

ADU Production Program | FAQs

Do I need to attend an ADU workshop to apply?

No, you do not need to attend an ADU Workshop to apply; however, the ADU Workshop is designed to help you understand the ADU development and permitting process and walk through the different parts of the ADU production program - so it may be helpful.

What incomes qualify for the additional incentive?

The additional incentive is income-qualified for those who have a household income of less than 140% Area Median Income, or AMI. AMI is calculated using family size number and income (refer to chart on the right). If you receive the additional incentive, you must also commit to living on your property and to use the property as a long term rental for 7 years.

Who will be given priority to receive funds?

The ADU Production Program funds are awarded on a first-come, first-serve rolling basis until all funds are used.

How many awards will be given?

The number of awards varies each year based on available funding. City Council typically allocates funds to the ADU Production Program annually, and additional grant dollars are sometimes used to supplement the program. In 2024, the City provided incentives to support 21 ADU builds, and in 2025, 24 ADU builds.

Household Size	140% AMI in Mesa County
1 Person	\$99,960
2 Person	\$114,240
3 Person	\$128,520
4 Person	\$142,800
5 Person	\$154,224
6 Person	\$165,648
7 Person	\$177,072
8 Person	\$188,496

What impact fees are paid through the program?

The fees that are paid through the program include the Persigo Sewer Plant Investment Fee and City Water Plant Investment Fee (PIF), as well as city Impact Fees for fire, police, parks, and transportation. It does not include any fees collected by other districts or entities such as Ute water or Clifton sanitation.

What do I need to provide in my application?

You can submit your ADU Production Program application **after** submitting your site plan to the City Planning Office— but there's no need to wait for final approval on the site plan. The application requires owner/applicant and developer information (if applicable), your planning clearance application number (you will receive this when you submit your site plan to the planning office), and the program tier you're applying for. If you're applying for the Tier 2 incentive, you'll also need to include an affidavit of intent to live at the property, proof of property ownership, a W-9 for payment, and proof of income such as paystubs, a tax return, employer verification, or other documentation.

FAQs cont.

When will I know if I am receiving funds?

Typically, the ADU Production Program applications should be reviewed within one week. A conditional funding letter or denial letter will be sent to the applicant via email with specific tasks to complete. If you receive a conditional funding letter, that means funds are being reserved for your project. Any subsequent tasks, including signing of an agreement with the City, must be completed within 30 days. If tasks aren't completed within 30 days, the funding will be rescinded and the funds made available to the next applicant.

How will the funds be dispersed?

If approved, the impact fee payment will be completed internally within the City of Grand Junction at the time the ADU planning clearance is approved. If applying/approved for the additional incentive (Tier 2), payment will be sent via mailed check to the applicant within 30 days after the Housing Division receives verification of an issued Mesa County building permit from the applicant.

When does the ADU need to be built?

Construction of the ADU must be completed within 1 year of the issuance of the planning clearance (Tier 1) or within 1 year of the issuance of the building permit (Tier 2). The Community Development Director may consider an extension to the one-year completion period based on individual circumstances and evidence of sufficient progress, and an extension request letter must be submitted and approved before the on-year deadline.

Once I build my ADU, do I need to do anything else?

Yes, all recipients will need to keep the unit as a long-term rental for 5-7 years depending on the type of incentive. Additional incentive recipients will need to continue to live on-site to stay in compliance with the agreement. Additionally, all recipients will need to complete our online Occupancy Certification Form within 10 days of having a new tenant and attach the signed lease within that form. This form needs to be filled out annually or upon each newly signed lease, whichever comes first.

What happens if I can't fulfill the requirements of the program?

If you cannot fulfill the requirements of the agreement, a recipient can request a termination. The agreement will define the terms of termination, of which generally there will be a termination fee which is calculated as 20% of the total incentive + (total incentive/total term years) x remaining term years.

What happens if I sell the property?

If the property is voluntarily or involuntarily transferred or sold, the Owner must pay an early termination fee at time of transfer or sale closing, **or** the successor to the Owner (recipient) must execute a new covenant for the remaining years of the agreement.