RESOLUTION NO. 86-26

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF GRAND JUNCTION AND THE GRAND JUNCTION HOUSING AUTHORITY REGARDING ADMINISTRATION OF THE JUNIPER GROVE AFFORDABLE HOUSING DEED RESTRICTION PROGRAM, AND AUTHORIZING THE CITY MANAGER TO SIGN

Recitals:

Grand Junction Homes, LLC (the "Declarant") is developing the Juniper Grove affordable homeownership project in Grand Junction, Mesa County, Colorado (the "Project"). Each housing unit in the Project is or will be made subject to a Deed Restriction Agreement (each, a "Covenant" and collectively, the "Covenants") restricting the ownership, occupancy, and resale of the housing unit for a term of forty (40) years for the benefit of, and enforceable by, the City of Grand Junction (the "City") and the Grand Junction Housing Authority ("GJHA") as co-beneficiaries.

The Covenants, together with the Affordable Housing Ownership Program Guidelines, Juniper Grove (the "Guidelines"), establish the requirements of the Juniper Grove affordable housing ownership program (the "Program"). The City Council approved the form of the Covenant and the Guidelines by Ordinance No. 5337 on September 16, 2026.

Each Covenant is granted to the City, GJHA, or their designated deed restriction administrator (the "Administrator"), and Section 1 of the Guidelines defines the Administrator as the entity used by the City and GJHA to administer the Covenants and the Guidelines.

GJHA is a housing authority organized pursuant to C.R.S. § 29-4-101 et seq., administers affordable rental housing programs in the Grand Junction area, and, at the City's request, is willing and able to serve as the Administrator of the Covenants and the Guidelines.

The City and GJHA are each political subdivisions of the State of Colorado and are authorized to cooperate and contract with one another for functions and services each is authorized to provide pursuant to C.R.S. § 29-1-203 and Article XIV, Section 18(2)(a) of the Colorado Constitution.

Staff has negotiated a Memorandum of Understanding Between the City of Grand Junction and Grand Junction Housing Authority Regarding Administration of the Juniper Grove Affordable Housing Deed Restriction Program (the "MOU"). The MOU designates GJHA as the Administrator on all sales of housing units following the initial sales by the Declarant, confirms the duties of the Administrator, and establishes the funding of the costs of administration of the Program. Designation of GJHA as Administrator does not negate, waive, assign, or limit the City's independent rights as a co-beneficiary to enforce the Covenants.

All financial obligations of the City under the MOU are subject to annual appropriation and budgeting by the City Council in its sole discretion. Nothing in the MOU constitutes or creates a multiple fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution.

The City Council finds that approval of the MOU is in the best interest of the City and its residents because it places day-to-day administration of the Program with an experienced housing authority, preserves the long-term affordability, owner-occupancy, and resale price restrictions of the Covenants, and advances the City's adopted affordable housing goals.

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

1: The foregoing Recitals are incorporated as findings of the City Council of the City of Grand Junction.

2: The Memorandum of Understanding Between the City of Grand Junction and Grand Junction Housing Authority Regarding Administration of the Juniper Grove Affordable Housing Deed Restriction Program, in substantially the form presented to the City Council and on file with the City Clerk, is approved.

3: The City Manager is authorized and directed to execute the MOU on behalf of the City in a form approved by the City Attorney, together with such non-substantive changes as the City Manager, upon the advice of the City Attorney, determines are necessary or appropriate to carry out the intent of this Resolution.

4: The City Manager, or the City Manager's designee, is further authorized to take such actions and to execute such further documents as are reasonably necessary to implement the MOU and to administer the Program consistent with the MOU, the Covenants, and the Guidelines.

This Resolution shall be in full force and effect from and after its passage and adoption.

Passed and adopted this 16th day of September 2026.

Laurel Lutz

Laurel Lutz
President, Grand Junction City Council

ATTEST:

Selestina Sandoval
City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF GRAND JUNCTION
AND GRAND JUNCTION HOUSING AUTHORITY
REGARDING ADMINISTRATION OF THE JUNIPER GROVE
AFFORDABLE HOUSING DEED RESTRICTION PROGRAM

This Memorandum of Understanding ("MOU") is entered into this ____ day of ______________, 2026 ("Effective Date"), by and between the City of Grand Junction, a Colorado home rule municipality ("City"), and Grand Junction Housing Authority, a housing authority organized pursuant to C.R.S. § 29-4-101 *et seq.* ("GJHA"). The City and GJHA may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

A. the Parties are each political subdivisions of the State of Colorado and are authorized to cooperate and contract with one another for functions and services each is authorized to provide pursuant to C.R.S. § 29-1-203 and Article XIV, Section 18(2)(a) of the Colorado Constitution; and

B. Grand Junction Homes, LLC ("Declarant") is developing the Juniper Grove affordable homeownership project in Grand Junction, Mesa County, Colorado (the "Project"); and

C. each Housing Unit in the Project is or will be made subject to a Deed Restriction Agreement (each, a "Covenant" and collectively, the "Covenants"), restricting the ownership, occupancy, and resale of the Housing Unit for a term of forty (40) years for the benefit of, and enforceable by, the City and GJHA as co-beneficiaries; and

D. GJHA has adopted the Affordable Housing Ownership Program Guidelines, Juniper Grove (the "Guidelines"), which, together with the Covenants, establish the requirements of the Juniper Grove affordable housing ownership program (the "Program"); and

E. the Covenant is granted to the City, GJHA, or their designated deed restriction administrator (the "Administrator"), and Section 1 of the Guidelines defines the Administrator as the entity used by the City and GJHA to administer the Covenants and the Guidelines; and

F. GJHA administers affordable rental housing programs in the Grand Junction area and, at the City's request, is willing and able to serve as an Administrator of the Covenants and the Guidelines; and

G. the Parties desire to memorialize the designation of GJHA as the Administrator on all sales of Housing Units after the initial sales by the Declarant, the duties of the Administrator, and funding the costs of administration of the Program.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated into this MOU as substantive provisions, and the mutual covenants contained herein, the Parties agree as follows:

1. PURPOSE; INCORPORATION

1.1 Purpose. The purpose of this MOU is to designate GJHA as the Administrator of the Covenants and the Guidelines following each initial sale by the Declarant, to confirm the duties of the Administrator, and to establish the funding of the costs of administration of the Program.

1.2 Incorporation of Covenant and Guidelines. The Covenant and the Guidelines are incorporated into this MOU by reference. Capitalized terms used but not defined in this MOU have the meanings given in the Covenant and the Guidelines. References in this MOU to the Covenant and the Guidelines mean the most current versions in effect from time to time.

2. DESIGNATION OF GJHA AS ADMINISTRATOR

2.1 Designation and Acceptance. The City and GJHA designate GJHA as the Administrator of the Covenants and the Guidelines following the initial sale of each Housing Unit by the Declarant, and GJHA accepts that designation. During the term of this MOU, all references to the "Administrator" in the Covenants and the Guidelines shall mean GJHA or its successor.

2.2 Standard of Performance. GJHA shall administer the Program in accordance with the Covenants, the Guidelines, and applicable law, including all applicable fair housing laws, and consistent with the terms of any grant or loan provided by the Colorado Housing and Finance Authority ("CHFA") applicable to the Project.

2.3 Subcontracting. Pursuant to Section 12.4 of the Guidelines, GJHA may contract with any qualified person or entity to perform administrative responsibilities under the Guidelines, provided GJHA gives the City prior written notice and remains responsible for performance of the Administrator's duties. The City acknowledges that Declarant has engaged or will engage Impact Development Fund to administer the initials sales of the Housing Units and in no event will GJHA be obligated or required to perform and administrative duties related those sales or applicant lottery.

3. DUTIES OF THE ADMINISTRATOR

3.1 General. Subject to Section 3.4, and after the initial sales of the Housing Units, GJHA shall perform all duties and obligations of the Administrator set forth in the Covenants and the Guidelines, including, without limitation, the duties enumerated in Section 3.2 of this MOU. The enumeration in Section 3.2 summarizes, and does not limit or amend, the Administrator's duties under the Covenants and the Guidelines. In the event of any conflict between Section 3.2 and the Covenants or the Guidelines, the Covenants and the Guidelines control.

3.2 Enumerated Duties. The Administrator's duties include the following, subject to enforcement remedies at GJHA's discretion under Section 3.4:

(a) at resale of Housing Units, processing applications and certifying Qualified Households, including verification of income and residency;

(b) receiving notices of intent to sell or refinance, consulting with Owners and Buyers, and confirming in writing that a prospective buyer is a Qualified Household before closing;

(c) calculating the Maximum Sale Price for each resale;

(d) reviewing and approving proposed Capital Improvement credits to the Maximum Sale Price;

(e) collecting the Administration Fee and any other fees and fines due at closing, including instructing the title company to pay the Administration Fee as a debit to the selling Owner from escrowed funds;

(f) conducting compliance checks and any Housing Unit inspections in accordance with the Guidelines;

(g) reviewing and deciding requests for Exceptions, Appeals, Grievances, and reasonable accommodations, and conducting hearings in accordance with the Guidelines;

(h) issuing notices of violation and assessing fines in accordance with the Guidelines, and enforcing the Covenants by any appropriate legal or equitable action, in each case as GJHA determines appropriate in the exercise of its discretion under Section 3.4;

(i) exercising, as GJHA determines appropriate under Section 3.4, the foreclosure-related rights of the Administrator, including receiving default notices, curing defaults, recording liens, and requiring the sale of a Housing Unit;

(j) maintaining records of all Housing Unit sales, Original Purchase Prices, certifications, and other Program records, and maintaining the confidentiality of personal and financial information in accordance with the Guidelines and the Colorado Open Records Act, C.R.S. § 24-72-200.1 *et seq.*; and

(k) updating the Area Median Income and income limit schedules upon adoption of the most recent HUD and CHFA figures.

3.3 Reporting. GJHA shall provide the City Manager or designee a written report at least annually describing Program activity, including sales and resales, certifications, compliance actions, Administration Fee and other revenue received, administration costs incurred, GJHA's assessment of Program viability, and shall provide additional information regarding the Program upon the City's reasonable request.

3.4 Enforcement Discretion.

(a) Discretionary Remedies. Notwithstanding Sections 3.1 and 3.2, and to the extent permitted by the Covenants and the Guidelines, the exercise of enforcement remedies is discretionary with GJHA. GJHA may determine whether, when, and in what manner to issue a notice of violation, assess a fine, exercise the Administrator's foreclosure-related rights, or pursue any legal or equitable action to enforce the Covenants or the Guidelines.

(b) Sound Discretion. GJHA shall exercise the discretion described in Section 3.4(a) in a commercially reasonable manner, in good faith, and consistent with the intent and purposes of the Covenants, the Guidelines, and the Program, including preservation of the long-term affordability, owner-occupancy, and resale price restrictions applicable to the Housing Units. GJHA shall not exercise, or decline to exercise, an enforcement remedy arbitrarily or capriciously, or in a manner inconsistent with applicable fair housing laws or with the inconsistent treatment of similarly situated Owners, Occupants, and Housing Units. In exercising that discretion, GJHA may consider the nature and materiality of the violation, the likelihood that the violation will be cured voluntarily, the cost and likely effectiveness of the available remedies in relation to the interests protected by the Covenants, and the availability of funding under Section 5.

3.5 Duties Not Affected. Section 3.4 applies only to the enforcement remedies described in Section 3.4(a). It does not make discretionary, and does not relieve GJHA of, the Administrator's other duties, including certification of Qualified Households, calculation of the Maximum Sale Price, monitoring and compliance checks, review of and ruling on requests for Exceptions, Appeals, Grievances, and reasonable accommodations, and recordkeeping and reporting.

4. CO-BENEFICIARY STATUS; RESERVED RIGHTS

4.1 Co-Beneficiaries. The Parties acknowledge and agree that the City and GJHA are co-beneficiaries of the Covenants. Each Covenant runs with the land for the benefit of and may be enforced by the City and GJHA, or either of them, and their respective successors and assigns. If either Party ceases to exist, that Party may assign its rights and responsibilities under the Covenant.

4.2 Reserved Enforcement Rights. The designation of GJHA as Administrator does not negate, waive, assign, or limit the City's independent rights as a co-beneficiary to enforce the Covenants. The Parties shall coordinate on enforcement matters and shall promptly notify each other of any material violation, threatened litigation, or litigation concerning the Program. If GJHA defers or declines to exercise an enforcement remedy under Section 3.4, the City may pursue enforcement of the Covenants in its own name, and GJHA shall reasonably cooperate with the City in that enforcement, including providing Program records relevant to the violation.

4.3 Right to Acquire. The right of the City or GJHA to purchase a Housing Unit upon receipt of a foreclosure notice is reserved to each Party and is not delegated by this MOU.

5. FUNDING OF ADMINISTRATION

5.1 Administration Fee. The Administration Fee, equal to one percent (1%) of the Purchase Price and payable by the selling Owner at the closing of each sale of a Housing Unit occurring after the initial sale, shall be paid to and retained by GJHA as compensation for administration of the Covenants and the Guidelines. All other fees and fines collected by the Administrator under the Guidelines, including application fees and fines assessed under the Schedule of Violations and Fines, shall likewise be retained by GJHA and applied to costs of administration or enforcement of the Program.

5.2 Interim Funding from City Grant Funds. Until GJHA begins to receive Administration Fee revenue, GJHA shall use Program related grant funds received from the City to pay GJHA's costs of administering the Program. GJHA shall apply such grant funds, together with all Administration Fee revenue and all other fees and fines collected under the Guidelines, to the costs of administering the Program before requesting disbursement of Set-Aside Funds under Section 5.3 or any other City funds.

5.3 Salt Flats Set-Aside. The City shall set aside the amount of $100,000.00 as additional funds available for GJHA's costs of administering the Program (the "Set-Aside Funds"). The Set-Aside Funds shall remain available for costs of administration until exhausted, after which the City shall have no further obligation under this Section 5.3. GJHA shall submit to the City reasonable documentation of the administration costs for which disbursement is requested. Nothing in this MOU shall preclude the GJHA from requesting additional appropriations from City Council for costs of administration of the Program.

5.4 Costs of Administration. Subject to appropriation and budgeting by the City Council in its sole discretion, the City shall pay for and reimburse GJHA for its Costs of Administration, as defined and requested in accordance with this Section 5.4. GJHA shall request assistance with Costs of Administration in accordance with this Section 5.4.

(a) Definition. "Costs of Administration" means reasonable and necessary costs incurred or reasonably expected to be incurred by GJHA in administering the Covenants, the Guidelines, or the Program that exceed Administrative Fee revenue and other fees collected by GJHA. Costs of Administration includes out-of-pocket costs and GJHA's staff time reasonably attributable to the Program.

(b) Request; Justification. GJHA shall notify the City in writing of any actual or anticipated Costs of Administration as soon as practicable, and shall submit to the City Manager or designee, with a copy to the City Attorney, a written request for payment that includes: (i) a description of the unfunded Costs of Administration and the date GJHA became aware of it; (ii) if applicable, identification of the Housing Unit, Owner, or Occupant involved, to the extent disclosure is permitted by the Guidelines and applicable law; (iii) an itemized statement of costs incurred and a good-faith estimate of costs anticipated, with supporting invoices, engagement letters, or fee/cost estimates;

(v) a statement of GJHA's need for City assistance, including the amount and availability of Administration Fee revenue, other fees and fines, grant funds described in Section 5.2, and any remaining Set-Aside Funds, if any; and (vi) the amount requested. If the event(s) requires action before a complete request can be assembled, GJHA may submit preliminary written notice describing the event(s) and the assistance anticipated, and shall submit the complete request within thirty (30) days thereafter.

(c) City Review. The City Manager or designee shall respond to a complete request in writing within fourteen (14) days and may request additional information, approve the request in whole or in part, condition approval on the City's prior approval of counsel or of a budget for the event(s), or decline the request within thirty (30) days of GJHA's request. Any assistance approved under this Section 5.4 remains subject to Section 5.5, and nothing in this Section 5.4 obligates the City to appropriate funds for any Costs of Administration.

5.5 Annual Appropriation. All financial obligations of the City under this MOU are subject to annual appropriation and budgeting by the City Council. Nothing in this MOU constitutes or creates a multiple fiscal year direct or indirect debt or other financial obligation of the City within the meaning of Article X, Section 20 of the Colorado Constitution.

6. TERM AND TERMINATION

6.1 Term. This MOU commences on the Effective Date and, unless terminated earlier under this Section 6, continues for so long as any Covenant remains in effect, coextensive with the forty (40) year term of the Covenants.

6.2 Termination for Convenience. Subject to Section 6.6, either Party may terminate this MOU without cause upon one hundred eighty (180) days' prior written notice to the other Party. In the event the City fails or refuses to fund any request for payment from GJHA pursuant to Section 5.4(c) above, or any portion thereof, GJHA shall have the absolute right to terminate this MOU and withdraw as Administrator and Co-Beneficiary upon thirty (30) days prior written notice to the City, subject in all cases to Section 6.6.

6.3 Termination for Cause. Either Party may terminate this MOU for a material breach that remains uncured thirty (30) days after written notice of the breach to the breaching Party.

6.4 Transition upon Termination. Upon termination of this MOU, GJHA shall record a notice quitclaiming its interests under the Covenant and cooperate in the orderly transition of administration to the City or a successor Administrator, including delivery of all Program records, pending applications, and an accounting of all Administration Fee revenue, fines, grant funds, and Set-Aside Funds received and expended. Administration Fee revenue earned by GJHA before the effective date of termination shall be retained by GJHA. But, GJHA will have no obligation to otherwise compensate the successor Administrator. Termination of this MOU does not terminate, release, or otherwise affect the Covenants. However, if GJHA no longer administers the Covenants for any reason, GJHA may record a notice against each Housing Unit disclaiming GJHA's interests in the Covenants.

6.5 Survival. Sections 4.1, 6.4, and 7 survive termination of this MOU.

6.6 CHFA Consent Required. Notwithstanding anything in this MOU to the contrary, this MOU may not be terminated, cancelled, discharged, or otherwise allowed to expire or cease to be in effect without the prior written consent of CHFA. Any attempted termination, cancellation, discharge, expiration, or cessation of this MOU without CHFA's prior written consent shall be ineffective and void. The Parties shall provide CHFA with prior written notice of any proposed termination or cancellation of this MOU, and CHFA must respond within sixty (60) days. If CHFA fails to respond within such sixty-day period, CHFA will be deemed to have consented to the proposed termination or cancellation.

7. GENERAL PROVISIONS

7.1 Governmental Immunity. The Parties do not waive, and expressly reserve, all rights, defenses, immunities, and limitations available under the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., and any other applicable law.

7.2 No Third-Party Beneficiaries. This MOU is for the sole benefit of the Parties. Nothing in this MOU creates any right or remedy in any third party, including any Declarant, Owner, Occupant, Applicant, or Buyer. Notwithstanding the foregoing, CHFA is an intended third-party beneficiary solely with respect to Sections 6.6 and 7.5 and shall have the right to enforce such provisions.

7.3 Independent Entities. The Parties are independent governmental entities. Nothing in this MOU creates a partnership, joint venture, or employment relationship, or constitutes either Party the general agent of the other, except that GJHA serves as the designated Administrator as provided herein.

7.4 Notices. Any notice under this MOU shall be in writing and delivered personally, by certified mail, return receipt requested, or by email with confirmation of receipt, to the following:

> If to the City: City of Grand Junction, Attn: City Manager, 250 N. 5th Street, Grand Junction, CO 81501, with a copy to the City Attorney at the same address.
>
> If to GJHA: Grand Junction Housing Authority, Attn: CEO, 8 Foresight Circle, Grand Junction, CO 81505, with a copy to the General Counsel at the same address.

Delivery is effective when physically received, acknowledged, or when physical or electronic delivery is refused, by a party.

7.5 Amendment. This MOU may be amended only by a written instrument signed by both Parties provided, however, that no amendment, modification, waiver, or supplement that would terminate, limit, impair, or otherwise adversely affect the Program, the Covenants, the Guidelines, CHFA's interests, or the administration or enforcement of the Covenants shall be effective without CHFA's prior written consent. The Parties shall provide CHFA with prior written notice of any proposed amend to this MOU, and CHFA must respond within sixty (60) days. If CHFA fails to respond within such sixty-day period, CHFA will be deemed to have consented to the proposed amendment.

7.6 Assignment. Neither Party may assign this MOU without the prior written consent of the other Party, except as provided in Section 2.3 regarding subcontracting. Neither party shall unreasonably withhold, condition, or delay their consent.

7.7 Order of Precedence. As between the Parties with respect to the designation of the Administrator and the funding of administration, this MOU controls. With respect to the rights and obligations of Declarant, Owners, Occupants, Applicants, and Buyers, the Covenants and the Guidelines control. Nothing in this MOU amends the Covenants or the Guidelines.

7.8 Severability. If any provision of this MOU is held invalid or unenforceable, the remaining provisions remain in full force and effect.

7.9 Governing Law and Venue. This MOU is governed by the laws of the State of Colorado. Venue for any action arising out of this MOU shall be in Mesa County, Colorado.

7.10 Counterparts; Electronic Signatures. This MOU may be executed in counterparts, each of which is an original and all of which together constitute one instrument. Electronic signatures are effective as originals.

7.11 Entire Understanding. This MOU, together with the Covenants and the Guidelines incorporated herein, constitutes the entire understanding of the Parties regarding the administration of the Program and supersedes all prior negotiations and understandings on that subject.

7.12 Authority. Each person signing this MOU represents that he or she is duly authorized to execute this MOU on behalf of the Party for which he or she signs.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the Effective Date.

CITY OF GRAND JUNCTION, COLORADO

By: ________________________________

Mike Bennett, City Manager

Date: ______________________

ATTEST:

____

City Clerk

GRAND JUNCTION HOUSING AUTHORITY

By: ________________________________

Scott Aker, CEO

Date: ______________________