

RESOLUTION 2023-048
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE ASSIGNMENT OF THE CITY’S 2023 PRIVATE ACTIVITY
BOND ALLOCATION TO HOUSING CATALYST AND COLORADO HOUSING AND
FINANCE AUTHORITY FOR CARE HOUSING TO FINANCE THE CONSTRUCTION
AND REHABILITATION OF AFFORDABLE HOMES

WHEREAS, the City of Fort Collins is authorized and empowered under the laws of the State of Colorado (the “State”) to issue revenue bonds for purposes including the financing of multi-family rental housing projects for low- and moderate-income persons and families; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the “Code”), restricts the amount of tax-exempt bonds (“Private Activity Bonds” or “PAB”) which may be issued in the State (the “State Ceiling”); and

WHEREAS, pursuant to the Code, the Colorado General Assembly adopted the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the “Allocation Act”), providing for the allocation of the State Ceiling among various State and local governmental units, and further providing for the assignment of such allocations from such governmental units to any entity or person with the authority to issue bonds; and

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the City has received a direct allocation of the 2023 State Ceiling for the issuance of Private Activity Bonds in the aggregate principal amount of \$10,289,735 (the “2023 Allocation”); and

WHEREAS, if the City does not issue bonds or assign its annual allocation to another entity by September 15 of each year, its allocation is relinquished to the statewide balance; and

WHEREAS, the City received seeking applications for the 2023 Allocation from three entities: Housing Catalyst; CARE Housing; and Steele Properties; and

WHEREAS, the City’s PAB Committee considered the applications and recommends assigning the 2023 Allocation to Housing Catalyst and CARE Housing in the amounts requested by those two entities pursuant to Section 24-32-1706 of the Allocation Act; and

WHEREAS, Housing Catalyst proposes using \$6,289,735 of the 2023 Allocation to develop at least 36 affordable rental homes within the City of Fort Collins (the “Housing Catalyst Projects”); and

WHEREAS, CARE Housing proposes using \$4,000,000 of the 2023 Allocation through the Colorado Housing and Finance Authority (“CHFA”), along with \$16,100,000 of previously secured funds from the CHFA, to develop 72 new affordable rental apartments at Heartside Hill (the “CARE Housing Projects”); and

WHEREAS, CARE Housing, through CHFA, and Housing Catalyst have each expressed its willingness to attempt to issue Revenue Bonds in the amounts proposed; and

WHEREAS, the City Council finds that the 2023 Allocation can be utilized most efficiently by assigning it to CARE Housing, through CHFA, and Housing Catalyst and to issue Private Activity Bonds for financing the Projects, and that such assignment will advance the City's objective of increasing the availability of adequate affordable housing for low- and moderate-income persons and families within the City; and

WHEREAS, the Council wishes to assign the 2023 Allocation to Housing Catalyst and CARE Housing, which assignments are to be evidenced by an Assignment of Allocation #1 to Housing Catalyst and Assignment of Allocation #2 to CARE Housing, through CHFA; and

WHEREAS, a draft of the proposed Assignment of Allocation #1 is attached as Exhibit "A" and incorporated herein by reference and a draft of the proposed Assignment of Allocation #2 is attached as Exhibit "B" and incorporated herein by reference.

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 Council hereby approves assignment to Housing Catalyst of \$6,289,735 of the City's 2023 Allocation for the Housing Catalyst Projects as described herein.

Section 3. That the City Council hereby approves assignment to CARE Housing, through CHFA, of \$4,000,000 of the City's 2023 Allocation for the CARE Housing Projects as described herein.

Section 4. That the City Council hereby authorizes the Mayor to execute an Assignment of Allocation with Housing Catalyst in substantially the form attached as Exhibit "A" and an Assignment of Allocation with CARE Housing, through CHFA, in substantially the form attached as Exhibit "B," along with such other terms and conditions as the City Manager, in consultation with the City Attorney, determines are necessary or appropriate to protect the interests of the City or effectuate the purposes of this Resolution.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins this 6th day of June, 2023.

Mayor

ATTEST:

Chief Deputy City Clerk