

AGENDA ITEM SUMMARY

Urban Renewal Authority



STAFF

Josh Birks, Acting Executive Director, and
Andy Smith, Redevelopment Manager

SUBJECT

Resolution No. 142 Approving an Agreement to Administer a Single Loan with Impact Development Fund.

EXECUTIVE SUMMARY

The purpose of this item is to discuss an agreement for IDF to underwrite and administer a single loan on behalf of the Authority. IDF would administer the proposed loan between the Authority and the developer of the proposed middle-income housing project to be constructed at 302 Conifer Street.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

On March 27, 2025, the Authority approved a motion authorizing the Acting Executive Director to sign a “term sheet” describing the general terms and conditions of a loan from the URA North College Plan Area fund to the developers of a proposed deed-restricted 76-unit multi-family community for low-moderate and middle-income residents to be constructed at 302 Conifer Street. The proposed loan amount is \$3.22 million and will carry an interest rate of 3.0%. The proposed loan is designed to “revolve” to support future middle-income housing projects, and will leverage other funding sources, including a \$7 million Proposition 123 Equity award from the State of Colorado. Additionally, a Tax Increment Finance (“TIF”) grant not to exceed \$100,000 funded by future property tax payments is also proposed.

This resolution approves an agreement between the Authority and Impact Development Fund (“IDF”) to underwrite, administer, and service the loan on behalf of the Authority. IDF began in Fort Collins more than 20 years ago, known then as Funding Partners. IDF is nationally regarded as a proven leader in affordable housing finance, with significant experience working in partnership with public and private entities.

IDF is “a nonprofit Community Development Financial Institution (CDFI) certified by the United States Treasury, and as an approved CRA (Community Reinvestment Act) institution, IDF works with social impact investors, local municipalities, housing and financing authorities, nonprofit organizations such as Habitat for Humanity, partner CDFIs and traditional banks. Impact Development Fund supports projects that bring together multi-faceted community stakeholders including nonprofit organizations, developers, community banks, individuals and local and state government. Starting with strategic planning for future projects, through the application process to ultimately securing financing, we help overcome obstacles to ensure critical community projects can break ground.”

AUTHORITY FINANCIAL IMPACTS

Entering into this agreement in advance of an agreement with the developer of the proposed project has a minimal impact (*approximately \$32,200*) on the Authority's finances. IDF will be compensated through four fees:

- **Origination Fee** – A fee of one percent (1.0%) of the total principal balance of the proposed loan, due at the time of loan settlement and fund distribution. ***A responsibility of the borrower and not due unless a loan is issued in support of the project.***
- **Servicing Fee** – A twenty-five (25) basis points (bps) servicing fee assessed monthly on outstanding loans. ***This is paid for out of interest payments to the Authority and only occurs when a loan is made.***
- **Withdrawal/Denial Fee** – A fee due at the time of loan withdrawal or denial (either way), of one percent (1.0%) of the total loan balance for which the Borrower applied to compensate for administrative costs incurred during underwriting. ***The Authority may be required to pay this fee if the loan does not get made to the developer. An estimated cost of \$32,200.***
- **Modification Fee** – A fee due only upon a request by the borrower of a loan document modification after closing. ***The requested change must be approved by both IDF and URA. There would be no financial obligation of the URA.***

ATTACHMENTS

1. Resolution No. 142 – Impact Development Fund