



FRUITA
COLORADO

AGENDA ITEM COVER SHEET

TO: FRUITA HOUSING AUTHORITY

FROM: MIKE BENNETT, FRUITA HOUSING AUTHORITY EXECUTIVE DIRECTOR
DEE WISOR, SPECIAL COUNSEL TO THE FRUITA HOUSING AUTHORITY

DATE: AUGUST 15, 2023

AGENDA TEXT: Resolution FHA 2023-06 - A Resolution of the Board of Commissioners of the Fruita Housing Authority Authorizing the Executive Director to Sign all documents necessary for acceptance of the Grant received from the CHFA Capital Magnet Fund Program and making a loan of the proceeds of the Grant to the IndiBuild Fruita Limited Liability Limited Partnership.

BACKGROUND

The Fruita Housing Authority is in the process of being awarded a grant from the Colorado Housing and Finance Authority, a body corporate and political subdivision of the State of Colorado (“CHFA”), for \$170,000 of funds from the Capital Magnet Fund program (“CMF Funds”) pursuant to a Capital Magnet Funds Subgrant Agreement (“Grant Agreement”). The Fruita Housing Authority needs to execute this Grant Agreement in order for the funds to be awarded. The Fruita Housing Authority will loan the CMF Funds to the IndiBuild Fruita LLLP for use in the construction and operation of the Project under the terms and conditions of the Grant Agreement. Therefore, the Fruita Housing Authority needs to execute various loan documents to memorialize the loan.

IndiBuild Fruita LLLP shall be responsible for, and indemnify the Fruita Housing Authority against, all the Fruita Housing Authority’s obligations, responsibilities, or duties under the Grant Agreement including, without limitation, compliance with all affordability, financial management, environmental review, labor standards, civil rights, recordkeeping, and reporting requirements, the applicable requirements set forth in the CMF Agreement (as defined in the Grant Agreement), and the applicable regulations set forth in 12 C.F.R. Part 1807.

The FHA, if approved will sign, and execute the following documents: the Subgrant Agreement, Loan Agreement, Subordination Agreement, Subordination of the Deed of Trust, and Restrictive Covenant Agreement. The Partnership will execute the following packet attachments: Deed of Trust, and Promissory Note.

The proposed Resolution allows the Executive Director, special counsel and counsel for the FHA to modify nonsubstantive terms, if necessary, in the grant and loan documents without having to come back to the Board for approval.

FISCAL IMPACT

The FHA will not be responsible for any obligations, responsibilities, or duties under the Grant Agreement including, without limitation, compliance with all affordability, financial management, environmental review, labor standards, civil rights, recordkeeping, and reporting requirements. The Grant Funds will be immediately passed through the FHA to IndiBuild Fruita LLLLP.

OPTIONS AVAILABLE TO THE COMMISSION

1. Approve Resolution FHA 2023-06 - A Resolution of the Board of Commissioners of the Fruita Housing Authority Authorizing the Executive Director to Sign all documents necessary for acceptance of the Grant received from the CHFA Capital Magnet Fund Program and making a loan of the proceeds of the Grant to the IndiBuild Fruita Limited Liability Limited Partnership.
2. Advise staff to make modifications to Resolution 2023-06
3. Deny Resolution FHA 2023-06 - A Resolution of the Board of Commissioners of the Fruita Housing Authority Authorizing the Executive Director to Sign all documents necessary for acceptance of the Grant received from the CHFA Capital Magnet Fund Program and making a loan of the proceeds of the Grant to the IndiBuild Fruita Limited Liability Limited Partnership.

RECOMMENDATION

It is the recommendation of staff that the Fruita Housing Authority move to:

ADOPT RESOLUTION FHA 2023-06 A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE FRUITA HOUSING AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO SIGN ALL DOCUMENTS NECESSARY FOR ACCEPTANCE OF THE GRANT RECEIVED FROM THE CHFA CAPITAL MAGNET FUND PROGRAM AND MAKING A LOAN OF THE PROCEEDS OF THE GRANT TO THE INDIBUILD FRUITA LIMITED LIABILITY LIMITED PARTNERSHIP.