for animal control and enforcement for 2025 during the budget preparation process. Staffing needs are currently in discussion and will depend on the hours of service/coverage. At this time, the department is assuming that four civilian animal control officers will be needed. There may be an opportunity to cross train 1-2 existing staff members into this role in the near term. Sheltering costs are being estimated for 2025.

Aside from labor costs and sheltering costs, additional costs in setting up the program and preparing for a January 1 start date of the program include:

- ordering a truck and up-fitting it for cage
- ordering uniforms and supplies
- training programs
- software

SUGGESTED ACTION:

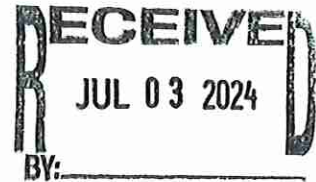
For discussion only

Attachments

1. Letter from Mesa County_Animal Control Srvs

July 2, 2024

Andrea Phillips
Interim City Manager
City of Grand Junction
250 N. 5th Street
Grand Junction, CO 81506



Manager Phillips,

This letter serves as a notification of the termination of services between Mesa County and the City of Grand Junction regarding the provision of Animal Services.

Although there is not a current signed contract in place between the City of Grand Junction and Mesa County pertaining to animal services. Mesa County Animal Services has abided by the terms of the proposed contract and the City of Grand Junction has paid invoices for services rendered establishing a de-facto contractual relationship between Mesa County and the City of Grand Junction.

The current unsigned contract indicates the agreement shall terminate upon six months' written notice of intent to terminate.

The current unsigned contract will expire on December 31, 2024 and Mesa County will not be renewing the contract or providing Animal Services support after that time as they have in the past.

Mesa County is pursuing a contractor to provide shelter services for unincorporated Mesa County animals. Prior to engaging a contractor to provide shelter services for Mesa County, we remain open to engaging in a contract with the City of Grand Junction to provide shelter services. Additionally, we would be open to a joint Request for Proposals (RFP) process for the shelter services. Continued collaboration through the restructuring could offer mutual benefits and ensure continuity of services. Mesa County expects to complete this transition in 2025 and will not provide shelter services beyond this time.

Sincerely,



Peter M. Baier, P.E., M.P.A.
Mesa County Administrator



Grand Junction City Council

Workshop Session

Item #1.d.

Meeting Date: September 16, 2024

Presented By: Andrea Phillips, Interim City Manager, Carson Bise, TischlerBise, Tamra Allen, Community Development Director

Department: Community Development

Submitted By: Tamra Allen, Community Development Director

Information

SUBJECT:

Impact Fee Study Project Update

EXECUTIVE SUMMARY:

The Grand Junction Municipal Code ("Code") requires the City to update its impact fee study once every five years. The City's last fee study for transportation, police, fire, parks, and municipal facilities was completed in 2019. The City has contracted with TischlerBise to update its fee study and create a nexus study for an affordable housing linkage fee. Representatives from TischlerBise will provide an update on the progress of the impact fee study, including preliminary fees for fire, police, and municipal facilities.

BACKGROUND OR DETAILED INFORMATION:

TischlerBise is a fiscal, economic, and planning consulting firm specializing in fiscal/economic impact analysis, impact fees, user fees, market feasibility, infrastructure financing studies, and related revenue strategies. The firm has been providing consulting services to public agencies for more than 30 years and, in that time, and has prepared more than 1,000 impact fee/infrastructure financing studies.

Impact fees are simple in concept but complex in delivery. Generally, the jurisdiction imposing the fee must:

- (1) identify the purpose of the fee,
- (2) identify the use to which the fee is to be put,
- (3) show a reasonable relationship between the fee's use and the type of development project, and
- (4) account for and spend the fees collected only for the purpose(s) used in calculating the fee.

Reduced to its simplest terms, the process of calculating impact fees involves the following two steps:

1. Determine the cost of development-related capital improvements, and
2. Allocate those costs equitably to various types of development.

Code section 21.02.070(a) Development Impact Fees, provides that the impact fees described in this section (Transportation, Police, Fire, and Parks) and the administrative procedures of this section shall be reviewed at least once every five years by an independent consultant, as directed by the City Manager, to ensure that (i) the demand and cost assumptions underlying the impact fees are still valid, (ii) the resulting impact fees do not exceed the actual costs of constructing capital facilities that are of the type for which the impact fees are paid and that are required to serve new impact-generating development, (iii) the monies collected or to be collected in each impact account have been and are expected to be spent for capital facilities for which the impact fees were paid, and (iv) the capital facilities for which the impact fees are to be used will benefit the new development paying the impact fees. The City's last fee study for transportation, police, fire, parks and municipal facilities was completed in 2019.

The City has contracted with TischlerBise to update its fee study and create a nexus study for an affordable housing linkage fee. Representatives from TischlerBise will be presenting information about the progress of the impact fee and linkage fee study. The Stakeholder Group has met twice on the project and two community meetings have also been held, on July 18 and August 29. Information about the fee study is also available at <https://engagej.org/impact-fees-study>

FISCAL IMPACT:

The adoption and implementation of growth-related impact fees are a fiscal policy of the City. Fiscal impact will be considered at a future date and will be dependent upon the Council's consideration of an updated fee schedule. The city has contracted with TischlerBise to perform the fee study update and linkage fee study. The consultant was selected through a competitive RFP process and services have been retained for a fee not to exceed \$149,810.00.

SUGGESTED ACTION:

Discussion only.

Attachments

1. impact fee code section
2. Impact Fee Stakeholder List

- (i) Before making any construction or alteration to a site or structure, such owner shall make application to the City for a Certificate of Appropriateness. The Director shall review such application for compliance with the Guidelines and Standards and make an initial determination and recommendation to the Board. The Director may include in that recommendation any conditions deemed appropriate to comply with the Guidelines and Standards and with the Zoning and Development Code.
- (ii) The Board shall have jurisdiction to review City staff recommendations and to decide applications for Certificates of Appropriateness at a public hearing. The Board may include any conditions of approval deemed appropriate for compliance with the Guidelines and Standards. No owner shall construct or alter a structure or site in the District without first obtaining a Certificate of Appropriateness from the Board.
- (iii) A decision of the Board may be appealed to City Council within 30 days of the issuance of the decision. Appeals to City Council shall be de novo.
- (iv) All reviews pursuant to this subsection (2) shall determine if the new construction or alteration is compatible with the historic designation as provided in the North Seventh Street Historic Residential District Guidelines and Standards. In reviewing an application, consideration shall be given to design, siting, form, texture, setbacks, orientation, alignment, finish, material, scale, mass, height, and overall visual compatibility, according to and with reference to the applicable Guidelines and Standards of the North Seventh Street Historic Residential District. For purposes of this section, the term “compatible” shall mean consistent with, harmonious with and/or enhancing the mixture of complementary architectural styles either of the architecture of an individual structure or the character of the surrounding structures.

(h) Revocation of Designation

- (1) If a building or special feature on a designated site has been altered in such a way so as to negate the features necessary to retain designation, the owner may apply to the Historic Board for a revocation of the designation or the Historic Board shall recommend revocation of the designation to the City Council in the absence of the owner’s application to do so.
- (2) If a designated structure is moved or demolished, the designation shall, without notice and without Historic Board recommendation, automatically terminate. If moved, a new application for designation at the new location must be made in order for designation to be considered.
- (3) Upon the City Council’s decision to revoke a designation, the Director shall cause a revocation notice to be sent to the property owner.

21.02.070 DEVELOPMENT FEES

(a) Development Impact Fees**(1) Title**

This section shall be known and may be cited as the “Grand Junction, Colorado, Impact Fee Ordinance” or “Impact Fee Ordinance.”

(2) Authority

The City has the authority to adopt this section pursuant to Article XX, § 6 of the Colorado State Constitution, the City's home rule charter, the City's general police powers, and other laws of the State of Colorado.

(3) Application

This section shall apply to all development within the territorial limits of the City, except development exempted pursuant to GJMC 21.02.070(a)(5)(ii).

(4) Purpose

- (i) The intent of this section is to ensure that new development pays a proportionate share of the cost of city parks and recreation, fire, police, and transportation capital facilities.
- (ii) It is the intent of this section that the impact fees imposed on new development are no greater than necessary to defray the impacts directly related to proposed new development.
- (iii) Nothing in this section shall restrict the City from requiring an applicant for a development approval to construct reasonable capital facility improvements designed and intended to serve the needs of an applicant's project, whether or not such capital facility improvements are of a type for which credits are available under GJMC 21.02.070(a)(6), Credits.

(5) Development Impact Fees to Be Imposed

(i) Fee Obligation, Payment, and Deposit

(A) Obligation to Pay and Time of Payment

Any person who causes the commencement of impact-generating development, except those exempted pursuant to GJMC 21.02.070(a)(5)(ii) shall be obligated to pay impact fees pursuant to the terms of this section. The obligation to pay the impact fees shall run with the land. The amount of the impact fees shall be determined in accordance with GJMC 21.02.070(a)(5)(iii) and the fee schedule in effect at the time of issuance of a Planning Clearance and paid to the Director at the time of issuance of a Planning Clearance. If any credits are due pursuant to GJMC 21.02.070(a)(6) those shall be determined prior to the issuance of a Planning Clearance and payment of the impact fees.

(B) Fees Promptly Deposited into City Accounting Funds

All monies paid by a fee payer pursuant to this section shall be identified as impact fees and shall be promptly deposited in the appropriate City impact fee accounting funds established and described in GJMC 21.02.070(a)(7).

(C) Extension of Previously Issued Development Approval

If the fee payer is applying for an extension of a development approval issued prior to January 1, 2020, the impact fees required to be paid shall be the net increase between the impact fees applicable at the time of the current permit

extension application and any impact fees previously paid pursuant to this section, and shall include any impact fees established subsequent to such prior payment.

(D) Fee Based on Approved Development

If the Planning Clearance is for less floor area than the entire development approved pursuant to the development approval, the fee shall be computed separately for the floor area of development covered by the Planning Clearance, and with reference to the use categories applicable to such development covered by the Planning Clearance.

(E) Permit for Change in Use, Expansion, Redevelopment, Modification

If the fee payer is applying for a Planning Clearance to allow for a change of use or for the expansion, redevelopment, or modification of an existing development, the impact fees required to be paid shall be based on the net increase in the impact fees for the new use as compared to the previous use and actual fee paid for the previous use, and shall include any impact fees established subsequent to such prior payment.

(F) Prior Conditions and/or Agreements

Any person who prior to January 1, 2020, has agreed in writing with the City, as a condition of permit approval, to pay an impact fee shall be responsible for the payment of the impact fees under the terms of such agreement, and the payment of the impact fees may be offset against any impact fees due pursuant to the terms of this section.

(G) Time of Submittal

For nonresidential and multifamily development (excluding townhomes, duplexes, and condominium residence(s)) the fee shall be calculated as of the submission of a complete application and construction commences within two years of approval. Should construction fail to commence within two years, the applicant shall pay those fees in place at the time of issuance of a Planning Clearance.

(ii) Exemptions

The following types of development shall be exempt from payment of impact fees. Any claim for exemption shall be made no later than the time when the applicant applies for the first Planning Clearance. Any claim for exemption not made at or before that time shall be waived. The Director shall determine the validity of any claim for exemption pursuant to the standards set forth below.

(A) Replacing Existing Residential Unit with New Unit

Reconstruction, expansion, alteration, or replacement of a previously existing residential unit that does not create any additional residential units.

(B) New Impact-Generating Development Creates No Greater Demand than Previous Development.

New impact-generating development that the fee payer can demonstrate will create no greater demand over and above that produced by the existing use or development.

(C) Building after Fire or Other Catastrophe

Rebuilding the same amount of floor space of a structure that was destroyed by fire or other catastrophe.

(D) Accessory Structures

Construction of unoccupied accessory structures related to a residential unit.

(E) Previous Payment of Same Amount of Impact Fees

Impact-generating development for which an impact fee was previously paid in an amount that equals or exceeds the impact fee that would be required by this section.

(F) Government

Development by the federal government, the state, school district, county or the City.

(G) Complete Development Application Approved Prior to Effective Date of Chapter

For development for which a complete application for a Planning Clearance was approved prior to January 1, 2020; and for nonresidential and multifamily development for which a complete application was submitted prior to January 1, 2020, so long as construction commences by January 1, 2022, the required fees shall be those in effect at time of submittal.

(H) Small Additions and Renovations for Residential Uses

Construction of an addition to an existing dwelling unit of 500 square feet or less, or expansion of finished space for an existing dwelling unit of 500 square feet or less. This exemption shall only be used one time for each dwelling unit and does not apply to accessory dwelling units.

(iii) Calculation of Amount of Impact Fees

(A) Impact Fee Schedule

Except for those electing to pay impact fees pursuant to GJMC 21.02.070(a)(5)(iii)(B), the impact fees applicable to the impact-generating development shall be as determined by the impact fee schedule, which is hereby adopted and incorporated herein. The impact fee schedules are based on the impact fee studies. It applies to classes of land uses within the City, differentiates between types of land uses, and is intended to defray the projected impacts caused by proposed new development on city capital facilities. The determination of the land use category(ies) in the impact fee schedules that are applicable to

impact-generating development shall be made by the Director with reference to the impact fee studies and the methodologies therein; the then-current edition of the ITE Trip Generation Manual, published by the Institute of Traffic Engineers; the City zoning and development code; the then-current land use approvals for the development; and any additional criteria set forth in duly promulgated administrative rules.

a. Annual Adjustment of Impact Fees to Reflect Effects of Inflation

The impact fee schedule shall be adjusted annually and/or biannually consistent with the impact fee study. Commencing on January 1, 2023, and on January 1st of each subsequent year, each impact fee amount set forth in the impact fee schedule shall be adjusted for inflation, as follows:

1. For transportation impact fees, the fees shall be adjusted for inflation based on the latest 10-year average of the Colorado Department of Transportation Construction Cost Index, published quarterly by CDOT.
2. For fire, police, and parks the fees shall be adjusted for inflation based on the most recent Construction Cost Index published by Engineering News Record.
3. The adjusted impact fee schedule shall become effective immediately upon calculation and certification by the City Manager and shall not require additional action by the City Council to be effective.

b. Impact-Generating Development Not Listed in the Impact Fee Schedule

If the proposed impact-generating development is of a type not listed in the impact fee schedule, then the impact fees applicable are those of the most nearly comparable type of land use. The determination of the most nearly comparable type of land use shall be made by the Director with reference to the impact fee study and City code.

c. Mix of Uses

If the proposed impact-generating development includes a mix of those uses listed in the impact fee schedule, then the impact fees shall be determined by adding the impact fees that would be payable for each use as if it was a freestanding use pursuant to the impact fee schedule.

(B) Independent Fee Calculation Study

In lieu of calculating the amount(s) of impact fees by reference to the impact fee schedule, a fee payer may request that the amount of the required impact fee be determined by reference to an independent fee calculation study.

a. Preparation of Independent Fee Calculation Study

If a fee payer requests the use of an independent fee calculation study, the fee payer shall be responsible for retaining a qualified professional (as

determined by the Director) to prepare the independent fee calculation study that complies with the requirements of this section, at the fee payer's expense.

b. General Parameters for Independent Fee Calculation Study

Each independent fee calculation study shall be based on the same level of service standards and unit costs for the capital facilities used in the impact fee study and shall document the relevant methodologies and assumptions used.

c. Procedure

1. An independent fee calculation study shall be initiated by submitting an application to the Director together with an application fee to defray the costs associated with the review of the independent fee calculation study.
2. The Director shall determine if the application is complete. If it is determined the application is not complete, a written statement outlining the deficiencies shall be sent by mail to the person submitting the application. The Director shall take no further action on the application until it is complete.
3. When it is determined the application is complete, the application shall be reviewed by the Director and a written decision rendered on whether the impact fees should be modified, and, if so, what the amount should be, based on the standards in GJMC 21.02.070(a)(6)(i).

d. Standards

If, on the basis of generally recognized principles of impact analysis, the Director determines the data, demand information and assumptions used by the applicant to calculate the impact fees in the independent fee calculation study more accurately measure the proposed impact-generating development's impact on the appropriate capital facilities, the impact fees determined in the independent fee calculation study shall be deemed the impact fees due and owing for the proposed development. The fee adjustment shall be set forth in a fee agreement. If the independent fee calculation study fails to satisfy these requirements, the impact fees applied shall be the impact fees established in the impact fee schedule.

(6) Credits

(i) Standards

(A) General

Any person causing the commencement of impact-generating development may apply for credit against impact fees otherwise due, up to but not exceeding the full obligation of impact fees proposed to be paid pursuant to the provisions of

this section, for any contributions or construction (as determined appropriate by the Director) accepted in writing by the City for capital facilities. Credits against impact fees shall be provided only for that impact fee for which the fee is collected.

(B) Valuation of Credits

a. Construction

Credit for construction of capital facilities shall be valued by the City based on complete engineering drawings, specifications, and construction costs estimates submitted by the fee payer to the City. The Director shall determine the amount of credit due, if any, based on the information submitted, or, if he/she determines the information is inaccurate or unreliable, then on alternative engineering or construction costs determined by and acceptable to the Director.

b. Contributions

Contributions for capital facilities shall be based on the value of the contribution or payment at the time it is made to the City.

(C) When Credits Become Effective

a. Construction

Credits for construction of capital facilities shall become effective after the credit is approved pursuant to this section, a written credit agreement is entered into and (a) all required construction has been completed and has been accepted by the City, (b) suitable maintenance and financial warranty has been received and approved by the City, and (c) all design, construction, inspection, testing, financial warranty, and acceptance procedures have been completed in compliance with all applicable City requirements. Approved credits for the construction of capital facilities may become effective at an earlier date if the fee payer posts security in the form of an irrevocable letter of credit, escrow agreement, or cash and the amount and terms of such security are acceptable by the City Manager. At a minimum, such security must be in the amount of the approved construction credit plus 20 percent, or an amount determined to be adequate to allow the City to construct the capital facilities for which the credit was given, whichever is higher.

b. Contribution

Credits for contributions for capital facilities shall become effective after the credit is approved in writing pursuant to this section, a credit agreement is entered into and the contribution is made to the City in a form acceptable to the City.

c. Transferability of Credits

Credits for contributions, construction or dedication of land shall be transferable within the same development and for the same capital facility

for which the credit is provided but shall not be transferable outside the development. Credit may be transferred pursuant to these terms and conditions by a written instrument, to which the City is a signatory, that clearly identifies which credits issued under this section are to be transferred. The instrument shall be signed by both the transferor and transferee, and the document shall be delivered to the Director for registration of the change in ownership. If there are outstanding obligations under a credit agreement, the City may require that the transferor or transferee or both (as appropriate) enter into an amendment to the credit agreement to assure the performance of such obligations.

d. Total Amount of Credit

The total amount of the credit shall not exceed the amount of the impact fees due for the specific facility fee (e.g., fire, police, parks).

e. Capital Contribution Front-Ending Agreement

The City may enter into a capital contribution front-ending agreement with any developer who proposes to construct capital facilities to the extent the fair market value of the construction of these capital facilities exceeds the obligation to pay impact fees for which a credit is provided pursuant to this section. The capital contribution front-ending agreement shall provide proportionate and fair share reimbursement linked to the impact-generating development's use of the capital facilities constructed.

(ii) Procedure

(A) Submission of Application

In order to obtain a credit against impact fees, the fee payer shall submit an offer for contribution or construction. The offer shall be submitted to the Director and must specifically request a credit against impact fees.

(B) Contribution Offer Contents

The offer for contribution credit shall include the following:

a. Construction

If the proposed credit involves construction of capital facilities:

1. The proposed plan for the specific construction certified by a duly qualified and licensed Colorado engineer;
2. The projected costs for the suggested improvement, which shall be based on local information for similar improvements, along with the construction timetable for the completion thereof. Such estimated costs may include the costs of construction or reconstruction, the costs of all labor and materials, the costs of all lands, property, rights, easements and franchises acquired, financing charges, interest prior to and during construction and for one year after completion of construction, costs of

plans and specifications, surveys of estimates of costs and of revenues, costs of professional services, and all other expenses necessary or incident to determining the feasibility or practicability of such construction or reconstruction;

3. A statement made under oath of the facts that qualify the fee payer to receive a contribution credit.

b. Contribution

If the proposed offer involves a credit for any contribution for capital facilities, the following documentation shall be provided:

1. A copy of the Planning Clearance for which the contribution was established;
2. If payment has been made, proof of payment; or
3. If payment has not been made, the proposed method of payment.

(C) Determination of Completeness

The Director shall determine if the application is complete. If it is determined that the proposed application is not complete, the Director shall send a written statement to the applicant outlining the deficiencies. No further action shall be taken on the application until all deficiencies have been corrected.

(D) Decision

The Director shall determine if the offer for credit is complete and if the offer complies with the standards in GJMC 21.02.070(a)(6)(i).

(iii) Credit Agreement

If the offer for credit is approved by the Director, a credit agreement shall be prepared and signed by the applicant and the City Manager. The credit agreement shall provide the details of the construction or contribution of capital facilities, the time by which it shall be dedicated, completed, or paid, and the value (in dollars) of the credit against the impact fees the fee payer shall receive for the construction or contribution.

(iv) Accounting of Credits

Each time a request to use approved credits is presented to the City, the Director shall reduce the amount of the impact fees, and shall note in the City's records and the credit agreement the amount of credit remaining, if any.

(7) Impact Fee Accounts

(i) Establishment of Impact Fee Accounts

(A) Establishment of Impact Fee Accounts

For the purpose of ensuring impact fees collected pursuant to this section are designated for the mitigation of capital facility impacts reasonably attributable to new impact-generating development that paid the impact fees.

(B) Establishment of Impact Fee Accounts

Impact fees shall be deposited into five accounts (collectively, Impact Fee Accounts): transportation, parks and recreation, capital facilities, fire capital facilities, and police capital facilities accounts.

(ii) Deposit and Management of Impact Fee Accounts

(A) Managed in Conformance with § 29-1-801 C.R.S. et seq

The Impact Fee Accounts shall bear interest and shall be managed in conformance with § 29-1-801 C.R.S. et seq. No impact fees(s) or other similar development land development charge(s) shall be imposed or collected except pursuant to a schedule(s) that is(are) (a) adopted by ordinance by the City Council, pursuant to a legally sufficient study(ies); (b) generally applicable to a broad class of property; and (c) serves to defray the projected impacts on capital facilities caused by development. The City shall from time to time quantify the reasonable impacts of proposed development on existing capital facilities and establish the impact fee(s) or land development charge(s) at a level no greater than necessary to defray such impacts directly related to proposed development. No impact fee or other similar land development charge shall be imposed to remedy any deficiency in capital facilities that exists without regard to the proposed development.

(B) Immediate Deposit of Impact Fees in City Accounting Funds

All Parks and Recreation, Fire, Police, and Transportation impact fees collected by the City pursuant to this section shall be promptly deposited into the appropriate interest bearing accounting fund(s) ("Impact Fee Accounts") of the City designated, as allowed by § 29-1-803 C.R.S., by category, account or fund as determined by the City Manager or their designee. Any interest or other income earned on money deposited shall be credited to the Impact Fees Account(s) and no other City accounting fund(s).

(C) Interest Earned on Impact Fee Account Monies

Any impact fees not immediately expended shall be deposited as provided in this section. Interest earned on money in the Impact Fee Accounts shall be considered part of such account(s) and shall be subject to the same restrictions on use applicable to the impact fees deposited in such account.

(D) Income Derived Retained in Accounts until Spent

All income derived from the deposits shall be retained in the accounts until spent pursuant to the requirements of this section.

(E) Expenditure of Impact Fees

Monies in each account shall be considered to be spent in the order collected, on a first-in/first-out basis.

(iii) Annual Report

At least once annually the City will publish on its official website a report for the most recent fiscal year stating the amount of each Impact fee and/or land development charge collected to the Impact Fee Accounts, the average annual interest rate on each account and the total amount disbursed from each account.

(8) Expenditure of Impact Fees**(i) Capital Facilities Impact Fees**

The monies collected from each capital facilities impact fee shall be used only to acquire or construct capital facilities within the City. Each and all capital facilities impact fees may, as determined by the City Council, be expended anywhere within the City notwithstanding the location of the project for which the impacts were paid.

(ii) No Monies Spent for Routine Maintenance, Rehabilitation or Replacement of Capital Facilities

No monies shall be spent for periodic or routine maintenance, rehabilitation, or replacement of any City transportation, parks and recreation, fire, or police capital facilities.

(iii) No Monies Spent to Remedy Deficiencies Existing on Effective Date of Chapter

No monies shall be spent to remedy existing deficiencies in transportation capital facilities, parks and recreation capital facilities, fire capital facilities, or police capital facilities.

(iv) Transportation Impact Fees

Transportation impact fee monies may be spent for the reconstruction and replacement of existing roads, the construction of new road systems and may be used to pay debt service on any portion of any current or future general obligation bond or revenue bond issued after July 6, 2004, and used to finance major road system improvements. All Transportation Impact Fees may, as determined by the City Council, be expended anywhere within the City notwithstanding the location of the project for which the impacts were paid.

(9) Refund of Impact Fees Paid**(i) Refund of Impact Fees Not Spent or Encumbered in 10 Years**

A fee payer or the fee payer's successor-in-interest may request a refund of any impact fees not spent or encumbered within 10 years from the date the fee was paid, along with interest actually earned on the fees. Impact fees shall be deemed to be spent on the basis of the first fee collected shall be the first fee spent.

(ii) Procedure for Refund

The refund shall be administered by the Director, and shall be undertaken through the following process:

(A) Submission of Refund Application

A fee payer or successor-in-interest shall submit within one year following the end of the tenth year from the date on which the Planning Clearance was issued for which a refund is requested. The refund application shall include the following information:

- a. A copy of the dated receipt issued for payment of the impact fee;
- b. A copy of the Planning Clearance.

(B) Determination of Completeness

The Director shall determine if the refund application is complete. If the application is not complete, the Director shall mail the applicant a written statement outlining the deficiencies. The Director shall take no further action on the refund application until it is complete.

(C) Decision on Refund Application

When the refund application is complete, it shall be reviewed and approved if the Director determines a fee has been paid which has not been spent within the 10-year period. The refund shall include the fee paid plus interest actually earned on the impact fee.

(iii) Limitations**(A) Expiration of Planning Clearance without Possibility of Extension**

If a fee payer has paid an impact fee required by this section and obtained a Planning Clearance, and the Planning Clearance for which the impact fee was paid later expires without the possibility of further extension, then the fee payer or the fee payer's successor-in-interest may be entitled to a refund of the impact fee paid, without interest. In order to be eligible to receive a refund of impact fees pursuant to this subsection, the fee payer or the fee payer's successor-in-interest shall be required to submit an application for such refund to the Director within 30 days after the expiration of the Planning Clearance for which the fee was paid. If a successor-in-interest claims a refund of the impact fee, the City may require written documentation that such rights have been conveyed to the claimant. If there is uncertainty as to the person to whom the refund is to be paid or if there are conflicting demands for such refund, the City Attorney may interplead such funds.

(iv) No Refund If Project Demolished, Destroyed, Altered, Reconstructed or Reconfigured

After an impact fee has been paid pursuant to this section, no refund of any part of such fee shall be made if the development for which the impact fee was paid is later demolished, destroyed, or is altered, reconstructed, reconfigured, or changed in use so as to reduce the size or intensity of the development or the number of units in the development.

(10) Low-Moderate Income Housing

In order to promote the provision of low-moderate income housing in the City, the City Council may agree in writing to pay some or all of the impact fees imposed on a proposed low or moderate income housing development by this section from other unrestricted funds of the City. Payment of impact fees on behalf of a fee payer shall be at the discretion of the City Council and may be made pursuant to goals and objectives adopted by the City Council to promote housing affordability.

(11) Administration, Appeals and Updates of Determination or Decision of Director to City Manager

(i) Review Every Five Years

The impact fees described in this section and the administrative procedures of this section shall be reviewed at least once every five years by an independent consultant, as directed by the City Manager, to ensure that (i) the demand and cost assumptions underlying the impact fees are still valid, (ii) the resulting impact fees do not exceed the actual costs of constructing capital facilities that are of the type for which the impact fees are paid and that are required to serve new impact-generating development, (iii) the monies collected or to be collected in each impact account have been and are expected to be spent for capital facilities for which the impact fees were paid, and (iv) the capital facilities for which the impact fees are to be used will benefit the new development paying the impact fees.

(ii) Appeal

(A) Director Determination or Decision

Any determination or decision made by the Director under this section may be appealed to the City Manager by filing with the City Manager within 30 days of the determination or decision for which the appeal is being filed: (A) a written notice of appeal on a form provided by the City Manager, (B) a written explanation of why the appellant feels the determination or decision is in error, and (C) an appeal fee established by the City.

(B) City Manager Review

The City Manager shall fix a time and place for hearing the appeal, and shall mail notice of the hearing to the appellant at the address given in the notice of appeal. The hearing shall be conducted at the time and place stated in the notice given by the City Manager. At the hearing, the City Manager shall consider the appeal and either affirm or modify the decision or determination of the Director based on the relevant standards and requirements of this section. The decision of the City Manager shall be final.

(C) Administrative Rules

The City Manager and Director, and their respective designees, may from time to time establish written administrative rules, not inconsistent with the provisions of this section, to facilitate the implementation of this section as provided in GJMC

21.02.010. Without limiting the foregoing, the Director is authorized to establish written administrative rules, not inconsistent with the provisions of this section, for use in the determination of the land use category(ies) in the impact fee schedule that is applicable to impact-generating development. All administrative rules adopted pursuant hereto shall be published in written form and copies thereof maintained in the offices of the Director and City Clerk. Administrative rules adopted pursuant hereto and a copy of such rules shall be made available without charge to fee payers and other persons requesting a copy thereof.

(12) Impact Fee Schedule – Fire, Police, Parks and Recreation, and Transportation

Table 21.02-8: Impact Fee Schedule (2023) Fire, Police, Parks and Recreation & Transportation

		Fire	Police	Parks & Recreation	Transportation
Single-Family					
<1,250 sq. ft. of living area	Dwelling	\$751	\$323	\$1,333	\$3,078
1,250 to 1,649 sq. ft. of living area	Dwelling	\$751	\$323	\$1,333	\$4,711
1,650 to 2,299 sq. ft. of living area	Dwelling	\$751	\$323	\$1,333	\$5,377
2,300 sq. ft. or more of living area	Dwelling	\$751	\$323	\$1,333	\$7,042
Manufactured Home in a Manufactured Housing Community	Pad	\$751	\$323	\$1,333	\$3,196
Multi-family	Dwelling	\$494	\$212	\$897	\$2,881
RV Park	Pad	\$494	\$212	---	\$3,196
Hotel/Lodging	1,000 sf	\$517	\$218	---	\$3,972 [1]
Retail/Commercial	1,000 sf	\$517	\$218	---	\$7,227
Convenience Commercial (Gas station/Drive Thru)	1,000 sf	\$517	\$218	---	\$15,364
Office	1,000 sf	\$202	\$86	---	\$5,799
Institutional/ Public	1,000 sf	\$202	\$86	---	\$1,426
Industrial	1,000 sf	\$70	\$30	---	\$2,025
Warehousing	1,000 sf	\$36	\$15	---	\$921
Notes: [1] Hotel/Lodging Transportation Fee calculated per Room Fees will be increased annually for inflation					

(b) School Land Dedication Fee

(1) Standard for School Land Dedication

Dedication of suitable school lands for school purposes shall be required of any development if the school district determines that such development includes within it

land which is necessary for implementing a school plan. In all other cases, the fee required under GJMC 21.02.070(b)(1)(ii) shall be paid in lieu of a school land dedication.

(i) Standard for Fee in Lieu of School Land Dedication

Except in cases where a school land dedication is required in accordance with this section, or an exemption under this section applies, all development and all projects which contain a new dwelling shall be subject to fees in lieu of school land dedication (SLD fee) in an amount per dwelling unit determined by resolution of the City Council. SLD fees shall be collected by the City for the exclusive use and benefit of the school district in which such development is located and shall be expended by the school district solely to acquire real property or interests in real property reasonably needed for development or expansion of school sites and facilities, or to reimburse the school district for sums expended to acquire such property or interests. Revenues from such fees shall be used only for such purposes.

(ii) Payment, Prepayment, Exemption, Credit, and Refund of SLD Fee

- (A) No building permit shall be issued for a dwelling, multiple-family dwelling or multifamily dwelling which is or contains one or more dwelling units until and unless the SLD fee for such dwelling unit in effect at the time such permit is applied for has been paid as required by this section.
- (B) Nothing in GJMC 21.02.070(b)(1)(i) shall preclude a holder of a development permit for a residential development or mixed-use development containing a residential development component from prepaying the SLD fees to become due under this section for one or more dwellings, multiple-family dwellings or multifamily dwellings to be constructed in such development. Such prepayment shall be made upon the filing of a Final Plat for residential development, at the SLD fee rate then in effect and in the amount which would have been due had a building permit application for such dwelling been pending at the time of prepayment. A subsequent building permit for a dwelling, multiple-family dwelling or multifamily dwelling which is or contains one or more dwelling units for which the SLD fees have been prepaid shall be issued without payment of any additional SLD fees. However, if such permit would allow additional dwelling units for which SLD fees have not been prepaid, such permit shall not be issued until the SLD fees for such additional dwelling units have been paid at the rate per dwelling unit in effect at the time the building permit application was made.
- (C) Any prepayment of SLD fees in accordance with this section shall be documented by a memorandum of prepayment which shall contain, at minimum, the following:
 - a. The legal description of the real property subject to residential development for which an SLD fee is being prepaid;

- b. A description of the development permit issued concerning such real property, and a detailed statement of the SLD fees owed pursuant to such permit which are being prepaid;
- c. The notarized signatures of the record owner of the property or their duly authorized agents; and
- d. The notarized signature of the County Manager indicating approval of the prepayment plan, if the fee was paid while the real property was outside the limits of the City; or if the fee was paid at the time the real property was within the limits of the City, of the City Manager, indicating approval of the prepayment plan.

(iii) Exemptions

The following shall be exempted from payment of the SLD fee:

- (A) Alterations or expansion of an existing building except where the use is changed from nonresidential to residential and except where additional dwelling units result;
- (B) The construction of accessory buildings or structures;
- (C) The replacement of a destroyed or partially destroyed building or structure with a new building or structure of the same size and use;
- (D) The installation of a replacement mobile home on a lot or other parcel when a fee in lieu of land dedication for such mobile home has previously been paid pursuant to this section or where a residential mobile home legally existed on such site on or before the Effective Date of the ordinance codified in this section;
- (E) Nonresidential buildings, nonresidential structures, or nonresidential mobile homes;
- (F) Nursing homes, adult foster care facilities or specialized group facilities; and
- (G) City- or County-approved planned residential developments that are subject to recorded covenants restricting the age of the residents of said dwelling units such that the dwelling units may be classified as housing for older persons pursuant to the Federal Fair Housing Amendments Act of 1988.

(iv) Credits

- (A) An applicant for a development permit (or a holder of such a permit) who owns other suitable school lands within the school district in which the development is located may offer to convey such lands to the school district in exchange for credit against all or a portion of the SLD fees otherwise due or to become due. The offer must be in writing, specifically request credit against fees in lieu of school land dedication, and set forth the amount of credit requested. If the City and the school district accept such offer, the credit shall be in the amount of the

value of the suitable school lands conveyed, as determined by written agreement between the City, the school district and the permit holder or applicant.

- (B) Credit against SLD fees otherwise due or to become due will not be provided until good and sufficient title to the property offered under this subsection is conveyed to and accepted by the school district. Upon such conveyance, the school district and the City shall provide the applicant with a letter or certificate setting forth the dollar amount of the credit, the reason for the credit, and a description of the project or development to which the credit shall be applied.
- (C) Credits shall not be transferable from one project or development to another.

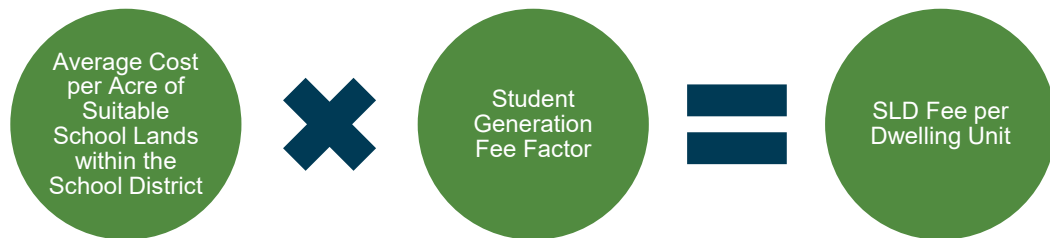
(v) Refund of Fees Paid

- (A) Any SLD fee which has not been expended by the school district within five years of the date of collection shall be refunded, with interest at the rate of five percent per annum compounded annually, to the person who paid the fee. Prior to such refund, such amount shall be reduced by an amount equal to three percent of the principal amount to be refunded, for the costs incurred by the City in the refund of such fee. The City shall give written notice by U.S. mail to the person who paid the fee at their address as reflected in the records of the Mesa County Clerk and Recorder. If such person does not file a written claim for such refund with the City within 90 days of the mailing of such notice, such refund shall be forfeited and shall be retained and used for the purposes set forth in this section.
- (B) The City Council may, upon the school district's request, extend the five-year period of time specified in GJMC 21.02.070(b)(1)(v)(A) upon a showing that such extension is reasonably necessary in order for the school district to complete or close a purchase transaction entered into in writing by such district prior to expiration of such period, or to give the school district an opportunity to exercise a purchase option it acquired prior to expiration of such period. Such request shall be made at a public hearing of the City Council. In no event shall any extension of time exceed an additional five-year period.

(2) Fees in Lieu of School Land Dedication (SLD Fees)

- (i) SLD fees shall be collected and held in trust for the use and benefit of the school district containing the residential development for which the fee is collected. Such fees shall be expended by the school district to acquire additional real property for expansion of school facilities and construction of new school facilities necessitated by new residential development in the school district, or to reimburse the school district for sums expended to acquire such property. The amount of the SLD fee shall be based on a methodology which takes into account the student generation rates of new residential development, the quantity of land required to build new school facilities on a per pupil basis, and the anticipated cost of acquiring suitable school lands in the school district to expand existing school facilities and construct new school facilities to accommodate new residential development without decreasing current levels of educational services.

- (ii) The SLD fee and the value of the variables in the formula to determine the SLD fee shall be set by resolution of the City Council in accordance with the following formula:



(For example, if the average cost of suitable school lands within the school district is \$15,000 per acre and the student generation fee factor is 0.023, the SLD fee per dwelling unit would be \$15,000 x 0.023, or \$345.00.)

- (iii) The average cost per acre of suitable school lands within the school district (“average cost per acre for SLD fee”) and the student generation fee factor (“SGF factor”) shall be determined by City Council. Before City Council considers modification of either, a 60-day prior written notice shall be provided to the school district. If a written request for a public hearing specifying which factor, the average cost per acre for SLD fee and/or the SGF factor, the school district wants to be heard on is received by the City from the school district at least 30 days before the matter is scheduled to be determined by City Council, a public hearing shall occur. At a hearing where City Council is considering the modification of the average cost per acre for SLD fee, City Council shall consider the school district’s long range capital improvement plans and any other evidence, comments or recommendations submitted by the school district. At a hearing where City Council is considering the modification of the SGF factor, City Council shall consider the school district’s school facilities plan currently in place, the methodology and data supporting the proposed modification, and any evidence, comments or recommendations submitted by the school district.
- (iv) The SLD fee in effect as of January 1, 2006, was \$460.00. The SGF factor used to determine the SLD fee was 0.023. This SLD fee and SGF factor shall continue until otherwise modified by City Council as set forth in this Code.

Impact Fee Stakeholder Group

#	Organization/Group	Name
1.	HBA of Western Colorado	Diane Schwenke
2.	Western Colorado Contractors' Association	Shawna Grieger
3.	Grand Junction Area Realtor's Association	Hogan Peterson
4.	Grand Junction Chamber of Commerce	Candace Carnahan, Primary Evan Walton, Secondary
5.	Latino Chamber of Commerce	Jorge Pantoja
6.	Grand Junction Economic Partnership	Curtis Englehart
7.	Grand Valley RTPO/Grand Valley Transit	Dana Brosig
8.	Urban Trails Committee	Dr. Stephen Meyer
9.	Downtown Development Authority	TBD
10.	Parks & Recreation Advisory Board	Bill Findlay, Primary Lisa Whelan, Secondary (in July)
11.	Grand Junction Housing Authority	Jill Norris
12.	Non-profit Housing Representative	Emilee Powell
13.	Citizen's Police Academy Graduate	Laurel Walters
14.	Local Fire Department representative	Steve Skulski
15.	Community Members at-large	Chuck McDaniel
16.	Community Members at-large	Charlie Gechter
17.	Community Members at-large	Orin Zyvan
18.	Community Members at-large	Ken Scissors
19.	Community Members at-large	Christi Reece