

RESOLUTION 2025-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FRUITA APPROVING THE REDEVELOPMENT, FINANCING AND AMI RESTRICTION AGREEMENT AND LOAN DEFAULT AGREEMENT AND ASSIGNMENT OF RIGHTS UNDER REDEVELOPMENT AGREEMENT FOR THE OAKS PROJECT

WHEREAS, 805 Ottley Avenue LLC, a Colorado limited liability company (“Company”) proposes to develop an affordable housing project (the “Oaks Project”) in the City of Fruita (the “City”) located at 805 West Ottley Ave, Fruita, Colorado (the “Property”); and

WHEREAS, the Board of Commissioners of the Fruita Housing Authority (“Authority”) approved Resolution FHA 2024-02 on November 19, 2024, authorizing the Authority to participate as a special limited member in the Company; and

WHEREAS, on December 17, 2024, the City Council of the City (the “City Council”) adopted Resolution 2024-48 approving a term sheet with Headwater Housing Partners (“HHP”) for the redevelopment of the Property into the Oaks Project and to guide negotiations for the terms of the City’s support, and for HHP’s responsibilities to redevelop the Property into the Oaks Project; and

WHEREAS, on February 4, 2025, the Authority adopted Resolution FHA 2025-02 authorizing a loan from the Authority to the Company in the amount of \$400,000 in order to facilitate the purchase of the Property in the most efficient manner for the overall financing of the Oaks Project; and

WHEREAS, the Oaks Project is proposed to include 62 multifamily housing units which are anticipated to serve persons making up to 100% of area median income; and

WHEREAS, the City Council wants to partner with the Authority and the Company to ensure that the development of the Oaks Project proceeds in a manner most beneficial to the City; and

WHEREAS, the Company has requested that the City enter into the Redevelopment, Financing and AMI Restriction Agreement (“Redevelopment Agreement” – **Exhibit A**) and Loan Default Agreement and Assignment of Rights Under Redevelopment Agreement (“Default Agreement” – **Exhibit B**) (Redevelopment Agreement and Default Agreement are collectively referred to as the “Agreements”) in order to memorialize the terms and process for development of the Oaks Project; and

WHEREAS, The City of Fruita, by and through its City Council desires to enter into the Redevelopment Agreement and Default Agreement in order to ensure that the Oaks Project develops as agreed to.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF FRUITA:**

Section 1. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the City or the officers, agents or employees of the City relating to the Oaks Project and the Agreements is hereby ratified, approved and confirmed.

Section 2. The City Council deems that it is in the City's interest to enter into the Agreements and authorizes the City Manager or Assistant City Manager to execute the same in the form attached hereto as Exhibits A and B, subject to any non-substantive revisions approved by both the Executive Director and the City's attorney.

Section 3. The Mayor, the City Clerk, the City Manager and any and all appropriate City officials are hereby authorized and directed to execute and deliver for and on behalf of the City any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate in order to implement and carry out the matters authorized by this Resolution. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by the City Attorney prior to the execution of the documents. The execution of any document or instrument by the aforementioned officials or employees of the City or members of the City Council shall be conclusive evidence of the approval by the City Council of such document or instrument in accordance with the terms hereof and thereof.

Section 4. This Resolution shall be effective as of the date of its adoption.

ADOPTED this 20th day of May, 2025.

CITY OF FRUITA, COLORADO

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Attorney