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**CITY COUNCIL AGENDA  
MONDAY, SEPTEMBER 23, 2024  
250 NORTH 5<sup>TH</sup> STREET - AUDITORIUM 5:00 PM  
(IMMEDIATELY AFTER EXECUTIVE SESSION) –  
REGULAR MEETING**

**Call to Order, Pledge of Allegiance, Moment of Silence**

**REGULAR AGENDA**

*If any item is removed from the Consent Agenda by City Council, it will be considered here.*

**1. Resolutions**

- a. A Resolution Authorizing the Interim City Manager to Execute a Contingent Contract for the Purchase of Real Property Located at 450 28 Road, Grand Junction, Colorado for the Future Development of Affordable and Attainable Housing Units

**2. Other Business**

**3. Adjournment**



## Grand Junction City Council

### Regular Session

Item #1.a.

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**Meeting Date:** September 23, 2024

**Presented By:** Ashley Chambers, Housing Manager

**Department:** Community Development

**Submitted By:** Ashley Chambers, Housing Manager

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### **Information**

#### **SUBJECT:**

A Resolution Authorizing the Interim City Manager to Execute a Contingent Contract for the Purchase of Real Property Located at 450 28 Road, Grand Junction, Colorado for the Future Development of Affordable and Attainable Housing Units

#### **RECOMMENDATION:**

Staff recommends adoption of Resolution Authorizing the Interim City Manager to Execute a Contingent Contract for the Purchase of Real Property Located at 450 28 Road, Grand Junction, Colorado for the Future Development of Affordable and Attainable Housing Units

#### **EXECUTIVE SUMMARY:**

A contingent contract has been prepared to purchase property from EN-SIM QOF, LLC (Enstrom's). The contract outlines the proposed terms and conditions for the City's purchase of approximately 21.45 acre property at 450 28 Road, now known as Lot 4 of the Grand View Commons Subdivision. The property is currently zoned R-24 and not intended to be purchased for "governmental purposes" but is intended for the future lease or sale for the development of no less than 324 affordable housing units. The purchase price is \$3.2 million. The City has been selected to receive a grant from the Colorado Housing and Finance Authority (CHFA) to assist in the purchase of this property in the amount of \$2.2 million; however, the grant funds have not been paid to the City and are subject to the finalization of a grant agreement. Receipt of those funds is one of the contingencies in the property purchase contract. The purchase of the property utilizing CHFA funding commits the City to facilitate the development of the property with no less than 343 units, of which 70 percent would serve 60 percent AMI. The City is currently awaiting the final grant agreement documentation from CHFA/OEDIT, and a contract closing date will need to be set after the execution of the grant agreement.

## **BACKGROUND OR DETAILED INFORMATION:**

In October 2021, City Council adopted 12 housing strategies and later added a 13th strategy to create a balanced approach for promoting both affordable housing and attainable housing. Affordable housing for the City has been defined as rental housing for households making less than 60 percent or for-sale units for households earning less than 100 percent AMI. Attainable housing is defined by the City as rental housing for households making between 60 percent AMI and 80 percent AMI and for-sale units for households earning between 60 percent and 120 percent AMI. As part of the strategies, the City adopted Strategy 6 which would “Allocate city-owned land and/or strategically acquire vacant or underutilized properties for affordable and mixed-income housing.” This strategy was intended to assist in meeting the shortage of affordable/attainable housing and to promote more opportunities for housing choices that meet the needs of people of all ages, abilities, and incomes.

Property and/or acquisition costs, especially in developed areas of the city, are a major component of the cost of developing affordable housing. In current markets, land and/or building acquisition is up to 20 percent of the overall project. In November 2023, an application was submitted to the Colorado Housing and Finance Authority (CHFA) for Proposition 123: Land Banking Grant requesting a grant amount of \$2.2 million for a \$3.2 million property acquisition. On January 29, 2024, the City was awarded the Grant to assist with the purchase of the 21+ acres of the property.

The project includes the acquisition of approximately 21.45 acres for future development by the City of Grand Junction and other non-profit and for-profit affordable/attainable housing providers. The project is located at 450 28 Road in the central part of the city along 28 Road between 1-70 Business Loop Rd and North Avenue, which is a mixed-use central area of the city. The site is near major employers along the North Ave corridor including Walmart, restaurants, medical facilities, Colorado Mesa University, and the sports complex. The property is zoned R-24 that requires a minimum density of 16 dwelling units per acre and has no density maximum. The zoning requires that no less than 323 units be constructed on the property and the City is targeting between 323 and 550 mixed-income affordable and attainable units be developed on the property. The City anticipates future subdivision of the property as well as the construction of multiple housing types, including rental and homeownership, through the collaboration of multiple non-profit and housing developers through the City proposal process.

The City anticipates building the site over multiple phases over the next 10 years. The majority of the site would be used to provide affordable units, while up to 30 percent may be used for attainable and market-rate housing, which will help fill additional gaps in the local market.

A contingent contract has been prepared to purchase property from EN-SIM QOF, LLC (Enstrom's). The contract outlines the proposed terms and conditions for the City's purchase of approximately 21 acre property at 450 28 Road, now known as Lot 4 of the Grand View Commons Subdivision. The property is currently zoned R-24 and is not

intended to be purchased for "governmental purposes" but is intended for the future lease or sale for the development of no less than 343 affordable housing units. The purchase price is \$3.2 million. The City has been selected to receive a grant from the Colorado Housing and Finance Authority (CHFA) to assist in the purchase of this property in the amount of \$2.2 million; however, the grant funds have not been paid to the City and are subject to the finalization of a grant agreement. Receipt of those funds is one of the contingencies provided for in the property purchase contract. The purchase of the property utilizing CHFA funding commits the City to facilitate the development of the property with no less than 343 units, of which 70 percent of the units would serve 60 percent AMI. The City is currently awaiting the final grant agreement documentation from CHFA/OEDIT and a contract closing date will need to occur after the execution of the grant agreement.

The property purchase contract is attached for review.

**FISCAL IMPACT:**

The total cost for the Salt Flats land acquisition is \$3.2 million. \$2.2 million will be sourced from the CHFA grant and is pending final grant agreement approval while \$1 million was previously approved through Resolution 93-23 as a cash match for the acquisition, included in the 2024 Adopted Budget allocated to implement adopted housing strategies.

**SUGGESTED MOTION:**

I move to (adopt/deny) Resolution 62-24, a resolution authorizing the Interim City Manager to execute a contingent contract for the purchase of real property located at 450 28 Road, also known as Lot 4 of the Grand View Subdivision, Grand Junction, Colorado for the future development of affordable and attainable housing units.

**Attachments**

1. RES-Salt Flats Contract 20240919
2. RES-Amending 23-24 Salt Flats LOI

RESOLUTION NO. \_\_-24

A RESOLUTION RATIFYING THE INTERIM CITY MANAGER'S ACTIONS IN ENTERING INTO A CONTRACT TO PURCHASE REAL PROPERTY LOCATED AT OR NEAR 450 28 ROAD, GRAND JUNCTION COLORADO AND AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION

RECITALS:

The City Council was presented the opportunity to purchase approximately 21.5 acres of property ("Property") at 450 28 Road for land banking for affordable housing.

In 2022 the Grand Junction City Council allocated \$1,000,000 to support implementation of the adopted housing strategies. In the 2023 adopted budget City Council carried forward the \$1,000,000 for utilization for housing strategy implementation. Additionally, the City applied for \$2,200,000 from the Colorado Housing and Finance Authority (CHFA) Land Banking Program grant ("Grant") for the acquisition of property in support of affordable housing ("Project"). The City had identified the Property as an intended acquisition for purposes of the Grant.

On January 29, 2024, the City was awarded the Grant to assist with the purchase of 21+/- acres of the Property.

The Property has now been subdivided and the owner/seller, EN-SIM QOF, LLC has agreed to sell, as provided in the Contract to Buy and Sell Real Estate (Contract) attached to this Resolution Lot 4 of the Grand View Commons subdivision to the City for \$3,200,000 with the City contracted to construct various street and utility improvements through and for the benefit of the development. The contract further provides that EN-SIM QOF, LLC will execute a promissory note in the amount of \$1,000,000 to pay for a portion of the street improvements and utility extensions. The \$1,000,000 without interest will be payable to the City on or before January 1, 2026.

The Grant application for the Project includes the acquisition of Lot 4, which is subject to the City Council approving a purchase and sale contract. If the Property is purchased it will be planned for future development of between 323-500 mixed-income affordable and attainable housing units. The City anticipates future subdivision of the property as well as the construction of multiple housing types including rental and homeownership units through the collaboration of multiple non-profit and housing developers. The housing construction is intended to occur in multiple phases over the next ten years. The majority of the site would be used for providing affordable units while up to 30 percent of the site may be used for attainable housing; that will help fill additional gaps in the local market.

With approval of this Resolution the City Council will confirm, authorize, and approve the purchase of Lot 4 of the Property as provided in the Contract.

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

1. The foregoing Recitals are incorporated herein and in consideration of the same and as determined by the Council and as evidenced by this Resolution, the City Council hereby ratifies the Interim City Manager's actions in entering into the purchase contract for real property located at or near 450 28 Road, specifically Lot 4 of the Grand View Commons Subdivision.

2. That the officers, employees, and agents of the City are hereby authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Resolution together with the attached Contract to Buy and Sell Real Estate (Contract) together with confirming the City's contracted obligation to construct the required improvements as provided in the City's Development Improvements Agreement for the subdivision, all as necessary or desirable to effect the purchase of the Property as described therein.

PASSED and ADOPTED this \_\_\_\_ day of September 2024.

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Abram Herman  
President of the City Council

ATTEST:

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Selestina Sandoval  
City Clerk

RESOLUTION NO. \_\_-24

A RESOLUTION AMENDING RESOLUTION 23-24 REGARDING THE LETTER OF INTENT FOR THE POSSIBLE ACQUISITION OF REAL PROPERTY LOCATED NEAR 450 28 ROAD FROM EN-SIM QOF, LLC

RECITALS:

On April 3, 2024, the Grand Junction City Council adopted Resolution 23-24 regarding the possible purchase of property in support of affordable housing ("Project"). The City had identified the property at 450 28 Road, Grand Junction, ("Property") as an intended acquisition for purposes of the Project. On January 29, 2024, the City was awarded a grant to assist with the purchase of 21+/- acres of the Property.

As the Property is not subdivided the owner/seller, EN-SIM QOF, LLC, may not lawfully sell or offer to sell; however, the City and EN-SIM QOF, LLC entered into a letter of intent ("LOI") to establish a possible sale of a portion of the Property when the subdivision is complete. The LOI as approved by Resolution 23-24 anticipated a purchase price of the 21+/- acres is \$3,200,000 with the City constructing the various street and utility improvements through and adjacent to the development. The LOI further provides that EN-SIM QOF, LLC will execute a promissory note in the amount of \$2,000,000 towards its share of the street improvements and utility extensions payable to the City of which \$1,000,000 shall be due on or before January 1, 2026, and \$1,000,000 due upon the City's substantial completion of the improvements required by the subdivision process.

With approval of this Resolution the City Council amends the LOI, and in turn the purchase and sale agreement, to reduce the \$2,000,000 promissory note to \$1,000,000 with that sum payable in full, without interest on January 1, 2026. The City Council amendment of the LOI is subject to and expressly conditioned on a purchase and sale agreement being brought to and then considered and approved by the City Council as a precondition to purchase.

NOW, THEREFORE, BE IT RESOLVED THAT

1. The City Council of the City of Grand Junction does hereby amend Resolution 23-24, and the Letter of Intent approved therewith as provided herein, for the possible purchase of approximately 21+/- acres of the Property for the purposes described herein; and,
2. In consideration of the foregoing Recitals which are incorporated as if fully set forth, the City Council directs the officers, employees and agents of the City relating to the Property, to act in accordance and consistent with the provisions hereof for the purposes stated and directed herein.

PASSED and ADOPTED this \_\_\_ day of September 2024.

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Abram Herman  
President of the City Council

ATTEST:

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Selestina Sandoval  
City Clerk

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