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Grand Junction Housing Strategy Update 2024

REPORT

September 24, 2024

GRAND JUNCTION HOUSING STRATEGY UPDATE 2024

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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

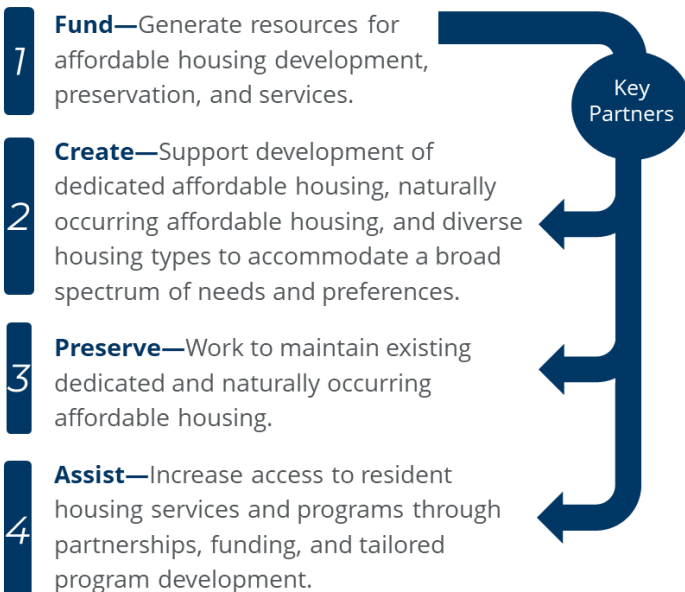
As part of the existing housing strategy review, Root surveyed local housing stakeholders including non-profit service providers, market-rate and affordable housing developers, and real estate professionals about their perception of housing needs, strategies, and priorities. Stakeholders were also invited 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.



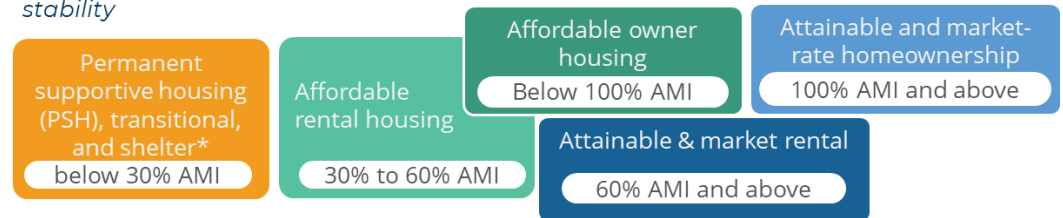
Strategies across the continuum...

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., transportation infrastructure, development fees for parks, fire, 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.• Explore the potential of offering non-cash incentives for attainable housing that does not meet the city's definition of affordability.	

2024 HOUSING STRATEGY UPDATES

<ul style="list-style-type: none"> • Continue to fund ADU Production Program and Affordable Housing Production Incentive • Explore the creation of pre-approved plans for ADUs, townhomes, and duplexes to facilitate production of these product types. 	
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. 	
<ul style="list-style-type: none"> • Continue to maintain an inventory of existing public land that could be suitable for affordable/attainable housing. 	
<ul style="list-style-type: none"> • Maintain partnerships with local and regional affordable developers. 	
<ul style="list-style-type: none"> • 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. 	
<ul style="list-style-type: none"> • Create a Housing Fund—a separate fund for transfer of General Fund allocations, grants, or other dedicated housing funding. 	
<ul style="list-style-type: none"> • Establish a working group to evaluate the potential for sustainable, dedicated local funding. 	
<ul style="list-style-type: none"> • Consider testing voter support of small sales tax, excise tax, or property tax. 	
<ul style="list-style-type: none"> • 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. 	
<ul style="list-style-type: none"> • Leverage Private Activity Bonds (PAB) to increase LIHTC capacity by pursuing 4% non-competitive LIHTC projects (through partnerships). 	
<ul style="list-style-type: none"> • Continue to monitor new state and federal resources. 	
<ul style="list-style-type: none"> • Support local partners in securing funding from state, federal, and foundation sources. 	
<ul style="list-style-type: none"> • Maintain consistent communication with local service providers to identify critical needs that are underfunded and work to fill service gaps. 	
<ul style="list-style-type: none"> • 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. 	
	<ul style="list-style-type: none"> • 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. 	
	<ul style="list-style-type: none"> • 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 	
	<ul style="list-style-type: none"> • 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. 	
	<ul style="list-style-type: none"> • Consider convening a regular ad-hoc group of housing professionals (e.g., financial, builders, developers, planners, etc.) to discuss housing issues and solutions. 	
10	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. 	
	<ul style="list-style-type: none"> • Support construction defects reform to improve market feasibility of attached ownership products. 	
	<ul style="list-style-type: none"> • Reform mitigation of damages from methamphetamine and CDPHE clean-up standards. 	
	<ul style="list-style-type: none"> • Advocate for transitional housing to be included in unit counts toward the City's Prop 123 goal. 	
11	Monitor goal progress and housing program outcomes	Ongoing
	<ul style="list-style-type: none"> • 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. 	
	<ul style="list-style-type: none"> • Ensure transparent tracking of progress and regular (annual) reporting to City Council and the community. 	
	<ul style="list-style-type: none"> • As needed, modify programs to improve outcomes and/or create new programs to address evolving needs. 	

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 new development—and/or cost of living in general (e.g., transportation infrastructures, development fees related to 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/

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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

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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.
- Explore the option of creating pre-approved plans for ADUs, townhomes, and duplexes to facilitate production of these “missing middle” products.

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

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- 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).

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.

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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 (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

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need for case management and resource navigators, supportive services (paired with housing), and an increase in rent subsidies or housing vouchers.

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

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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.

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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

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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

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

- Advocate for transitional housing to be included in unit counts toward the City's Prop 123 goal.

STRATEGY 11. 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.

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- 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.

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.

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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



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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

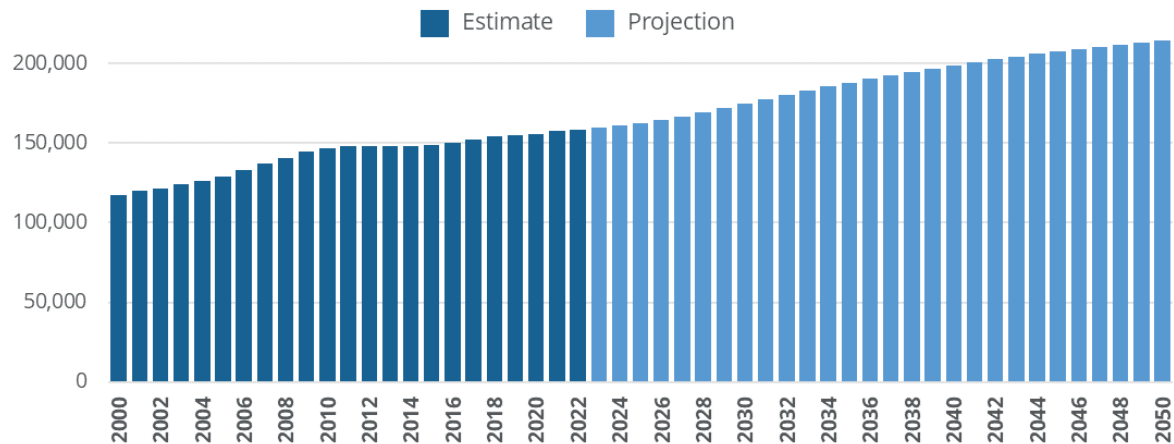
Key Findings

- 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

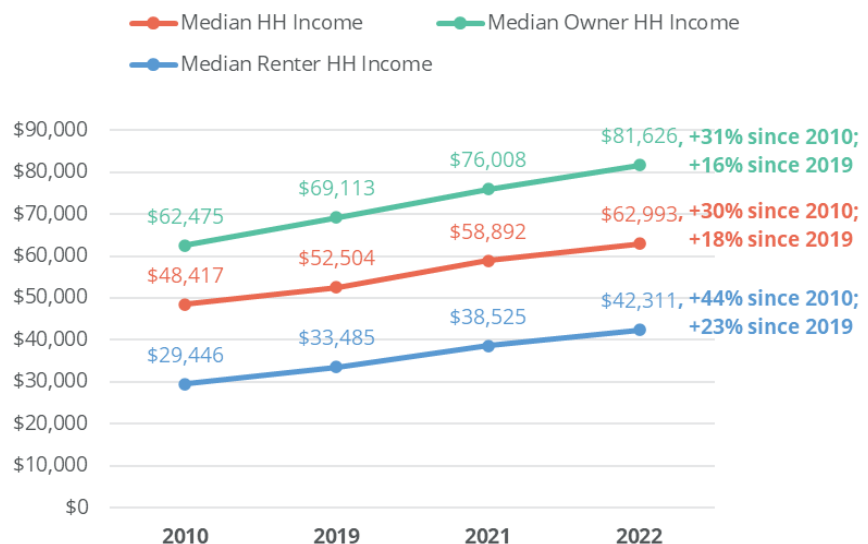


Source: DOLA.

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

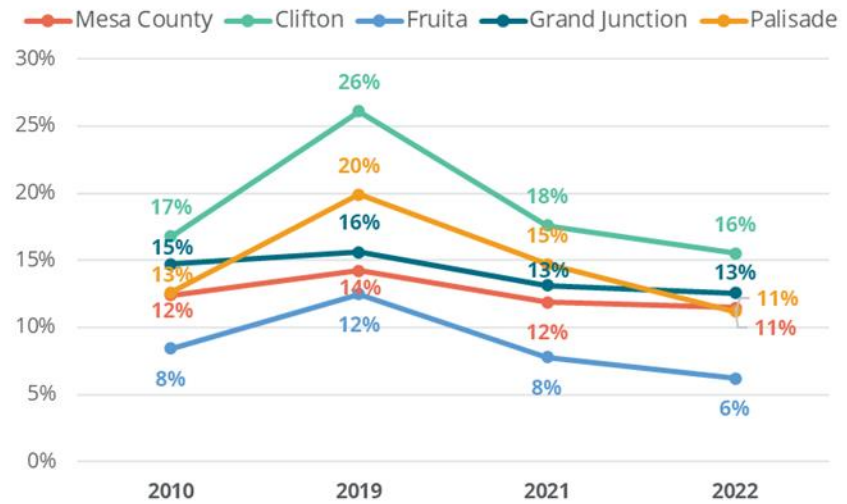
Source:
Bureau of Labor Statistics and Root
Policy Research.

	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.

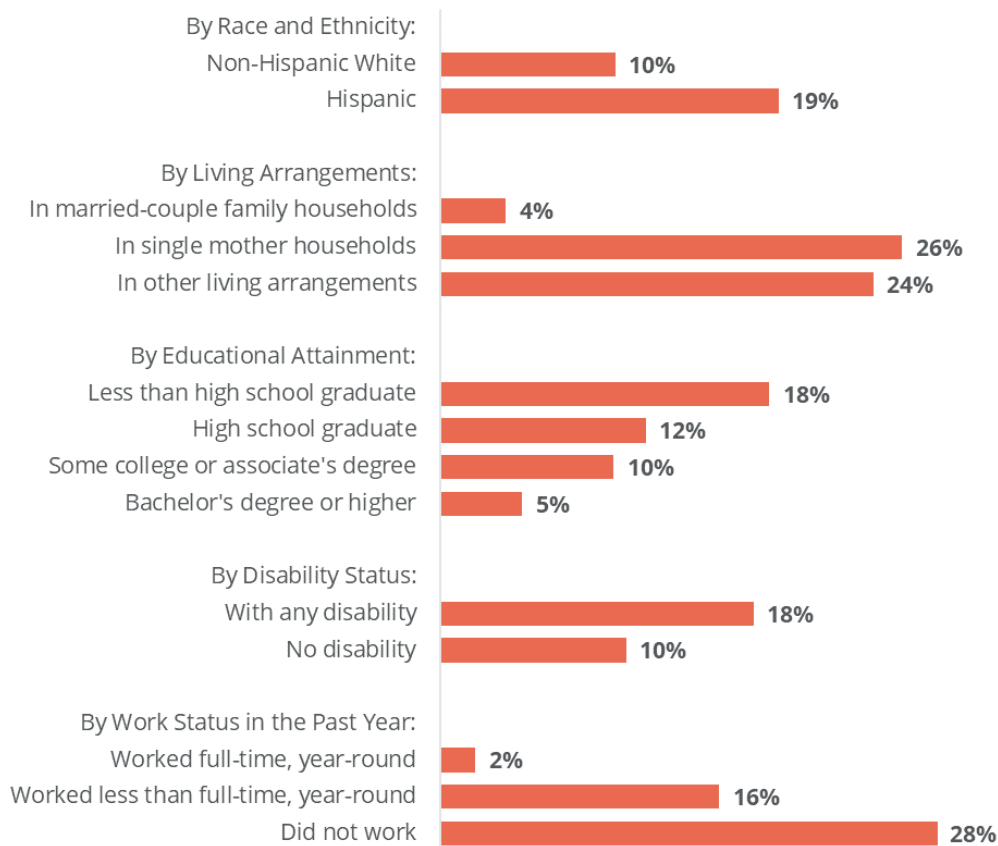
Figure 4.
Individual Poverty
Rate, Mesa County
and by Jurisdiction,
2010–2022

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.

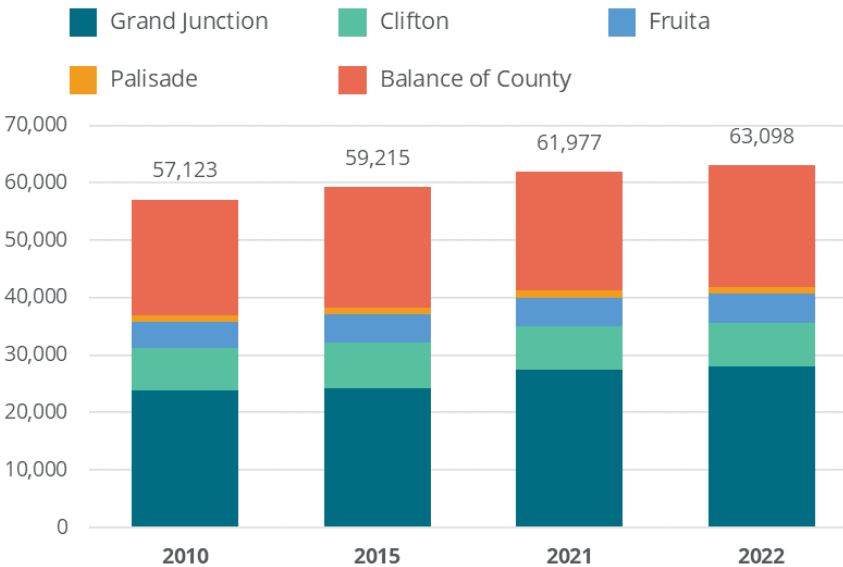
Source: 2022 5-year ACS.

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.

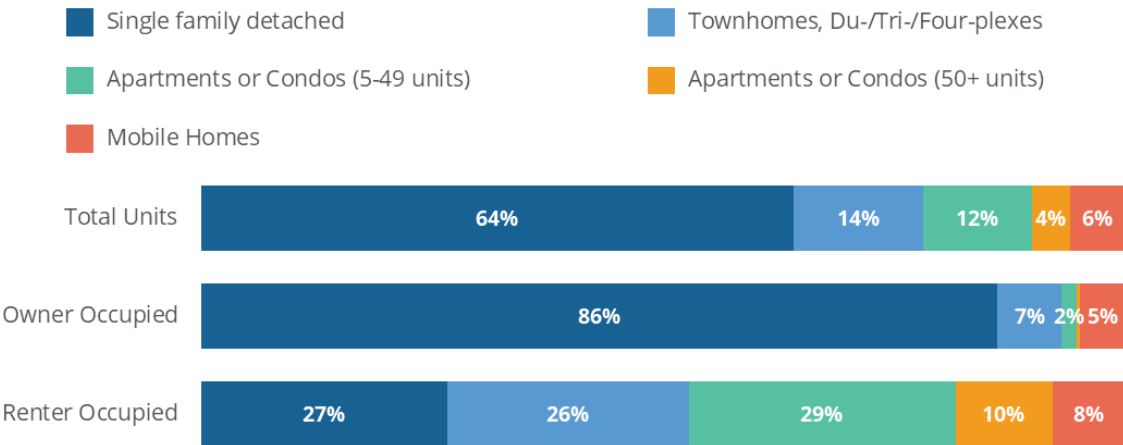
Figure 6.
Total Housing Units,
Mesa County, 2010–
2022

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

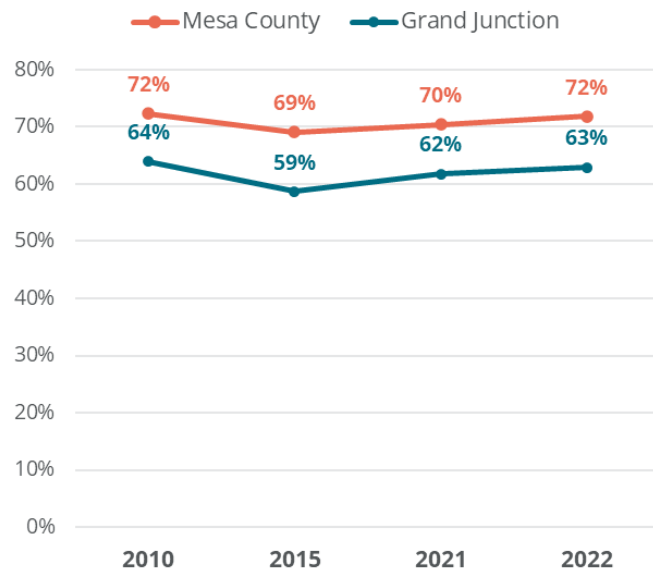
Source:
2022 5-year ACS.

	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.



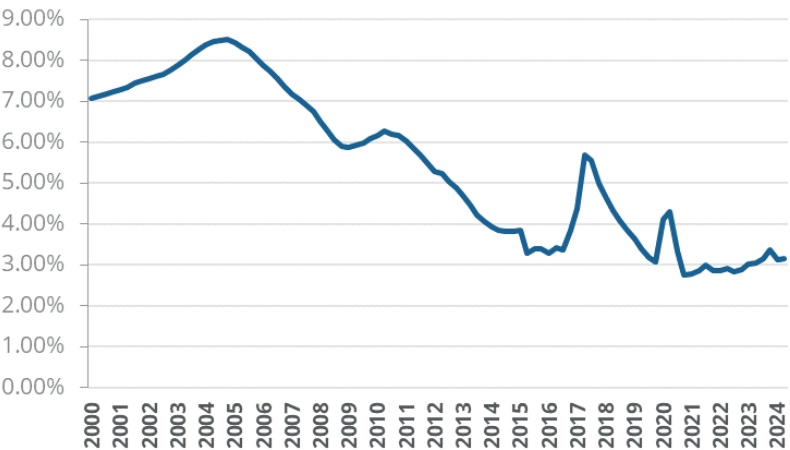
Rental Market Trends

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.

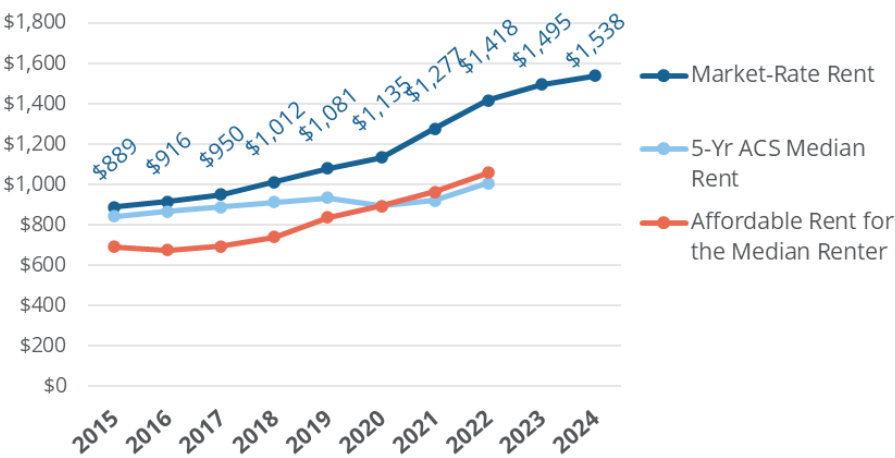


Market rents. Median market-rate rent in Grand Junction is currently about \$1,500¹—well above the monthly rent affordable to the median renter (\$1,007 in 2022—the most recent year for which data are available).

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.

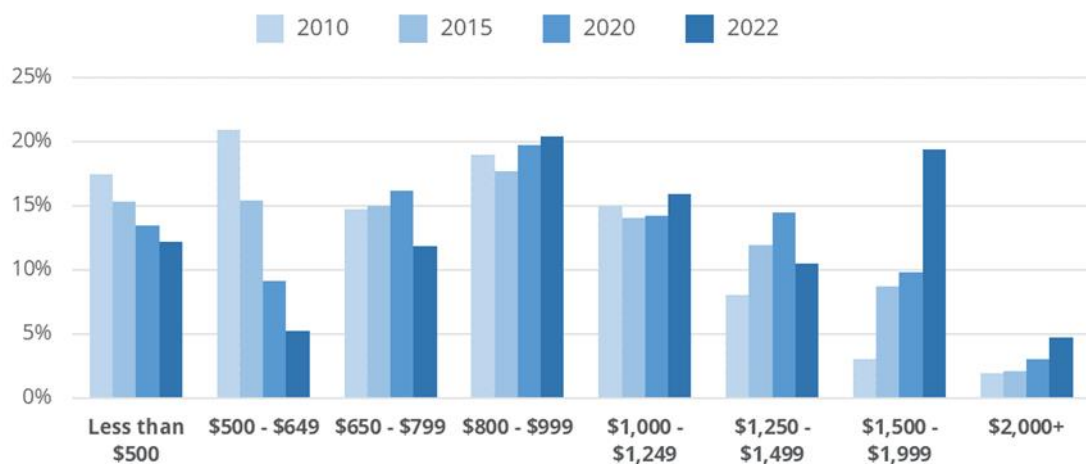
Source:
2010, 2015, 2020, 2022 5-year ACS.

	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

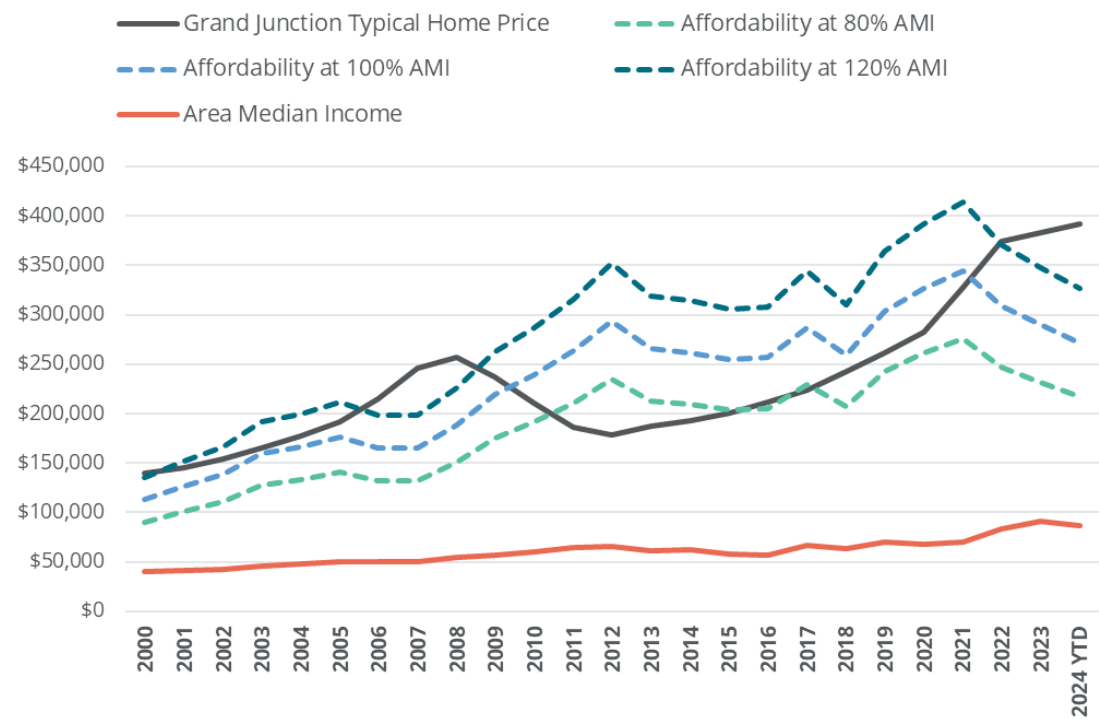
³ https://news.airbnb.com/wp-content/uploads/sites/4/2022/06/STR-Colorado-Impact-Study_Final_05.25.2022.pdf

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

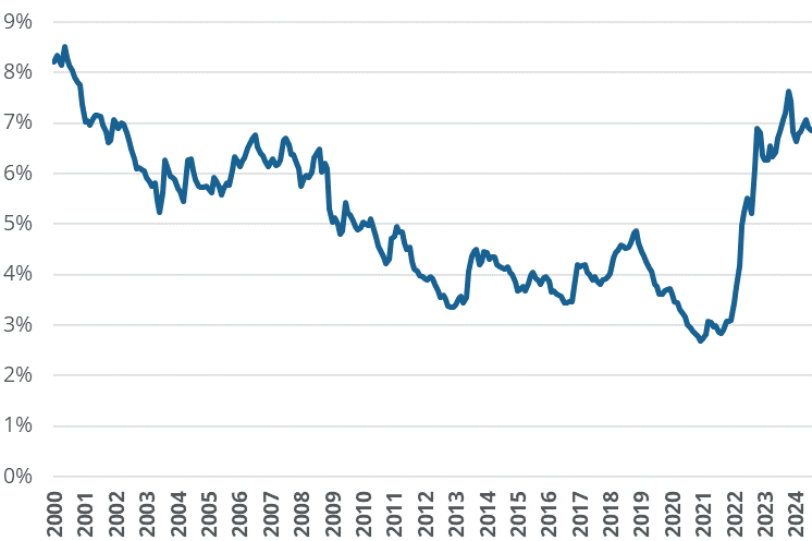


Note: 2024 YTD data include 1/2024-4/2024. Calculations use 4-person AMI limits.
Source: Zillow Home Value Index, HUD AMI Limits, and Root Policy Research.

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%

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.

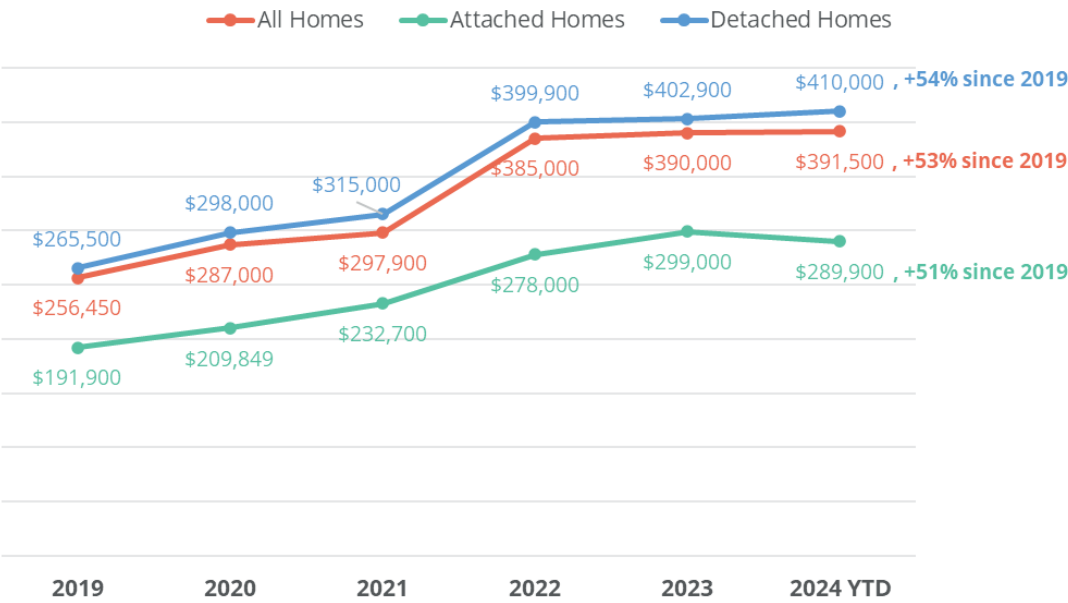
Source: MLS data (Bray Real Estate) and Root Policy Research.

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).

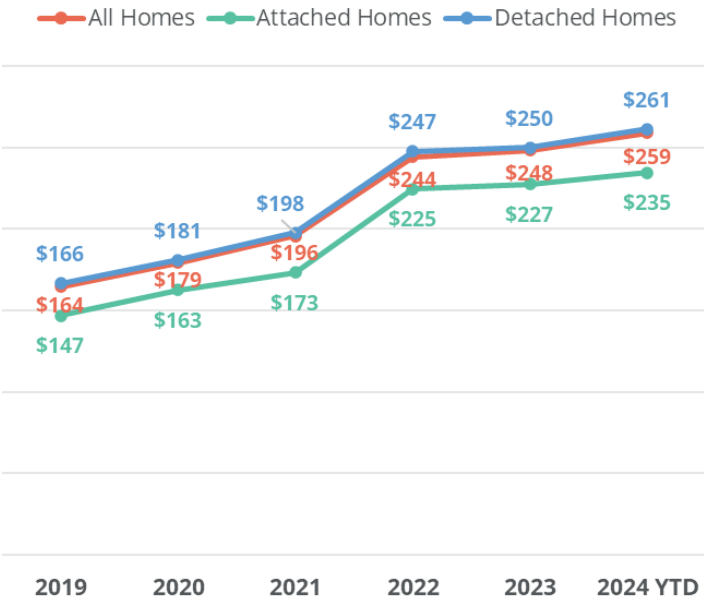
Figure 18.
Median Sale Price by Type, Mesa County, 2019–2024 YTD



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

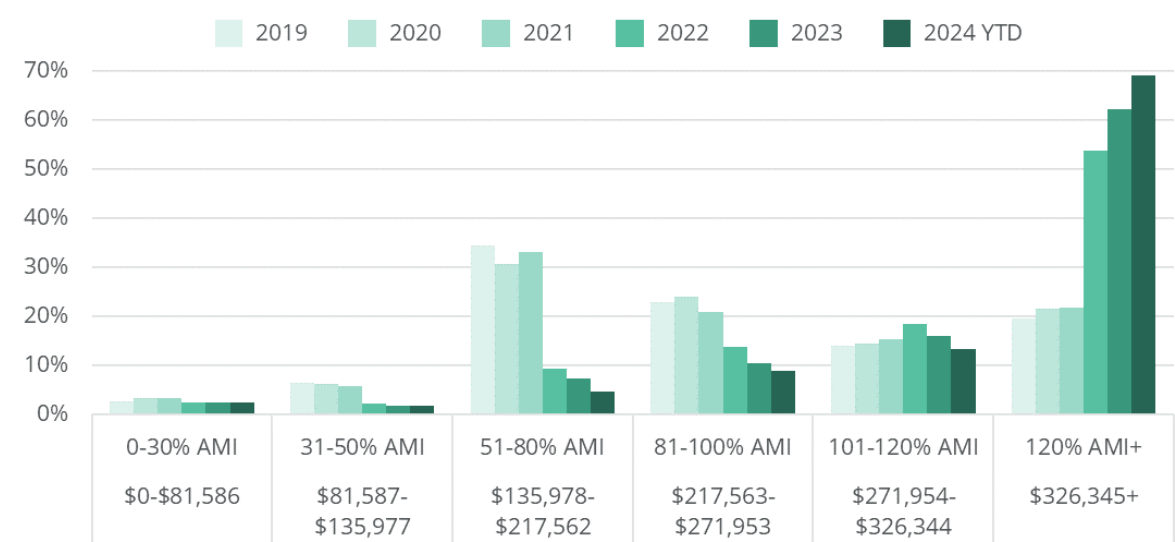


Note:
2024 YTD data include sales from 1/24-5/24.
Source:
MLS data (Bray Real Estate) and Root Policy Research.

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

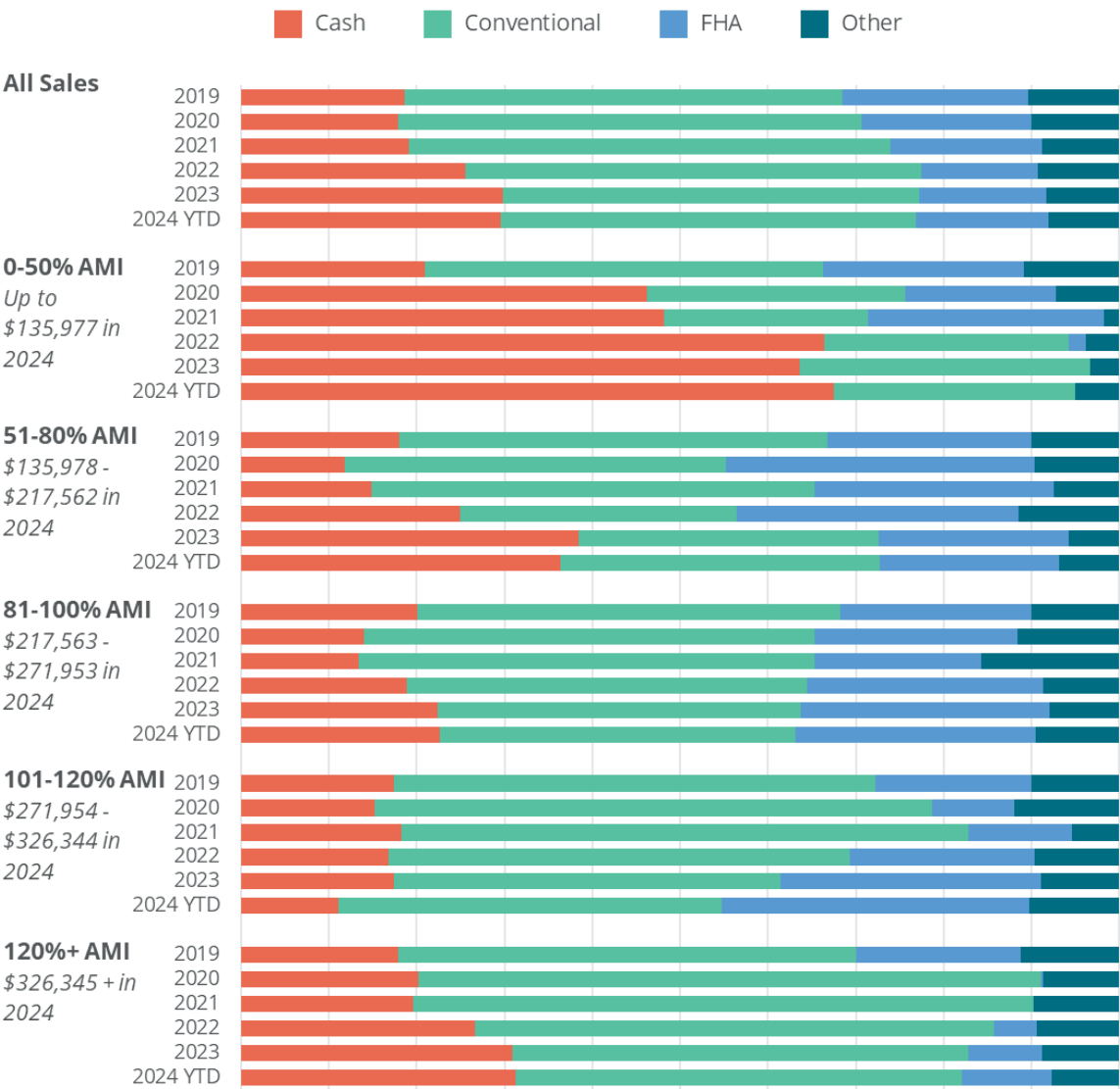


Note: **Affordable price ranges are current as of 2024 but differ by year with changes in AMI and interest rates.** 2024 YTD data include sales from 1/24-5/24. Data use 4-person HUD AMI limits.
Source: MLS data (Bray Real Estate), HUD AMI limits, and Root Policy Research.

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.

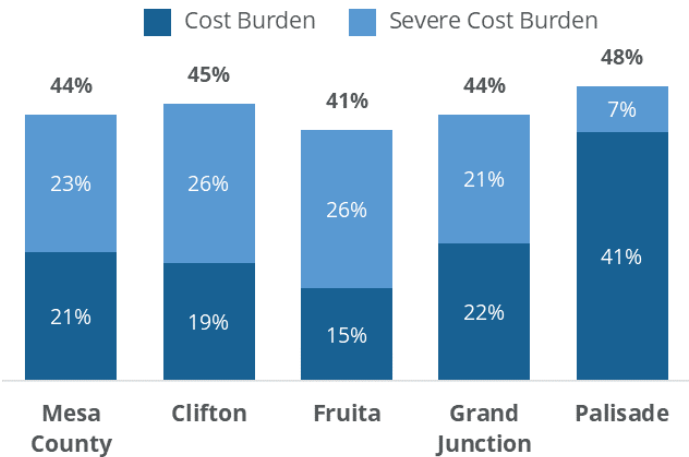
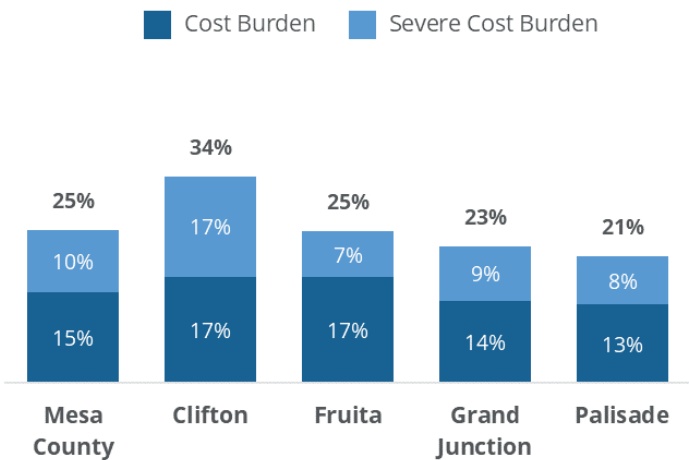


Figure 23.
Owner Cost Burden, Mesa
County and by
Jurisdiction, 2022

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

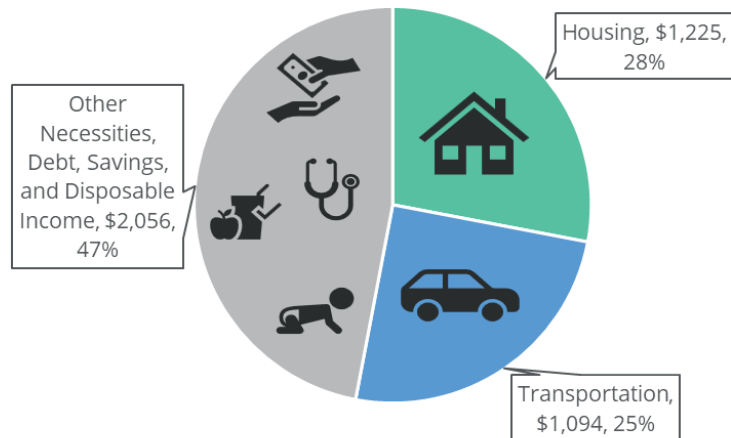
Note:

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

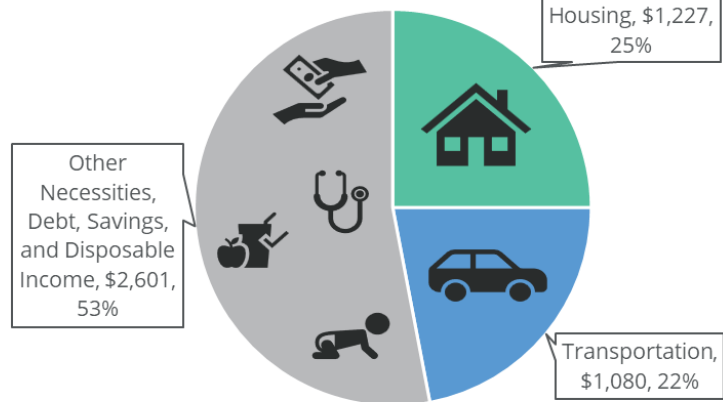
Source:

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.

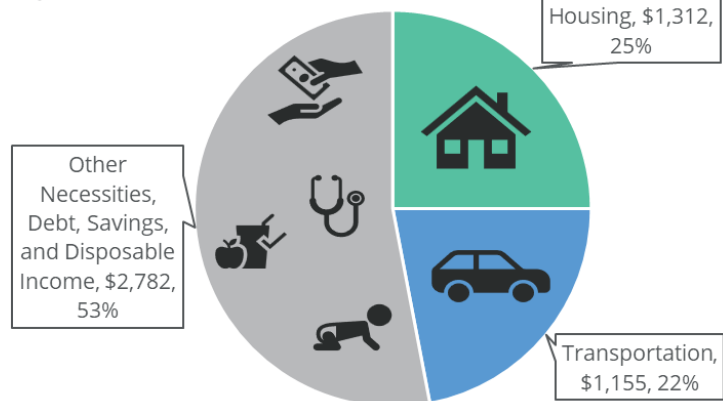
2019, Median Household Income: \$52,504



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.

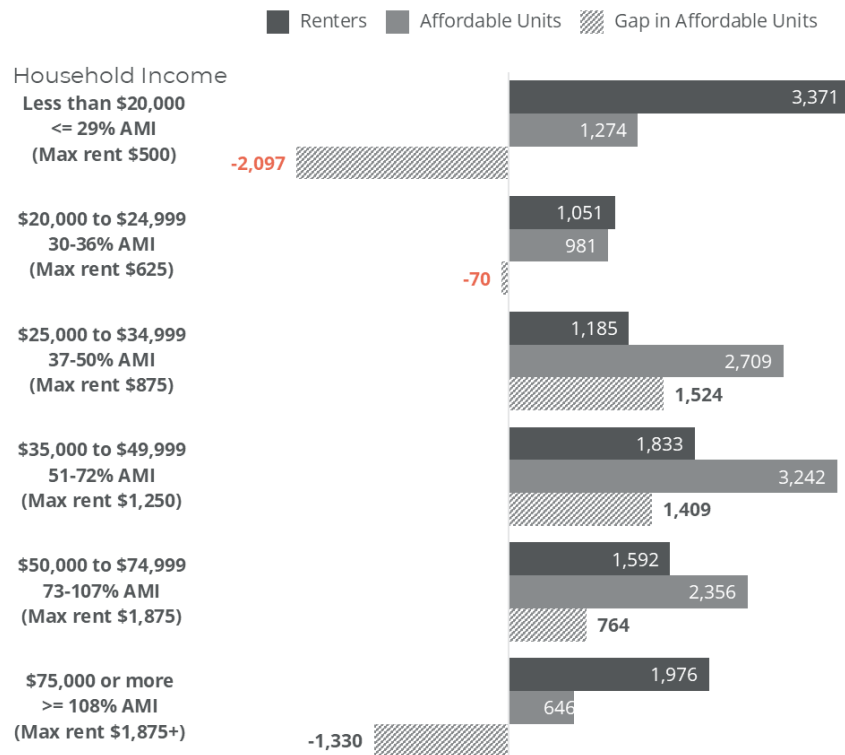
- 2,230 renter households have incomes below \$20,000 and can afford to pay \$500 in rent each month; however, there are only 1,337 rental units priced below \$500, resulting in a gap of 893 units affordable to these households.
- Another 767 renter households have incomes between \$20,000 and \$25,000 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.

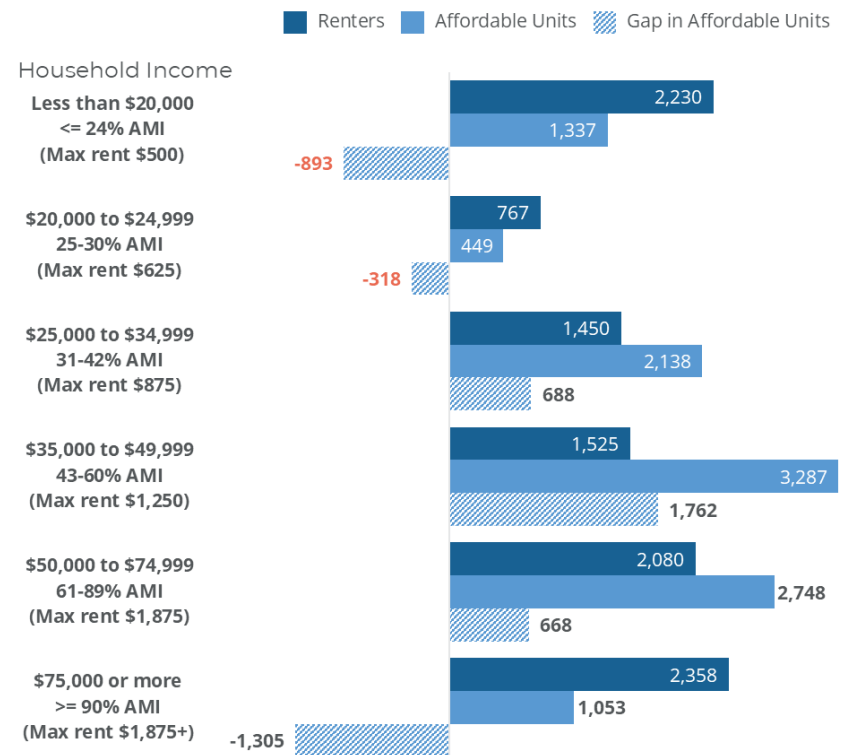
Due to rising home prices and the effects of higher interest rates on purchasing power, homeownership gaps grew and expanded to higher income levels by 2023-24. In 2022 (the most recent year for which data are available), 77% of Grand Junction’s renter households earned less than \$75,000. Based on 2023 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



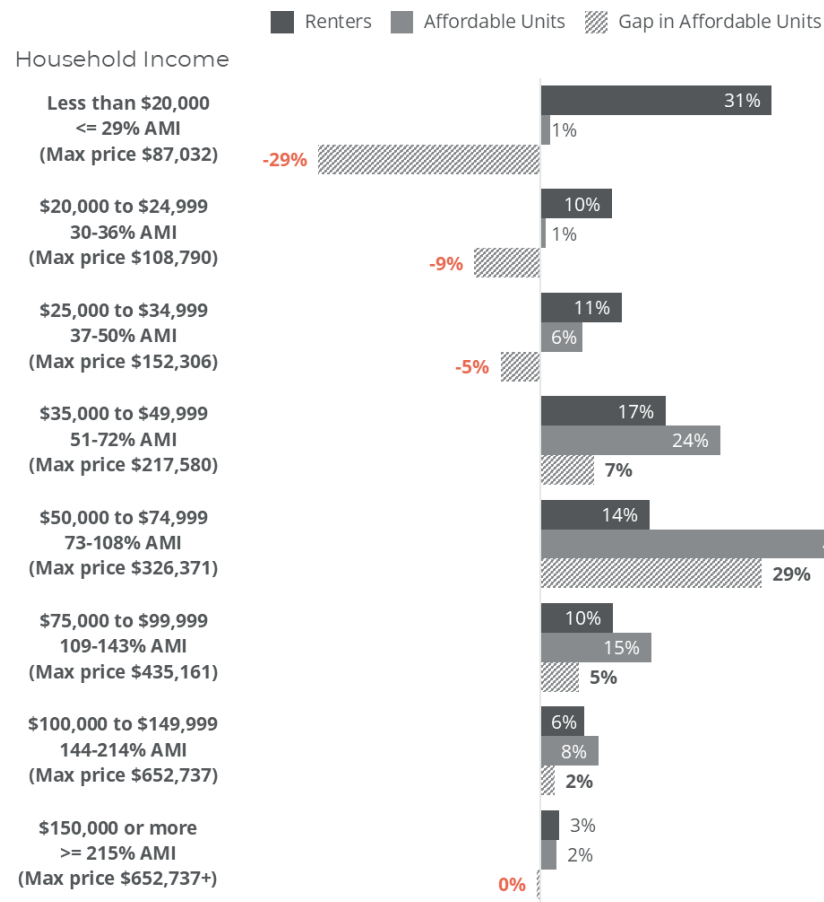
Note: AMI ranges presented are based on 4-person 2019 HUD AMI limits.
Source: 5-year ACS and Root Policy Research.

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.

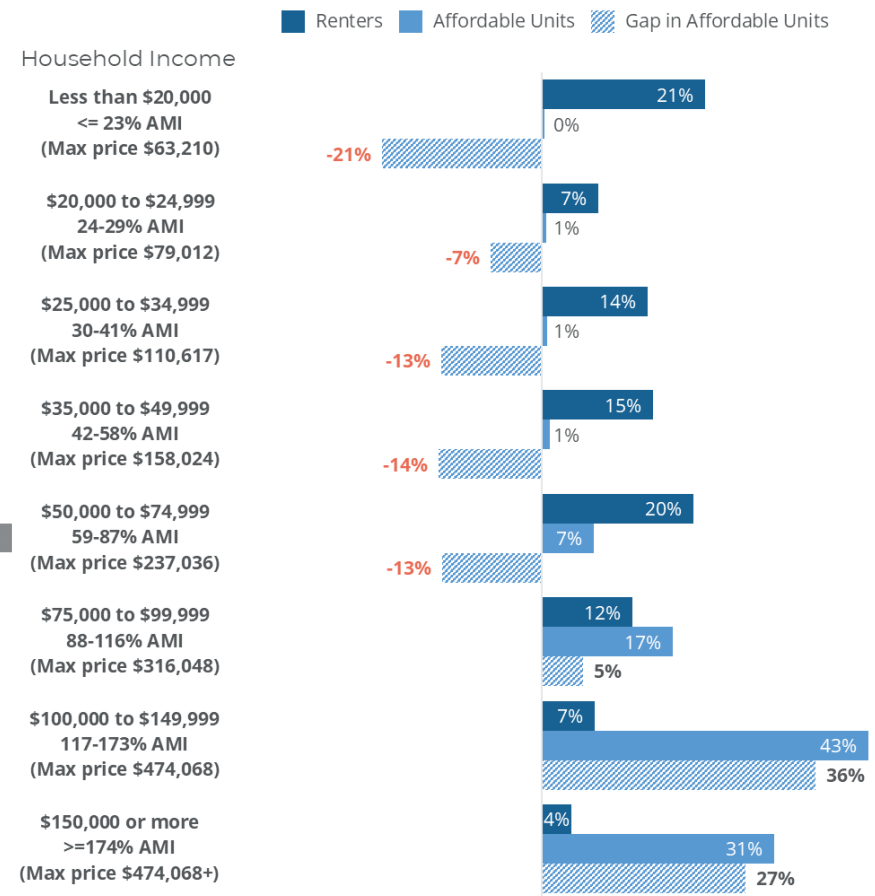
Figure 28.
For-Sale Affordability Gaps, Grand Junction, 2019



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

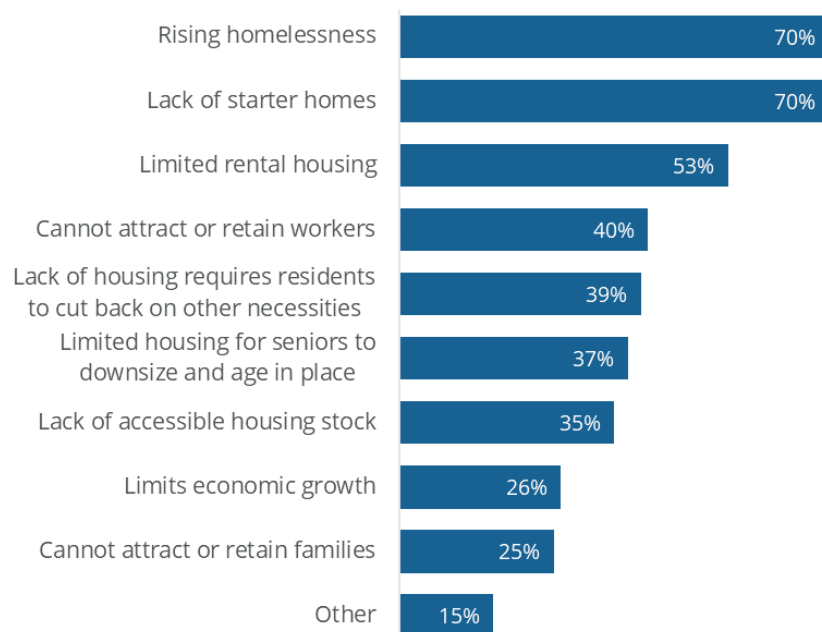
8/22/2024

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

APPENDIX B: STAKEHOLDER SURVEY RESPONSES

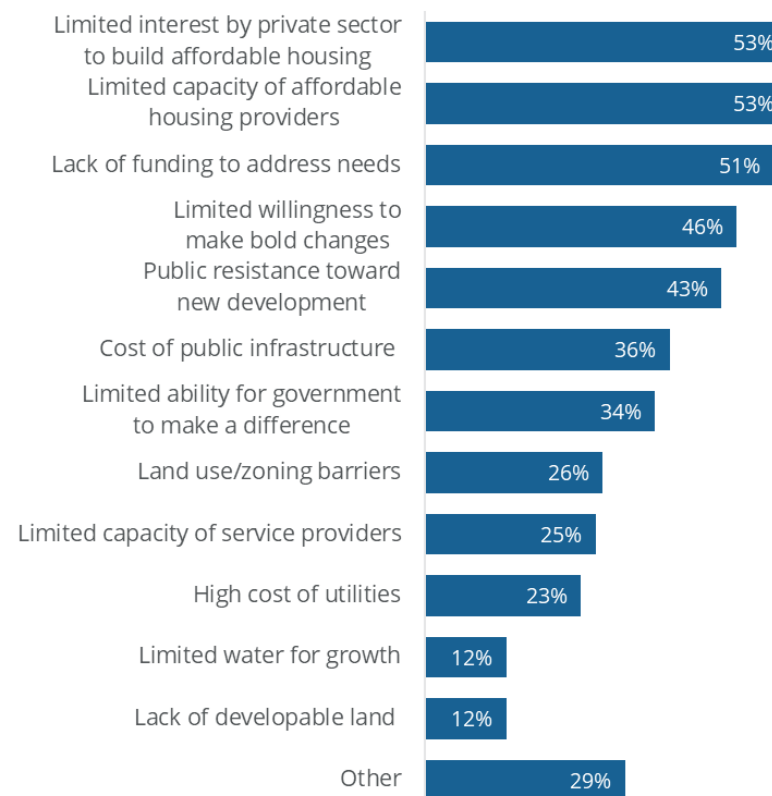
As part of the existing housing strategy review, Root surveyed local housing stakeholders including non-profit service providers, market-rate and affordable housing developers, and real estate professionals. Nearly 100 stakeholders responded and results are summarized in the following figures (response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



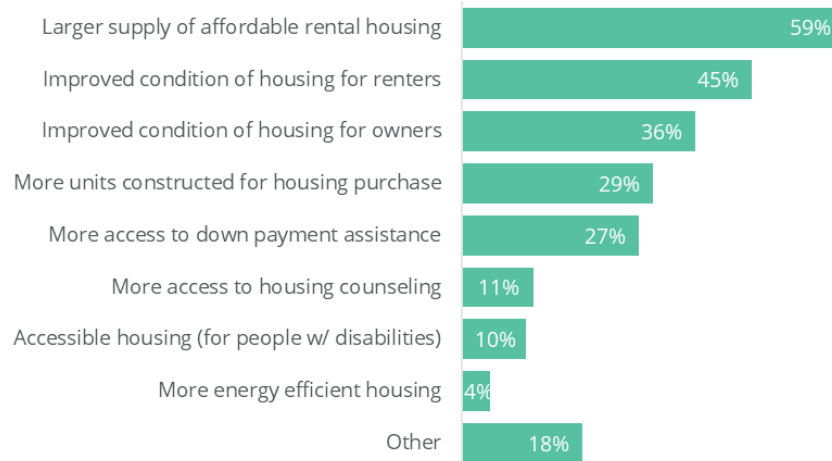
Other responses:

- 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?

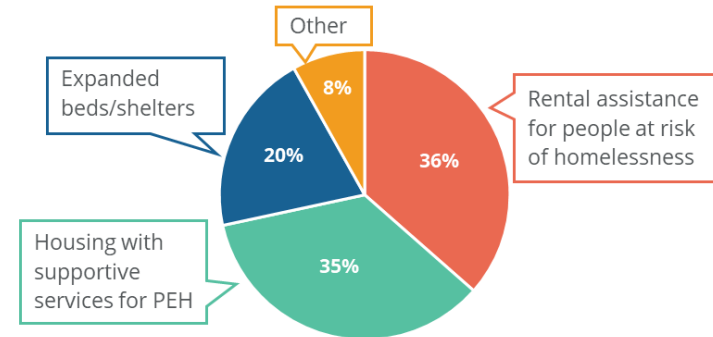


Other responses:

- 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