

**CITY OF GRAND JUNCTION, COLORADO  
RESOLUTION NO. 45-25**

**A RESOLUTION REPEALING RESOLUTION 44-24 AND REPLACING WITH A  
PRODUCTION INCENTIVE FOR AFFORDABLE AND ATTAINABLE HOUSING UNITS IN  
THE CITY OF GRAND JUNCTION, COLORADO**

**RECITALS:**

The Colorado Revised Statutes (CRS. 29-4-227(1) explicitly exempt housing authorities from paying any development-related fee due to a local government; Further state law provides that a jurisdiction may "waive impact fees for low- and moderate-income housing" as enabled by CRS 29-20-104.5. The City's Municipal Code (21.02.070(a)(5)(ii)(F) includes exemptions of government/districts for impact fees (fire, police, parks and transportation); but does not apply to plant investment fees (sewer and water). These government/district projects are explicitly exempt and fees for the projects completed by these entities.

On July 3, 2024, the City adopted Resolution 44-24 which established the Affordable Housing Production Incentive which provided an incentive for the production of affordable for-sale and for-rent units, as well as, mixed-income projects. As an incentive, the city would commit through the annual budget process, to the extent practicable, to back-fill the fees that would otherwise be due for affordable housing projects. The incentive applied to units that met a 100% AMI (for sale) or 60% AMI (for rent) household income with a requirement to maintain affordability for 30 years. Under Resolution 44-22 Affordable Housing Incentive and the 2025 budget, the City funded \$114,616 for Habitat for Humanity (10 units) and \$85,962 for Housing Resources of Western Colorado's Meridian Park townhomes (6 units).

Additionally, in September 2024, the City completed a data and Housing Strategy Update to the Grand Valley Needs Assessment (HNA) and Housing Strategy that was originally completed in May 2021. The refreshed data showed a poverty rate in Grand Junction of 13%, a rental housing gap of 1211 units for households earning less than \$25,000 (roughly 30% to 50% Average Monthly Income [AMI]), a need for accessible housing units for the 15% of the City's population that are disabled, a generalized substandard condition of housing units within the community, and the need for affordable homeownership for households under 100% AMI (with an acute need for households earning less than 90% AMI) .

The City's adopted Housing Strategy outlines eleven strategies tailored to address these needs. Strategy 2 calls for the City to "explore new incentives for affordable and/or attainable housing development"

Paying development-related fees for entities that are exempt from paying fees is expensive, and given the state law exemptions for development-related fees and the enabling legislation for the council to waive fees for low- and moderate- income housing, this revised Production Incentive seeks to increase the production of affordable and attainable units by modifying and expanding the city's incentive: By and through this resolution, the City Council:

1. Repeals existing Affordable Housing Incentive Policy Resolution 44-24 and;
2. Replaces it with the following outlined 2025 Affordable and Attainable Housing Incentive Program:
  - A. Recognize that the Grand Junction Housing Authority (GJHA), and a Special Limited Partner of the Housing Authority, is exempt from paying development-related fees, and will not backfill those fees from the City budget.
  - B. For projects not completed by the GJHA, waive and/or reduce impact fees (excluding water and sewer) for rental units up to 90% AMI, in the percentages shown below. For units at 60% or below, and establishes a process for the city to pay sewer and water (if city) fees on behalf of the project, subject to annual appropriations.

AMI	Impact Fee % Reduction	City Water/Sewer Fee Payment
60% AMI and below	100%	Consider request in annual budget
61% to 70% AMI	100%	Developer paid
71% to 80% AMI	75%	Developer paid
81% to 90%	50%	Developer paid

C. Waives or reduce impact fees (not sewer/water) for for-sale units up to 120% AMI, in the percentages shown below. For units at 100% or below, and establishes a process for the city to pay sewer and water (if city) fees on behalf of the project, subject to annual appropriations.

AMI	Impact Fee % Reduction	City Water/Sewer Fee Payment
100% AMI and below	100%	Consider request in annual budget
101% to 110% AMI	100%	Developer paid
111% to 120% AMI	50%	Developer paid

D. Waives from paying impact fees (excluding water and sewer), any multi-unit project that utilizes income-averaging at or below 60% AMI and establishes a process for the City to pay sewer and water (if city) fees on behalf of the project, subject to annual appropriations.

E. Waives from paying impact fees (excluding water and sewer), any project that counts towards the city's Proposition 123 unit count commitment, including those utilizing the Prop. 123 Equity or Concessionary debt tools and/or Prop 123 downpayment assistance programs. Establish a process for the City to pay sewer and water (if city) fees on behalf of the project, subject to annual appropriations.

For the reasons stated in the Recitals, the City Council of the City of Grand Junction does hereby adopt the 2025 Affordable and Attainable Housing Production Incentive for Affordable and Attainable For Sale and For Rent units to become effective immediately and without further



action by the City Council, the terms and provisions of this resolution shall expire on December 31, 2028.

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

The 2025 Affordable and Attainable Housing Production Incentive together with the Administrative Procedures, Attachment A hereto, are hereby adopted and made effective immediately (also known as the "Effective Date" for purposes of Attachment A, Administrative Procedures) as follows:

1. Upon application and a determination by the City that an Affordable Housing project has or will be able to conform to the Grand Junction Municipal Code, the City Manager is authorized to waive applicable Development Impact Fees (Transportation Capacity Payment [TCP], police, fire, parks) and Plant Investment Fees (water, sewer) collectively referred to as "Fees" for the Affordable Housing units that have an affordability term of at least 30 years and are determined by the City to be "affordable" or "attainable" as defined and described above (1. and 2A.-2E.)
2. Without further action by the City Council, the Affordable Housing Production Incentive shall expire on December 31, 2028.

ADOPTED AND APPROVED THIS 20th day of August 2025.

ATTEST:

  
Cody Kennedy  
President of the Council

  
Selestina Sandoval  
City Clerk



**ATTACHMENT A**  
**AFFORDABLE AND ATTAINABLE HOUSING PRODUCTION INCENTIVE**  
**ADMINISTRATIVE PROCEDURES**

**Application.**

1. No later than July 1 of a given year, letters of intent (LOI) may be submitted to the City for an Affordable and Housing Production Incentive.
2. At a minimum, the LOI for an Affordable and Attainable Housing Production Incentive (AHI) Project (Project) shall include the following:
  - a. Project Name, property ownership, developer's, or entity(s) information;
  - b. Description of how the Project will address the City's housing needs and whether the units in the Project will be "for sale" or "for rent." The Project description shall include but not be limited to an explanation of how many people the Project will serve, the level of need served as determined by AMI and/or if there are other considerations made for population served;
  - c. Description of the Project timeline, whether the Project is dependent on other grant funding or entitlements, whether the Project will be phased, and if there any known uncertainties for the Project;
  - d. Description of the developer's experience with and capacity to implement the Project;
  - e. Amount of incentive as determined by the Unit count and/or portion of project that is residential.
  - f. A preliminary financing plan and letter from a State or Federally chartered commercial bank or lender expressing the ability, expertise, and financial capability of the developer's ability to complete the Project.

**Application Review and Funding Reservation.**

3. An application found by the City in its sole discretion to be consistent with the Affordable and Attainable Housing Production Incentive and that demonstrates ability and capacity to perform will be recommended by the City Manager (or designee) for funding.
4. During the City's annual budget process, City Council will review the recommendations and consider suitable Project(s) for funding during the following fiscal year(s). If an AHI request is for more than one year each year shall be subject to annual appropriation. The City Council may utilize the General Fund or other special revenue funds such as dedicated revenue for affordable housing for the repayment of the fees to appropriate Enterprise Fund(s) and/or Development Impact Fees in the amount of fees waived for a Project(s) pursuant to this incentive policy.

**Incentive Agreement.**

5. Should an Incentive be approved by City Council, the City and the developer and Project entity(ies) shall execute an AHI Agreement, which agreement shall at minimum provide:
  - a. The value of the Fee exemption and/or waiver as a not to exceed amount
  - b. Terms for the commencement and completion of the Project
  - c. Payment schedule whereby the Fees waived upon the completion of the Project will be credited or paid by the City pursuant to the AHI

- d. Remedy for default
- e. Recording memorandum
- f. A Land Use Restriction Agreement, Deed Restriction or other equal affordability mechanism requiring affordability of the units for a 30-year term.
- g. AMI levels served and the description/source/methods of tenant/buyer income verification process.
- h. Other provisions, as deemed appropriate by the City Attorney.

#### **Maintenance of Agreement**

- 6. The City and/or Projects shall either directly or through a contractor:
  - a. Confirm income verification process
  - b. Review and approve lease agreements verifying maximum rent (plus utilities and other expenses related to the rental of the unit) do not exceed AMI requirements for the tenant/homeowner. Ensure that no unit or portion of a unit shall be sublet; and
  - c. Conduct periodic audits at intervals determined necessary or appropriate of the Projects compliance with the AHI agreements. Audits shall include but not limited to compliance with affordability mechanisms, lease terms and income qualifications of buyers and tenants.

#### **Definitions.**

- I. "Area Median Income - AMI" means the area median income as regularly determined and published by the United States Department of Housing and Urban Development (HUD).
- II. "Fees" means
  - a) "Sewer Plant Investment Fee" means a plant investment fee (PIF) collected on behalf of Persigo Wastewater Treatment Facility. Does not include any fee collected by any other wastewater provider.
  - b) "Water Plant Investment Fee" means a plant investment fee (PIF) collected on behalf of the City of Grand Junction. Does not include any fee collected by any other water provider.
  - c) "Development Impact Fees or Impact Fee" means certain fees now collected or as may be later applied and collected, also known as Development Impact Fee(s), for the purposes of police, fire, parks and recreation, transportation capacity and/or other governmental functions and services.