

RESOLUTION 2021-069
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE EXECUTION OF A FUNDING AGREEMENT BETWEEN
THE CITY AND HOUSING CATALYST FOR A LOAN OF FUNDS FROM THE
AFFORDABLE HOUSING CAPITAL FUND FOR THE OAK 140 DEVELOPMENT

WHEREAS, Housing Catalyst, formerly known as the Housing Authority of the City of Fort Collins (“HC”), is partnering with the Downtown Development Authority (DDA) to construct the Oak 140 project, a mixed-use building at the intersection of Oak and Remington Streets that will provide 79 affordable rental homes in the Downtown area serving residents who make between 30 and 80% of Area Median Income (the “Project”); and

WHEREAS, the financing for the project includes contributions from DDA and HC, state and federal tax credits, Private Activity Bond allocations from the City and Larimer County, and bonds; and

WHEREAS, HC requested \$610,000 in City funding from the Affordable Housing Capital Fund (AHCF) in the Community Capital Improvement Program (CCIP) to help close a financing gap created by escalating commodities pricing, especially lumber; and

WHEREAS, this request is aligned with guidance in the Housing Strategic Plan and with the City’s criteria for funding affordable housing projects; and

WHEREAS, the requested funds are appropriated and available in the AHCF; and

WHEREAS, the voter-approved ballot language for the CCIP says the AHCF is to be used to fund the capital costs of development or rehabilitation of one or more public or private housing projects designated specifically for low-income individuals or families; and

WHEREAS, if the City Council approves the request, the City would provide the funding to HC in the same way it provides most other funding for affordable housing capital projects: as a due-on-sale loan pursuant to a Recipient Contract between the City and HC (the “Contract”); and

WHEREAS, the Contract would require a restrictive covenant to guarantee affordability of the Project for a 40-year term, the same as is required of the Project by a Land Use Restriction Agreement from the Colorado Housing and Finance Authority; and

WHEREAS, Article II, Section 16 of the City Charter of Fort Collins empowers the City Council, by ordinance or resolution, to enter into contracts with governmental bodies to furnish governmental services and make charges for such services, or enter into cooperative or joint activities with other governmental bodies; and

WHEREAS, under Section 1-22 of the City Code, intergovernmental agreements and other cooperative arrangements between the City and other governmental entities are to be submitted to the City Council for review, unless they fit within one of the exceptions that permit execution by the City Manager; and

WHEREAS, Section 29-1-203 of the Colorado Revised Statutes provides that governments may cooperate or contract with one another to provide certain services or facilities when such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve; and

WHEREAS, the Council Finance Committee at its meeting on May 24, 2021, and the Affordable Housing Board at its meeting on June 3, 2021, both supported the use of AHCF funds for the Project; and

WHEREAS, the City Council finds that the Project meets the requirements for funding from the AHCF, and that it is in the best interests of the City to provide the requested funding to HC for the project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Manager is hereby authorized to execute a Recipient Contract with Housing Catalyst on terms consistent with this Resolution, along with such other terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City or effectuate the purposes set forth herein.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 15th day of June, A.D. 2021.

ATTEST:

Dillon Guba-East
City Clerk - Deputy

Jon Gust
Mayor

