



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: June 7, 2022

AGENDA TITLE

Consideration of a motion to adopt Resolution 1307 providing authority to the city manager to enter into and execute a contract for loan guarantee assistance with the U.S. Department of Housing and Urban Development for use in the development of affordable housing, and, associated with said contract, authorize the issuance of a Variable/Fixed Rate Note in the maximum commitment amount of \$4,000,000, and authorizing the city manager to sign all other documents necessary to secure the loan guarantee assistance.

PRESENTERS

Nuria Rivera-Vandermyde, City Manager
Kurt Firnhaber, Director, Housing & Human Services
Jay Sugnet, Senior Manager, Housing & Human Services

EXECUTIVE SUMMARY

The purpose of this item is for City Council to authorize the city manager to execute a loan from the Department of Housing and Urban Development (HUD) to assist the city in the construction of the Affordable Housing Modular Factory (Factory) proposed through a partnership with the City of Boulder, Boulder Valley School District, and Flatirons Habitat for Humanity.

On September 1, 2021, HUD, under Section 108 of the Housing and Community Development Act of 1974, agreed to help finance construction of the Factory at a low interest rate. The terms of the loan allow the city to repay the loan over the next decade using Community Development Block Grant (CDBG) annual allocations. The loan

funding will be combined with local affordable housing funds, a state grant, and additional funding from a private foundation to construct and operate the Factory.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt Resolution 1307 providing authority to the city manager to enter into and execute a contract for loan guarantee assistance with the U.S. Department of Housing and Urban Development for use in the development of affordable housing, and, associated with said contract, authorize the issuance of a Variable/Fixed Rate Note in the maximum commitment amount of \$4,000,000, and authorizing the city manager to sign all other documents necessary to secure the loan guarantee assistance.

ATTACHMENTS

A – Resolution 1307

RESOLUTION 1307

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AND EXECUTE A CONTRACT FOR LOAN GUARRANTEE ASSISTANCE WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR USE IN THE DEVELOPMENT OF AFFORDABLE HOUSING; AUTHORIZING THE ISSUANCE OF A VARIABLE/FIXED RATE NOTE IN THE MAXIMUM COMMITMENT AMOUNT OF \$4,000,000; AND AUTHORIZING THE CITY MANAGER TO SIGN ALL OTHER DOCUMENTS NECESSARY TO SECURE THE LOAN GUARANTEE ASSISTANCE.

THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, FINDS AND RECITES THAT:

- A. Boulder County is in a housing crisis resulting in home prices that are unaffordable;
- B. Ponderosa Mobile Home Park, established in 1957, has long offered an affordable housing opportunity to residents of Boulder County;
- C. The City of Boulder purchased Ponderosa Mobile Home Park and annexed the property into the City of Boulder, replaced and improved failing infrastructure, and desires to create permanently affordable homeownership opportunities for current and future residents;
- D. The city has partnered with Flatiron Habitat for Humanity to bring permanently affordable, fixed foundation homes to Ponderosa for interested households;
- E. Construction costs are high in Boulder and the loan guarantee assistance offered by HUD will allow the city to leverage its future Community Development Block Grant (CDBG) proceeds from the U.S. Department of Housing and Urban Development to build an off-site Affordable Housing Modular Factory to minimize the costs of construction;
- F. The Affordable Housing Modular Factory is a partnership between the city, Flatirons Habitat for Humanity, and the Boulder Valley School District. The purpose of the factory is to produce much needed affordable housing for valley residents and workers while providing workforce training for Boulder Valley School District students; and
- G. The loan guarantee assistance offered by HUD will help to leverage a state grant, a foundation grant, and local affordable housing funds to provide the necessary funding to construct and equip the Affordable Housing Modular Factory.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF BOULDER, COLORADO, THAT:**

The city manager is authorized to enter into and execute a contract for loan guarantee assistance with the U.S. Department of Housing and Urban Development for use in the development of affordable housing, and, associated with said contract, authorize the issuance of a Variable/Fixed Rate Note in the maximum commitment amount of \$4,000,000, and authorizing the city manager to sign all other documents necessary to secure the loan guarantee assistance.

ADOPTED this 7th day of June, 2022.

Aaron Brockett,
Mayor

ATTEST:

City Clerk