



REQUEST FOR CITY COUNCIL ACTION

Meeting Date: September 15, 2020

AGENDA ITEM NO.	ORIGINATING DEPARTMENT:	PRESENTED BY:
5.a.	Administration	Drew Nelson

ITEM:

Resolution 2020-31 – Establishing Intergovernmental Agreement for the Chaffee County Multijurisdictional Housing Authority

BACKGROUND:

Over the past year, the City of Salida has been participating with Chaffee County, the Town of Poncha Springs, 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 has participated in the MJHA Steering Committee meetings that have created the attached Intergovernmental Agreement (IGA) that would create the Authority.

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

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

Utilizing these specific tools, the Authority will be a flexible tool to pursue land and projects across Chaffee County. The Authority will also be enabled to work with municipalities and the County to seek sustainable funding sources, including grants, Certificates of Participation, and potentially requests to voters to approve new taxes to fund affordable housing needs. The IGA is clear that any request for voter approval must also be approved by the governing bodies of individual municipalities.

The Board of Directors for the Authority will consist of nine (9) members – three (3) selected by the Chaffee County Board of County Commissioners, and two (2) from each of the municipalities. The terms of office for Directors will be two-year terms, with the representatives from each jurisdiction overlapping each other.

The Directors generally will be able to approve routine actions via majority vote; however, certain actions will require a supermajority of 66.6% (or 6 members) in order to be in effect. The measures that require a supermajority include:



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- condemnation of property for public use;
- proposal of ballot initiatives;
- creating, incurring, assuming, suffering or entering into any debt or indebtedness of any description whatsoever in the aggregate amount in excess of one million dollars;
- the addition of a new jurisdiction; and
- the termination of the Authority.

The Authority will become active upon approval of the IGA by all of the partners in this venture; however, actual organizational capability is not anticipated to commence until January 1, 2021. The interim period will be spent setting up a second IGA that will identify funding responsibilities of the partners along with the organizational structure of employees, which at this time is anticipated to consist of a contract with Chaffee County to utilize existing staff in the Office of Housing. The subsequent IGA is currently under review by legal staff.

FISCAL NOTE:

There is no fiscal cost for the immediate creation of the Authority; however, the City of Salida will continue to fund its obligations in the same manner as the Memorandum of Understanding that created the Office of Housing. Under that MOU, the City currently expends approximately \$22,000 annually, and will be budgeted to do the same in the 2021 Annual Budget.

STAFF RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2020-31, which would create the Chaffee County Multijurisdictional Housing Authority.

SUGGESTED MOTIONS:

A City Councilperson should make a motion to approve Resolution 2020-31, approving the Establishing Intergovernmental Agreement for the Chaffee County Multijurisdictional Housing Authority, followed by a second and a roll call vote.

CITY OF SALIDA, COLORADO
RESOLUTION 2020-31
(Series of 2020)

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO,
APPROVING THE ESTABLISHING INTERGOVERNMENTAL AGREEMENT FOR THE
CHAFFEE COUNTY MULTIJURISDICTIONAL 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, 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 desire to participate with Chaffee County, the Town of Poncha Springs, and the Town of Buena Vista in the establishment 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 Establishing Intergovernmental Agreement for the Chaffee County Multijurisdictional 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 15th day September, 2020.

CITY OF SALIDA, COLORADO

By

P.T. Wood, Mayor

[SEAL]

ATTEST:

City Clerk/Deputy City Clerk

**ESTABLISHING INTERGOVERNMENTAL AGREEMENT FOR THE CHAFFEE
COUNTY MULTIJURISDICTIONAL HOUSING AUTHORITY**

This Intergovernmental Agreement (“Agreement”) is entered into as of the Effective Date, defined below, by and among the Board of County Commissioners of Chaffee County, Colorado (“County”); the Town of Buena Vista (“Buena Vista”); the Town of Poncha Springs (“Poncha Springs”); and the City of Salida (“Salida”) (collectively, the “parties”) each of which is a political subdivision of the State of Colorado.

Recitals

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.

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.

Chaffee County has experienced rapid growth over the last decade, and consequently, the demand for attainable and affordable housing has grown to exceed the available supply.

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 Chaffee County.

A majority of counties and many cities within Colorado have addressed such housing issues through the creation of housing authorities, whose purpose it is to effect the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs pursuant to a multijurisdictional housing plan.

A multijurisdictional housing authority established pursuant to C.R.S. § 29-1-204.5 may be used by the contracting local governments to effect the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs pursuant to a multijurisdictional plan to provide: dwelling accommodations at rental prices or purchase prices within the means of families of low or moderate income; and attainable and affordable housing projects or programs for employees of employers located within the jurisdiction of the authority.

The County, Buena Vista, Poncha Springs, and Salida recognize the benefits and advantages obtained by working together to establish and create a multijurisdictional housing authority to provide attainable and affordable housing projects or programs for local low or moderate income families and for employees of local employers, and therefore desire to participate with one another in the establishment of a multijurisdictional housing authority serving the interests of residents of the County, Buena Vista, Poncha Springs, and Salida.

NOW THEREFORE, the parties desire to create the Chaffee Housing Authority, a Multijurisdictional Housing Authority, a body and corporate and politic and a separate governmental entity of the State of Colorado, pursuant to C. R. S. § 29-1-204.5, by this Agreement, the parties hereby mutually agree as follows:

ARTICLE I

Name

The name of the multijurisdictional housing authority hereby established shall be the “Chaffee Housing Authority,” a Multijurisdictional Housing Authority (the “Authority”).

ARTICLE II

Purpose

It is the purpose of the Authority to effect the planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs in order to provide dwelling accommodations at rental prices or purchase prices within the means of households of low or moderate incomes, and to provide attainable and affordable housing projects or programs for employees of employers located within the jurisdictional boundaries of the Authority.

ARTICLE III

Boundaries

The boundaries of the Authority shall be coterminous with the boundaries of the separate governmental entities that comprise the authority, unless said boundaries are modified by the Authority. The boundaries of the Authority shall not include the area incorporated within the Salida Housing Authority and as shown in attached Exhibit A.

ARTICLE IV

Establishment and Organization of Governance

- (a) Governance: The Authority shall be governed by a Board of Directors (“Board”). All legislative power of the Authority is vested in the Board as described below.
- (b) Board of Directors. The inaugural Board shall be comprised of nine (9) members. The County shall appoint three members and Buena Vista, Poncha Springs, and Salida shall each appoint two members to the Board. Each party shall be responsible for identifying its member(s) to the Board and deciding if it shall be an elected official or a designated member. Additionally, each party shall appoint an alternate or alternates, who may serve in the event a regular member is unable to attend a meeting. When attending as described, alternate members shall have the same powers and duties as regular members.
- (c) Duties of Board. It shall be the duty of the Board to govern the affairs of the Authority, to establish policies of the Authority, to comply with parts 1, 5, and 6 of C.R.S. § 29-1-

204.5 as amended from time to time, and to exercise with due diligence and prudence the purpose and powers set forth herein, including, but not limited to the following:

1. Establishing the overall policy approval for the Housing Authority;
2. Establishing Bylaws for the duties and conduct of the Board;
3. Adopting an annual budget;
4. Adopting an annual audit, to be presented to each Member Jurisdiction;
5. Adopting annually an Administrative Plan, Strategic Plan, and/or Community Guidelines for deed restriction management; and
6. To employ, supervise, manage and direct agents and employees.

The Board of Directors will meet every other month to receive formal updates from the Authority's staff. On a (fiscal) yearly basis, the Board will review and approve of the annual budget and Administrative Plan, Strategic Plan, and/or Community Guidelines prior to the start of the fiscal year.

- (d) Eligibility, Term of Office, and Filling Vacancies. The following eligibility criteria apply to both the inaugural and subsequent members of the Board:

All members of the Board must be residents of Chaffee County, or in the case that a new governmental entity is permitted to join the Authority, the Board member representing the new governmental entity must be a resident of the county in which the new member entity is situated, and shall have reached the age of 18 years of the effective date of their appointment.

Members of the Board shall serve two-year terms, with reappointment from the appointing jurisdiction at the end of each two-year term, except that, members of the inaugural Board from each appointing jurisdiction shall initially serve staggered terms of one and two years, which will respectively expire on January 31, 2022 and January 31, 2023, as designated by the appointing entity upon the member's appointment, after which the Members are eligible to serve their remaining two-year terms. The County's three inaugural Board members shall be designated such that one Board member serves a one-year term and the other two members will serve two-year terms.

Members of the Board shall receive no compensation for their services; however, reasonable pre-approved expenses related to the discharge of their duties shall be reimbursed.

Vacancies on the Board shall be filled by appointment from the jurisdiction from which The vacancy arises for the remainder of the unexpired term of the vacating member of the Board.

Voting. Each member of the Board shall have one vote on matters brought before the Board. The Board of Directors shall act only upon a duly executed vote of the Board Members. Each Director shall cast one vote. A vote of the Board shall be deemed duly executed if made by a majority of a quorum of Board Members present. A quorum shall

consist of a majority of the Board Members currently appointed to the Board. Board Members unable to attend a meeting must notify the Board in writing in advance of a meeting when a designated alternate will attend in their place.

Notwithstanding the foregoing or any other provision herein to the contrary, the following actions shall require the approval of two thirds (66.67%) of the full Board of Directors:

- i. condemnation of property for public use;
- ii. proposal of ballot initiatives;
- iii. creating, incurring, assuming, suffering or entering into any debt or indebtedness of any description whatsoever in the aggregate amount in excess of one million dollars;
- iv. the addition of a new jurisdiction; and
- v. the termination of the Authority.

Meetings of the Board shall be open to the public and conducted in accordance with C.R.S. 24-6-401, *et seq.* and as amended from time to time.

- (e) Officers. The Board of Directors shall establish an Executive Committee, which will include four officers, Chair, Vice Chair, Secretary and Treasurer, who shall be elected or appointed annually by a majority vote of the full Board of Directors and serve a one-year term and the Secretary or Treasurer need not be a member of the Board. A vacancy in any office may be filled by the Board by a majority vote of the full Board of Directors for the unexpired portion of the term. Any officer may be removed by a majority vote of the Board of Directors whenever, in the Board's judgment, it is in the best interest of the Authority.

1. Duties.

- i. The Chair shall preside at all meetings and execute all legal instruments that have been authorized by the Board, on behalf of the Authority. The Chair shall perform all duties incident to the office of Chair and such other duties as may be established by the Board.
- ii. The Vice Chair shall serve as Chair in the event the Chair is absent or unable to fulfill the duties of Chair and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as may be established by the Board.
- iii. The Secretary shall be responsible for the minutes of the Board meetings, assure that all notices are duly given in accordance with the provisions of C.R.S. § 24-6-401, *et seq.* and fulfill other duties as may be established by the Board.
- iv. The Treasurer shall be the financial officer for the Authority and shall oversee the preparation of the Authority's budget, oversee financial transactions, perform all duties incident to the officer of Treasurer, coordinate with department of revenue regarding the collection of any sales and use tax authorized pursuant to C.R.S. § 29-1-204.5 and fulfill other duties as may be established by the Board. All checks written from

an Authority bank account over \$15,000 shall require the signature of the Treasurer and the Chair or Vice Chair.

2. **Salaries and Expenses.** The Board of Directors shall fix the salaries of the officers from time to time and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a director of the Authority. Each officer shall also be entitled to his or her necessary expenses, including traveling expenses, incurred in the discharge of his or her duties.
- (f) **New Members.** The Board of Directors may approve other jurisdictions to join the multijurisdictional housing authority and redefine the Authority's boundaries to include the jurisdiction through a vote, with at least two thirds (66.67%) of the Board membership voting in approval and approval by the governing body of the prospective new member party and each then-existing party. Notwithstanding the foregoing, any new member joining the Authority shall be a governmental entity that either shares a boundary with Chaffee County or is wholly situated within Chaffee County. The sitting Board will dictate the opting-in jurisdiction's financial contribution to the Authority, based on the same formula that establishes the current Authority's Party's own contribution, and will require a resolution to be passed by the incoming jurisdictions governing body prior to entertaining such requests. If a new member joins the Authority, subject to the membership requirements herein, said new member will be represented by two Board members. The addition of any new member shall correspondingly increase the total number of Board members by two members.
- (g) **Conflict of Interest.** No member of the Board and no any immediate member of the family of any such member shall acquire or have any interest, direct or indirect, in (a) any property or project acquired, held, leased or sold by the Authority; or (b) any entity with whom the Authority has contracted with to plan, finance, construct, reconstruct, repair, maintain, manage or operate any property, project or program related to the Authority. If any Board member has such an interest, whether direct or indirect, he or she shall immediately disclose the same in writing to the Board, and such disclosures shall be entered upon the minutes of the Board. Upon such disclosure, such Board member shall not participate in any action by the Board affecting the project, property, or contract unless the Board determines that, in light of such personal interest, the participation of such member in any such act would not be contrary to the public interest, the affected member shall not vote in the Board's determination of a conflict of interest.

ARTICLE V

Source of Revenue

- (a) **Sources of Revenue.** The possible sources of revenue for the Authority may include, but are not limited to, the following:
1. federal, state, local and private grants;
 2. fees associated with property management and/or deed restriction management;
 3. interest on interest-bearing accounts;
 4. proprietary revenue of the parties in accordance with this Agreement;

5. sales and/or use taxes levied in accordance with this Agreement and other applicable law;
 6. ad valorem taxes levied in accordance with this Agreement and other applicable law;
 7. private donations;
 8. development impact fees imposed in accordance with this Agreement and other applicable law; and
 9. revenue or general obligation bonds issued in accordance with applicable law.
- (b) Prerequisites for All Tax Levies and Impact Fees. The Authority shall not establish or increase any tax unless first submitted to a vote of the registered electors of the Authority in which the tax is proposed to be collected. Moreover, prior to levying any tax on any property within the boundaries of the Authority, the Board of Directors shall:
1. Adopt a resolution determining that the levying of such taxes will fairly distribute the costs of the Authority's activities among the persons and businesses benefited thereby and will not impose an undue burden on any particular group of persons or businesses; and
 2. Obtain the prior written consent of the governing party or parties having jurisdiction over the property on which the taxes are proposed to be levied or imposed.
- (c) Sales and Use Taxes. Any sales or use tax imposed or levied by the Authority on any transactions within the boundaries of the Authority shall not exceed the rate of one percent. Prior to levying any sales or use tax, the Authority shall designate the Treasurer who shall coordinate with the Colorado Department of Revenue regarding the collection, administration, and enforcement of any sales and use tax to be levied in the manner established by C.R.S. § 29-1-204.5, as it may be amended from time to time, and by other applicable law. The Authority shall apply the proceeds of all sales or use taxes solely towards the purposes, functions, or services authorized by this Agreement.
- (d) Ad Valorem Taxes. The Authority may levy an ad valorem tax on all properties within the Authority's boundaries of the Authority at a rate not to exceed five mills on each dollar of valuation for assessment of the taxable property within such boundaries. To levy an ad valorem tax, the Board shall certify to the Chaffee County Board of County Commissioners the levy of ad valorem property taxes in accordance with the schedule prescribed by C.R.S. § 39-5-128, as it may be amended from time to time. Thereafter, Chaffee County shall levy and collect the ad valorem taxes in the manner prescribed by law. All taxes levied under this Section, together with interest thereon and penalties for default in payment thereof, and all costs of collecting them shall constitute, until paid, a perpetual lien on and against the property taxed, and such lien shall be on a parity with the tax lien of other general taxes.
- (e) Development Impact Fees. The Authority shall not impose a development impact fee unless it also imposes a sales or use tax or an ad valorem tax pursuant to this agreement, or both and in the manner established by C.R.S. § 29-1-204.5, as it may be amended from time to time. No development impact fee imposed by the Authority shall be

imposed on the development, construction or permitting of low- or moderate-income housing or affordable employee housing. No impact fee shall be imposed by the authority without the prior written consent of the governing party or parties having jurisdiction over the property on which the impact fees are imposed. Any development impact fee imposed by the Authority shall not exceed the rate of two dollars (\$2.00) per square foot of gross floor area of any building constructed thereon.

- (f) Other Sources of Revenue. The parties may make monetary and in-kind contributions to the Authority. The parties shall enter into a Funding Agreement which shall provide, at a minimum, funding for the Authority for the first three (3) full calendar years after the appointment of the Board. The parties acknowledge that such funding may not be adequate to completely fund the Authority for such years. Funding from each party shall be subject to annual availability and appropriation by the governing body of each jurisdiction.

In addition to the foregoing, the parties may, from time to time, pay the Authority with proprietary revenues or other public funds for services rendered or facilities provided by the Authority, as contributions to defray the cost of any purpose set forth in this Agreement, and/or as advances for any purpose subject to repayment by the Authority.

ARTICLE VI

Powers and Functions

- (a) Powers. The general powers of the Authority include the following:

The use of any power and responsibility listed below shall be at the discretion of the Board of Directors.

1. 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;
2. To plan, finance, acquire, construct, reconstruct, manage and operate housing programs for employees of employers located within the jurisdiction of the Authority;
3. To make and enter into contracts with any person, including, without limitation, contracts with state or federal agencies, private enterprises, and nonprofit organizations;
4. To employ agents and employees;
5. To cooperate with state and federal governments concerning the financing of housing projects and programs;
6. To acquire, hold, lease, (as lessor or lessee), sell, or otherwise dispose of any real or personal property, commodity, or service;
7. 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;

8. 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, as more fully described in Article V(c) of this Agreement.
9. 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, as more fully described in Article V(d) of this Agreement.
10. To incur debts, liabilities, or obligations;
11. To sue and be sued in its own name;
12. To have and use a corporate seal;
13. To fix, maintain, and revise fees, rents, security deposits, and charges for functions, services, or facilities provided by the Authority;
14. To adopt, by resolution, bylaws or regulations respecting the exercise of its powers and the carrying out of its purposes;
15. To exercise any other powers that are essential to the provision of functions, services, or facilities by the Authority and that are specified in this Agreement;
16. To perform any act and things authorized by C.R.S. § 29-1-204.5, as may be amended from time to time, under, through, or by means of an agent or by contracts with any person, firm, or corporation;
17. To issue revenue or general obligation bonds according to state law;
18. 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 as more fully described in Article V(e) of this Agreement. 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, as may be amended from time to time, and by this section on the same terms as and subject to the same conditions provided in C.R.S. § 43-4-605, as may be amended from time to time.
19. 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.

(b) Functions. The functions, duties, and emphasis for the Housing Authority as listed herein do not necessarily constitute a complete list; the Board of Directors may choose to

work in other functional areas supportive of affordable and workforce housing. Likewise, the list is not intended to suggest that all the functions should be a part of the initial strategic administrative plan for the Authority; the type and number of functions will depend upon the direction of the Board of Directors and the capacity of the Housing Authority to engage in particular areas of work.

1. Permanent staff/services, with some work to be contracted;
2. Provide homeownership and rental assistance programs;
3. Administer CDBG and HOME funding, if applicable;
4. Identify properties that can be developed or redeveloped for affordable and/or workforce housing;
5. Issue double tax-exempt bonds for affordable housing;
6. Create public/private partnerships, including but not limited to, assisting private developers and non-profits in packaging deals and group funding for a variety of resources;
7. Conduct housing habitability inspections for Rental Deposit Guarantee Program or other housing programs;
8. Facilitate education regarding Fair Housing Law and other regulations;
9. Implement measures for privately held deed restricted properties, such as: qualifying buyers and renters for affordable units; marketing available properties; setting affordable prices for new and resale properties; setting up and implementing lottery process; answering inquiries about available affordable units; setting maximum initial and resale prices; and keeping a current list of available properties and who to contact.

Article VIII

Status as a Separate Entity and Political Subdivision

The Authority shall be a political subdivision and a public corporation of the state, a governmental authority separate from the parties to the Agreement, and shall be a validly created and existing political subdivision and public corporation of the state, irrespective of whether a party withdraws (whether voluntarily, by operation of law, or otherwise) from such Authority subsequent to its creation under circumstances not resulting in the recession or termination of this Agreement, the Agreement establishing such Authority pursuant to its terms. It shall have the duties, privileges, immunities, rights, liabilities, and disabilities of a public body politic and corporate. The Authority may deposit and invest its moneys in the manner provided in C.R.S. §43-4-616. The bonds, notes and other obligations of the Authority shall not be the debts, liabilities or obligations of the contracting member governmental parties.

ARTICLE IX

Insurance

The Authority shall purchase and maintain at all times an adequate policy of public entity liability insurance, which insurance shall at the minimum provide the amount of coverage described in C.R.S. § 24-10-115(1), including errors and omissions coverage. The Authority may purchase such additional insurance as the Board deems prudent but in the event the Authority hires employees the Authority shall secure and maintain, Workers' Compensation Insurance and Unemployment Insurance as required by applicable law and automobile liability insurance that meets the requirements of C.R.S. § 24-10-115(1). The Authority's employees acting within the scope of their employment shall be indemnified pursuant to C.R.S. § 24-10-110

ARTICLE X

Provisions

- (a) Term. This Agreement shall continue in full force and effect until terminated in accordance with the provisions of subparagraph (c), below.
- (b) Amendment. This Agreement may be modified or amended only by action of the respective governing bodies of all Member Jurisdictions.
- (c) Termination. This Agreement may be rescinded or terminated by the approval of two thirds (66.67%) of the full Board. In the event of the rescission or termination of this Agreement and the dissolution of the Authority, all right, title, and interest of the Authority in General Assets (as hereinafter defined) of the Authority shall be conveyed to the Members who are such at the time of rescission or termination, as tenant-in-common subject to any outstanding liens, mortgages, or other pledges of such General Assets. The interest in the General Assets of the Authority conveyed to each Member shall be that proportion with the total dollar amount paid or contributed by such Member to the Authority for all purposes during the life of the Authority by all such Members during the life of the Authority. The term "General Asset" as used herein shall include all legal and equitable interests in real or personal property, tangible or intangible, of the Authority. Notwithstanding the foregoing, the right of the Board or the parties to terminate this Agreement shall be abrogated if the Authority has bonds, notes or other obligations outstanding at the time of the proposed termination unless provision for full payment of the same has been made by escrow or otherwise.
- (d) Withdrawal. Any Member may withdraw from the Authority, with the written consent and approval of the Member's governing body and with at least two thirds (66.67%) of the Board membership voting in approval, as of the end of any calendar year by giving written notice to the Authority at least 90 days prior to the end of such calendar year, provided that such withdrawing Member shall pay all of its obligations hereunder or any effective funding agreement to the effective date of its withdrawal. If a party withdraws from the Authority, the said party will lose its representation on the Board and that the total number of Board members shall decrease by the number of the party's Board

members. Within 90 days of a party withdrawing, the remaining parties shall review this Agreement, the Funding Agreement and all pertinent agreement between the parties concerning the Authority and re-negotiate, redraft or amend the agreements as necessary to continue the duties and obligations of the Authority.

- (e) Funding Appropriated. Notwithstanding any other term or condition of this Agreement, it is expressly understood and agreed that the obligation of any party for all or any part of the payment obligations herein or effective funding agreement,, whether direct or contingent, shall only extend to payment of monies duly and lawfully appropriated for the purpose of this Agreement by each party's respective governing body. Each party hereby represents to the other that all monies necessary to pay that party's obligations set out herein or effective funding agreement for the project as of the date of execution of this contract have been legally appropriated for the purpose of this Agreement.
- (f) Applicable Law. This Agreement shall be interpreted pursuant to the laws of the State of Colorado. The parties agree to comply with all applicable federal, state, and local statutes, charter provisions, ordinances, rules, regulations, and standards as are in effect at the time this agreement is executed.
- (g) Severability. Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective; provided, however, the parties shall forthwith enter into good faith negotiations and proceed with due diligence to draft a term that will achieve the original intent of the parties hereunder.
- (h) Venue. Venue for any litigation arising out of any dispute hereunder shall be in the Chaffee County District Court, State of Colorado.
- (i) Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the parties only and are not intended to combine, limit, or describe the scope or intent of any provision of this Agreement.
- (j) No Waiver of Governmental Immunity Act. The parties hereto understand and agree that all parties, their commissioners, mayors, city councils, agents, and employees are relying on, and do not waive or intend to waive by any provision in this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 to 120, C.R.S., or otherwise available to that party.
- (k) Entire Agreement. This Agreement constitutes the entire Agreement of the parties hereto. The parties agree there have been no representations made other than those contained herein; that this Agreement constitutes their entire Agreement; and further

agree that the various promises and covenants contained herein are mutually agreed upon and are in consideration for one another.

- (l) No Third-Party Beneficiaries. 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.
- (m) 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.
- (n) Interpretation. Subject only to the express limitation set forth herein, this Agreement shall be liberally construed (a) to permit the Authority and the parties to exercise all powers that may be exercised by a multijurisdictional housing authority pursuant to Colorado law; (b) to permit the parties hereto to exercise all powers that may be exercised by them with respect to the subject matter of this Agreement and applicable law; and (c) to permit the Board of Directors to exercise all powers that may be exercised by the board of directors of a multijurisdictional housing authority pursuant to Colorado law and by the governing body of a separate legal entity created by contract among the parties pursuant to C.R.S. § 29-1-203.

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

CHAFFEE COUNTY, STATE OF COLORADO

[INSERT SIGNATURE BLOCKS HERE]

Exhibit A

The boundaries of the Authority shall not include the area incorporated within the Salida Housing Authority, as shown below.

