

RESOLUTION APPROVING ASSISTANCE TO COMMERCE CITY LEASED HOUSING ASSOCIATES I, LLLP FOR THE CONSTRUCTION OF AN AFFORDABLE HOUSING PROJECT

NO. 2017-39

WHEREAS, the City Council of the City of Commerce City (“City Council”) has identified a goal to “develop a balanced and vibrant economy to improve socioeconomic status” and has specifically identified a work plan objective to increase affordable housing within the City of Commerce City (“City”) by 200 units in 2017;

WHEREAS, Commerce City Leased Housing Associates I, LLLP (“Commerce City Leased Housing Associates”) has proposed to construct in the City an affordable residential housing development at East 104th Avenue and Sable Boulevard to be known as North Range Crossings, consisting of a 216-unit apartment complex (“Development”);

WHEREAS, the Development will serve the Council’s goals, create much needed affordable housing in the City, create employment opportunities in the City, and support the further development of needed commercial and other development in the City;

WHEREAS, the Commerce City Housing Authority (“Housing Authority”) is a special limited partner of Commerce City Leased Housing Associates;

WHEREAS, due to a drastic reduction in tax credit pricing, rising interest rates, higher material costs, and higher debt service costs has jeopardized the Development and resulted in an unanticipated financing gap of estimated to be \$1,508,524;

WHEREAS, the City Council has reviewed a request for assistance for the Development by the Housing Authority and the general partner of Commerce City Leased Housing Associates and considered a presentation by City staff;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE CITY, COLORADO AS FOLLOWS:

1. The City Council finds that granting the assistance to support the Development as outlined in this resolution, subject to conditions to be established by an Assistance Agreement consistent with this resolution and applicable law, will serve a public purpose and public need and be in the public interest.

2. The City Manager is authorized to rebate to Commerce City Leased Housing Associates the following amounts as assistance for the construction of the Development:

- a. **One-hundred percent (100%)** of the City’s non-dedicated sales and use taxes (at the 3.5% rate) payable and remitted to the City by a reasonable deadline as established in the Assistance Agreement in connection with the construction of the Development; and
- b. **One-hundred percent (100%)** of the building permit fees and building plan review fees payable and remitted to the City by a reasonable deadline as established in the Assistance Agreement in connection with the construction of the Development;

Such assistance shall apply whether the taxes and fees are paid to the City directly by Commerce City Leased Housing Associates through its vendors or contractors, but shall not apply to any future improvements. Assistance shall be limited to building permit fees, building plan review fees, and sales and use taxes (at the 3.5% rate) paid in connection with the construction of the Development. No other fees or amounts will be subject to any assistance.

3. The City Manager is authorized to negotiate and execute an Assistance Agreement with the Commerce City Leased Housing Associates consistent with this resolution and applicable law to establish any additional conditions deemed necessary and in the City's best interests, which conditions shall govern and be conditions to the payment of any assistance. Nothing in this resolution shall be construed to obligate the City to provide any assistance except as provided in an Assistance Agreement in a form acceptable to the City Manager and approved as to form by the City Attorney.

4. The City's obligation to pay any assistance is subject to all commitments to pay any City bonds and any restrictions in such bonds. Nothing in this resolution or any Assistance Agreement shall be construed to create a multiple fiscal year debt or financial obligations to pay the assistance or reimburse taxes to any person or entity without prior City-wide voter approval. Any assistance payable in accordance with this resolution shall be subject annual appropriations that are a legislative decision of the City Council for the City. All assistance provided to Businesses shall be conditioned on verification of the City sales and/or use tax and fee payments received by the City.

RESOLVED AND PASSED THIS 3RD DAY OF APRIL 2017.

CITY OF COMMERCE CITY

Sean Ford, Mayor

ATTEST:

Laura J. Bauer, MMC, City Clerk