



CITY COUNCIL ACTION FORM

Department	Presented by	Date
Administration	Drew Nelson - City Administrator	July 20, 2021

ITEM

Resolution 2021-28 – A Resolution of the City Council of the City of Salida, Colorado, Approving an Intergovernmental Funding Agreement for the Chaffee Housing Authority

BACKGROUND

Over the past year and a half, the City of Salida has been participating with Chaffee County and the Town of Buena Vista on formulating the creation of a multijurisdictional housing authority (MJHA) to serve the residents and workforce of Chaffee County. Working in conjunction with the Office of Housing, the City participated in the MJHA Steering Committee that led to the review and approval of an Intergovernmental Agreement (IGA) to establish the Chaffee Housing Authority (CHA) in October of 2020 (done via Resolution 2020-35).

The CHA continues to have the ability to utilize the following powers under the Colorado Revised Statutes related to workforce and affordable housing:

- Planning
- Acquisition
- Financing
- Construction
- Reconstruction
- Management
- Operations

Utilizing these specific capabilities, the CHA is a flexible tool to pursue land and projects across Chaffee County. The CHA also is enabled to seek sustainable funding sources, including grants, Certificates of Participation, and potentially requests to voters to approve new taxes to fund affordable housing needs (governing bodies of individual municipalities must approve of any ballot measure). At the time the CHA was set up via the establishing IGA, it was noted that a second IGA would be necessary to identify funding responsibilities of the partners. Resolution 2021-28 and the attached IGA are the culmination of the interim review of the funding levels between the partners, which includes a review by the City Attorney.



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In the attached IGA, section 2 of the Agreement identifies the funding levels anticipated over the next three years. The total cost of the program is \$185,480 annually to the partners, with proportional shares being spread amongst the three entities. Chaffee County is responsible for the initial \$112,500, with the remainder of the budget to be shared by population count. Per current calculations, the City of Salida would be responsible for \$31,125 of the CHA budget during the initial term of the IGA.

FISCAL NOTE

\$31,125 over three years, or \$93,375 for the term of the IGA. The City's 2021 Annual Budget included an expenditure from the Economic Development Fund of \$28,100 for the MJHA/CHA. The 2021 Annual Budget also includes a new Affordable Housing Fund; however, allocation for the CHA was not included from this fund due to the ongoing nature of the cost, while the revenues to the Affordable Housing Fund are one-time revenues. Staff anticipates that a small budget amendment may be required now that the funding allocation has been figured out, and the City Council may desire to transfer funds into the Affordable Housing Fund to cover operational costs in order to build up the one-time revenues for capital projects.

STAFF RECOMMENDATION

Staff recommends approval of the Intergovernmental Funding Agreement for the Chaffee Housing Authority.

SUGGESTED MOTION

A City Councilperson should state, "I move to approve Resolution 2021-28", followed by a second and a roll call vote.

CITY OF SALIDA, COLORADO
RESOLUTION NO. 28
(Series of 2021)

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO,
APPROVING THE INTERGOVERNMENTAL FUNDING AGREEMENT FOR THE
CHAFFEE HOUSING AUTHORITY**

WHEREAS, the provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. § 29-1-203 allow Colorado governments to cooperate or to contract with one another to provide any function, service or facility lawfully authorized to each local government; and

WHEREAS, Colorado Revised Statute § 29-1-204.5 provides for the establishment by Colorado local governments to contract with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority; and

WHEREAS, Chaffee County in general, and Salida in particular, has experienced rapid growth over the last decade, and consequently, the demand for attainable, affordable, and workforce housing has grown to exceed the available supply; and

WHEREAS, the business community, community members, public officials and others have expressed a concern that there is currently and will continue to be insufficient workforce housing for workers in and around Salida; and

WHEREAS, on October 6, 2020, the Salida City Council approved Resolution 2020-35, which approved an intergovernmental agreement with Chaffee County and the Town of Buena Vista to establish the Chaffee Housing Authority; and

WHEREAS, the Salida City Council wishes to fund the Chaffee Housing Authority in the manner described in the Intergovernmental Funding Agreement for the Chaffee Housing Authority, attached hereto as Exhibit A; and

WHEREAS, the City Council of the City of Salida recognizes the benefits and advantages of working together with other local governments in Chaffee County to establish and create a multijurisdictional housing authority to provide attainable, affordable, and workforce housing projects and programs for local families and for employees of local employers, and therefore desires to participate with Chaffee County and the Town of Buena Vista in the funding of a multijurisdictional housing authority serving the residents and workers of our communities.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SALIDA COLORADO, THAT:

1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations, and findings.
2. The Intergovernmental Funding Agreement for the Chaffee Housing Authority, attached as Exhibit A, is hereby approved, and the Mayor is further authorized to sign the Intergovernmental Agreement.

RESOLVED, APPROVED, AND ADOPTED this 20th day of July, 2021.

CITY OF SALIDA, COLORADO

By

P.T. Wood, Mayor

[SEAL]

ATTEST:

City Clerk/Deputy City Clerk

Exhibit A

Intergovernmental Funding Agreement for the Chaffee Housing Authority

INTERGOVERNMENTAL FUNDING AGREEMENT FOR THE CHAFFEE HOUSING AUTHORITY

THIS AGREEMENT is made and entered into this day of , 2021, by and between: Chaffee County, Colorado, (“County”) a local government entity, 104 Crestone Avenue, Salida, Colorado 81201, and the following municipalities: City of Salida (“Salida”), 448 E First Street, Salida Colorado 81201, Town of Buena Vista (“Buena Vista”), 210 East Main Street, Buena Vista, Colorado 81211, and the Chaffee Housing Authority (“Authority”) (Salida and Buena Vista are collectively referred to below as the “Municipalities” and all entities are collectively referred to below as the “Parties”).

RECITALS

The provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. § 29-1-203 (allowing Colorado local governments to cooperate or contract with one another to provide any function, service or facility lawfully authorized to each local government) and C.R.S. § 29-1-204.5 (allowing Colorado local governments to contract with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority).

In 2016 the Parties updated a Chaffee County Housing Needs Assessment, which identified a multijurisdictional housing authority as an appropriate mechanism for the County and Municipalities to address affordable/workforce housing needs throughout the County; and in 2016 the Parties created the Housing Policy Advisory Committee to pursue avenues of creating affordable/workforce housing.

In 2017, the County created, with support from the Municipalities, the Chaffee County Office of Housing (“CCOH”) with the mission of enabling all residents of Chaffee County access to safe, stable, and affordable housing through diverse partnerships that create rental and ownership options across the housing spectrum and support a socio-economically diverse community, wherein the regional workforce is able to live locally and benefit from a resilient economy.

It is in the interest of all the Parties that there is an adequate supply of safe and suitable housing that is affordable for all citizens of the county. The County, Salida, and Buena Vista recognize the benefits and advantages obtained by working together, established and created a multijurisdictional housing authority and formed the Chaffee Housing Authority (“Authority”) on October 15, 2020, by executing an intergovernmental agreement (“Authority IGA”) between the Parties to be effective as of that same date. The Authority IGA allows the CCOH to transition into a multijurisdictional housing authority.

Article V, Section (f) of the Establishing IGA for the Chaffee County Multijurisdictional Housing Authority provides that the Parties would enter into a cost sharing agreement, which would provide, at a minimum, funding for the Authority for the first three full calendar years after the appointment of the Authority’s original board of directors.

The original Board of Directors was appointed by the Parties and first convened on February 18, 2021.

The Parties now desire to fulfil the requirements of the Authority IGA by entering into this Agreement for purposes of funding the Authority for 2021, 2022 and 2023.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and obligations herein set forth, the Parties hereby mutually agree as follows:

1. Term. The initial term of this Agreement shall commence as of the effective date hereof and shall expire, subject to earlier termination in the event of non-appropriation as hereinafter provided, on December 31, 2023. Upon expiration of the initial term, this Agreement shall automatically renew for a one-year period unless, at least ninety (90) days prior to the renewal date, any Party gives the other Parties written notice of its intent not to continue with the Agreement.
2. Funding of Authority.
 - a. *Funding Obligations—Generally*. The County, Salida, and Buena Vista agree to provide funding for 2021, 2022, and 2023 (“Initial Term”) to the Authority in the total aggregate amount of One Hundred Eighty-Five Thousand Four Hundred and Eighty 00/100 Dollars (\$185,480) (“Funding Obligation”) per year for the initial term of this Agreement. After the Initial Term, the Parties may continue to fund the Authority at its current aggregate amount or the Parties may mutually agree to amend the aggregate funding obligation for the Authority.
 - b. *Proportional Shares of Funding*. The Parties agree that for the Initial Term of the Agreement the responsibility for funding the obligations set forth in Section 2.a herein should be shared by the Parties in the following proportions and based on the following:
 - i. The County will fund the Authority with One Hundred and Twelve Thousand Five Hundred 00/100 Dollars (\$112,500) (“Fixed Cost”). If after the Initial Term, or subject to amendments the Funding Obligation does not exceed the Fixed Cost, the Municipalities do not have any further funding responsibilities.
 - ii. If the Funding Obligations exceeds the Fixed Cost then the Parties agree to split the balance of the Funding Obligation among the Parties in substantially the same portions of the population of each of the Parties as to the combined portion of all the Parties population (the total population is based on the current State of Colorado’s Demographer’s current population estimate).
 - iii. However, the Parties agree that at no time, will the County’s gross Proportional Share of Funding, shall exceed seventy-five percent (75%) of the Funding Obligation. If, after dividing the remaining Funding Obligation among the Parties based on population results in the County contributing more than seventy-five percent (75%) of the

Funding Obligation, then the Parties agree that the Municipalities will be equally responsible for the remaining twenty-five percent (25%) of the Funding Obligation based on dividing the cost of the remaining Funding Obligation among the Municipalities in substantially the same portion of the population of each municipalities as to the combined portions of all the Municipalities population.

- iv. Subject to future amendments, the Parties Proportional Shares of Funding for the Initial Term are as follows:

Chaffee County:	\$139,110.00
City of Salida:	\$ 31,125.00
Buena Vista:	\$ 15,245.00
Total:	\$185,480.00

See, Attachment A, for examples of the breakdown of Parties *Proportional Shares of Funding*.

- c. *Payment Dates*. The Parties shall pay their respective sums due to the Authority not later than January 15th of each year for their respective contribution payments.
- d. *Budgetary Shortfall Funding*. The Parties agree to reevaluate and renegotiate the financial status of the Authority to address any anticipated funding shortfalls for the next fiscal year in the September of the current funding year. If a shortfall is calculated, and each Party agrees to address the shortfall, each Party will either adjust its respective shortfall contribution in proportion to the population of each Party as to the combined population of all Parties or mutually agree to an alternative contribution calculation.
- e. *Budgetary Surplus*. Any surplus of funds that remain at the end of a funding cycle will be carried over for use by the Authority, to the extent permitted by law.

3. Services Provided by the Authority.

- a. *Basic Services*. In return for the funding provided by the Parties the Authority agrees it may provide the Parties the following services:
 - i. To plan, finance, acquire, construct, reconstruct, manage, and operate housing for households located within the jurisdiction of the Authority, in particular, low- to moderate-income households;
 - ii. To plan, finance, acquire, construct, reconstruct, manage and operate housing programs for employees of employers located within the jurisdiction of the Authority;
 - iii. To make and enter into contracts with any person, including, without limitation, contracts with state or federal agencies, private enterprises, and nonprofit organizations;
 - iv. To employ agents and employees;
 - v. To cooperate with state and federal governments concerning the financing of housing projects and programs;
 - vi. To acquire, hold, lease, (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service;

- vii. To condemn property for public use, if such property is not owned by any governmental entity or any public utility and devoted to public use pursuant to state authority; provided, however, that the use of the condemnation by the Authority shall occur with the concurrence of the participating local government jurisdiction where the proposed condemnation action is located;
 - viii. To levy, in all of the area within the boundaries of the Authority, a sales or use tax, or both, upon every transaction or other incident with respect to which a sales or use tax is levied by the state.
 - ix. To levy, in all of the area within the boundaries of the Authority, an ad valorem tax; provided, however, that the use of taxing authority by the Authority shall occur only with the concurrence of all of the participating local government jurisdictions prior to submission for voter approval.
 - x. To fix, maintain, and revise fees, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;
 - xi. To adopt, by resolution, bylaws or regulations respecting the exercise of its powers and the carrying out of its purposes;
 - xii. To issue revenue or general obligation bonds according to state law;
 - xiii. To establish, and from time to time increase or decrease, a development impact fee and collect such fee from persons who own property located within the boundaries of the Authority who apply for approval for new residential, commercial, or industrial construction in accordance with applicable ordinances, resolutions, or regulations of any county or municipality.
 - xiv. To establish enterprises for the ownership, planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, or operation or any combination of the foregoing, of housing projects or programs as authorized C.R.S. § 29-1-204.5 and by this section on the same terms as and subject to the same conditions provided in C.R.S. § 43-4-605.
 - xv. To propose a referred measure to the electorate providing that the Authority is authorized to collect and spend or reserve all revenues of the Authority from existing property and sales or use taxes, non-federal grants and other revenue sources in any given year or in perpetuity to fulfill any of the prescribed purposes of the Authority, notwithstanding any limitation set forth in Article X, Section 20 of the Colorado Constitution.
 - xvi. Maintain liaisons and relationships with regulatory agencies, local officials, community-based organizations, interpreting and explaining the Agencies programs, policies, services, needs, and other matters of mutual interest, including providing bi-annual reports regarding Authority operations and outcomes to the Parties.
- b. *Use of Authority Services.* The Parties agree that each Party may reasonably, as determined by the Authority, and agreed upon by a majority of its Directors/Members, utilize the Authority for tasks and projects related to the

housing goals of the Authority within each Party's respective jurisdiction when the Authority has the skill, talent and expertise to perform.

- c. *Additional Services.* The Authority may negotiate and accept payment of a lump sum fee for Additional Services provided to a Party, if those services are in excess of what the Authority can reasonably provide. Any lump sum fee for Additional Services shall fairly represent the value of the Additional Services provided by the Authority.
4. Appropriations. Because this Agreement involves the expenditure of public funds, this Agreement is contingent upon continued availability of such funds for payment. The obligations of the County, City of Salida, and Town of Buena Vista shall not constitute a general obligation, indebtedness or multiple year direct or indirect debt or other financial obligation whatsoever within the meaning of the constitution or the laws of the State of Colorado.
5. General Provisions.
 - a. *Amendment.* This Agreement may be amended only by a written instrument signed by the parties to this Agreement.
 - b. *Severability.* If a tribunal of competent jurisdiction determines that any provision of this Agreement is void, illegal, or unenforceable, the other provisions will remain in full force and effect. Any provision determined to be void, illegal, or unenforceable will be limited so that this Agreement will remain in effect to the fullest extent permissible by law.
 - c. *Termination of Prior Agreements.* This Agreement cancels and terminates, as of its effective date, all prior agreements between the parties relating to the services covered by this Agreement, whether written or oral or partly written and partly oral.
 - d. *Third Party Beneficiary.* The Parties to this Agreement do not intend to benefit any person not a party to this Agreement. No person or entity other than the Parties to this Agreement shall have any right, legal or equitable, to enforce any provision of this Agreement.
 - e. *Notices.* All notices shall be in writing. Notices will be deemed to have been duly given if delivered personally or if mailed via certified mail (return receipt requested and postage prepaid) and confirmed by such certified mail receipt, given by facsimile or e-mail confirmed by receipt, or sent by courier confirmed by receipt, addressed to the party at the address set forth below or at such other address as either party may designate to the other in accordance with this Section. Notices shall be deemed to be given on the date of receipt, except that if delivery is refused, notice shall be deemed given on the fifth (5th) day after it is sent.
 - f. *Counterparts.* The parties may execute this Agreement in any number of counterparts, each of which will be deemed an original.
 - g. *Controlling Law and Jurisdiction.* The interpretation and performance of this Contract shall be construed under the laws of Colorado, without regard to choice of law principles. In the event of litigation, jurisdiction and venue shall be in the Chaffee County District Court.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written above.

Chaffee County

By: _____

Greg Felt, Chairperson
Chaffee County Board of Commissioners

ATTEST:

Chaffee County Clerk/Recorder

Date: _____

Town of Buena Vista

By: _____

ATTEST:

Date: _____

City of Salida

By: _____

P.T. Wood, Mayor
City of Salida

ATTEST:

Erin Kelley, City Clerk

Date: _____

Chaffee County Housing Authority

By: _____

ATTEST:

Date: _____