City of Arvada
Housing Authority Agenda
APRIL 17, 2023
SPECIAL MEETING

Councilmembers:
Marc Williams, Mayor
David Jones, Mayor Pro-Tem
Bob Fifer, At large
John Marriott, District 3
Randy Moorman, District 1
Lauren Simpson, District 2
Lisa Smith, At large

Staff Members Usually Present:
Lorie Gillis, City Manager
Linda Haley, Deputy City Manager
Don Wick, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Public Works
Sharon Israel, Director of Utilities
Ryan Stachelski, Dir. of Community & Economic Development
Bryan Archer, Director of Finance
Gabriella Bommer, Director of Human Resources
Rob Smetana, Manager of City Planning & Development
Rachael Kuroiwa, Director of Communications & Engagement
Kristen Rush, City Clerk

Info: 720-898-7550

CITY COUNCIL CHAMBERS
6:00 PM

I. Call to Order

II. Roll Call

III. Approval of Minutes of Special Meeting
   1. March 6, 2023 Arvada Housing Authority

IV. Public Comment

V. New Business
   1. R-HA-23-02, A Resolution Authorizing an Agreement By and Between the Arvada Housing Authority and Family Tree, Inc. for an Affordable Housing Development Grant in the Amount of $200,000.00 (Presenter: Carrie Espinosa)
   2. R-HA-23-03, A Resolution of the Arvada Housing Authority Declaring Its Intention to Apply to the Colorado Department of Local Affairs ("DOLA") for an Allocation of Private Activity Bond Cap from DOLA's Current Statewide Balance and to Issue or Otherwise Support the Issuuance of Private Activity Bonds, In the Aggregate Principal Amount of Not to Exceed $10,000,000, for the Purpose of Financing a Portion of the Costs of the Acquisition, Construction, and Equipping of an Approximately 260 Unit Affordable Housing Facility to Be Known as "Marshall Pointe Apartments" for the Benefit of the Inhabitants of the City of Arvada, Colorado (Presenter: Carrie Espinosa)

VI. Adjourn

SUMMARY OF THE MINUTES OF THE SPECIAL MEETING OF THE ARVADA HOUSING AUTHORITY HELD MARCH 6, 2023

I. CALL TO ORDER - by Chairman Marc Williams at 6:05 p.m.

II. ROLL CALL OF MEMBERS

Those present: Chairman Marc Williams; Vice Chair David Jones; Commissioner Bob Fifer, Commissioner John Marriott; Commissioner Randy Moorman; Commissioner Lauren Simpson; Commissioner Lisa Smith

Chairman Pro Tem Jones participated via Zoom.

Also present: Lorie Gillis, City Manager; Linda Haley, Deputy City Manager; Don Wick, Deputy City Manager; Rachel Morris, City Attorney; Carrie Espinoza, Housing and Homelessness Program Manager; Rachael Kuroiwa, Director of Communications & Engagement, and Kristen Rush, City Clerk

III. APPROVAL OF MINUTES – August 15, 2022

The minutes stand approved.

IV. PUBLIC COMMENT – none

V. REPORTS OF THE SECRETARY - none

VI. REPORTS OF COMMITTEES – none

VII. UNFINISHED BUSINESS – none

VIII. NEW BUSINESS

1. R-HA-23-01 A Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP

Carrie Espinosa, Secretary for the Arvada Housing Authority, reviewed this resolution with the commission.

Commissioner Marriott moved that R-HA-23-01, A Resolution Authorizing the Arvada Housing Authority to Enter Into a Special Limited Partnership Agreement with Arvada Senior Housing, LP, be approved.

The following votes were cast on the Motion:
Those voting Yes: Williams, Jones, Fifer, Marriott, Moorman, Simpson, Smith
The motion was Approved.

IX. ADJOURN at 6:15 p.m.

____

Marc Williams, Chairman

____

Carrie Espinosa, Secretary, Housing Authority

REPORT TO HOUSING AUTHORITY

AGENDA ITEM V.1.

TO: THE HONORABLE CITY COUNCIL DATE: April 17, 2023

SUBJECT: R-HA-23-02, A Resolution Authorizing an Agreement By and Between the Arvada Housing Authority and Family Tree, Inc. for an Affordable Housing Development Grant in the Amount of $200,000.00 (Presenter: Carrie Espinosa)

Report in Brief

Presenter: Carrie Espinosa

Family Tree is developing an 85 unit affordable housing development located at 5549 Marshall Street, Arvada, Colorado. Family Tree needs $200,000.00 in gap funding assistance in order to complete the development.

The Arvada team recommends that the City Council approve R-HA-23-02, A Resolution Authorizing an Agreement By and Between the Arvada Housing Authority and Family Tree, Inc. for an Affordable Housing Development Grant in the Amount of $200,000.00.

Financial Impact

The financial impact on the Arvada Housing Authority is $200,000. The Housing Authority will use amounts received from the Housing Authority's .01% ownership interest as a Special Limited Partner with Castlegate Apartments as the source of payment.

Background

Family Tree's Marshall Homes is a proposed 85-unit affordable housing project located at 5549 Marshall Street, Arvada, Colorado. This project proposes a unit mix of 70 one-bedroom units and 15 two-bedroom units. All 85 units will be offered to extremely low-income households at the 30% area median income through a partnership of the Colorado Division of Housing, Foothills Regional Housing, and the Arvada Housing Authority for housing vouchers. All residents of the property will be eligible for on-site supportive services offered by Family Tree.

Family Tree was awarded low-income housing tax credits (LIHTC) in November 2022. To demonstrate support for Family Tree's application for tax credits, the Arvada Housing Authority offered to provide $200,000 in gap funding. The Arvada Housing Authority will use amounts received from the Housing Authority's .01% ownership interest as a Special Limited Partner with Castlegate Apartments as the source of payment.

Discussion

The 2020 City of Arvada Housing Needs Assessment identified the following three top housing needs:
1) Additional affordable rentals (or rental assistance) specifically for residents earning less than $35,000
2) Starter homes and family homes priced near or below $300,000
3) Increased diversity in housing stock with a focus on "missing middle" ownership options and product types attractive to aging seniors.

Family Tree's Marshall Homes project will provide 85 units of permanent supportive housing in Arvada and address the number one need identified in the Arvada Housing Needs Assessment.

Public Contact

Posting of the City Council agenda.

Commission Recommendation

N/A

Strategic Alignment

The recommended action aligns with the following City Council Strategic Result-
Improves access to quality housing that is affordable to a broad range of income levels and provides resources, housing, and neighborhood assistance services to Arvada residents, neighborhoods, property owners, and stakeholders.

Alternative Courses of Action

N/A

Recommendation for Action

The Arvada team recommends that the City Council approve R-HA-23-02, A Resolution Authorizing an Agreement By and Between the Arvada Housing Authority and Family Tree, Inc. for an Affordable Housing Development Grant in the Amount of $200,000.00.

Suggested Motion:

I move that R-HA-23-02, A Resolution Authorizing an Agreement By and Between the Arvada Housing Authority and Family Tree, Inc. for an Affordable Housing Development Grant in the Amount of $200,000.00, be (approved) (rejected).

Prepared by:
Carrie Espinosa, Manager of Housing Preservation and Resources

Reviewed by:

Approved by:

Carrie Espinosa, Manager of Housing Preservation and Resources	3/27/2023
Ryan Stachelski, Director of Community and Economic Development	3/28/2023
Bryan Archer, Director of Finance	3/28/2023
Gail Walker, Legal Specialist-Contracts	3/28/2023
Kylie Justus, Assistant City Attorney	3/28/2023
Rachel Morris, City Attorney	4/4/2023
Linda Haley, Deputy City Manager	4/4/2023
Lorie Gillis, City Manager	4/5/2023

Enclosure, exhibits & attachments required to support the report

RESOLUTION NO. R-HA-23-02

A RESOLUTION AUTHORIZING AN AGREEMENT BY AND BETWEEN THE ARVADA HOUSING AUTHORITY AND FAMILY TREE, INC. FOR AN AFFORDABLE HOUSING DEVELOPMENT GRANT IN THE AMOUNT OF $200,000.00

WHEREAS, the Arvada Housing Authority (the "Authority") is committed to increasing and preserving affordable housing within Arvada in order to provide adequate and obtainable housing for its residents; and

WHEREAS, Family Tree is developing an 85 unit affordable housing development located at 5549 Marshall Street, Arvada, Colorado 80002 (the "Development"); and

WHEREAS, Family Tree needs $200,000.00 in gap funding assistance in order to complete the Development; and

WHEREAS, the Authority desires to support Family Tree's Development by granting Family Tree the $200,000.00 in gap funding.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARVADA, COLORADO:

Section 1. The Mayor or Mayor Pro Tem is authorized to sign and the City Clerk to attest, in form approved by the City Attorney, the Agreement by and between the Arvada Housing Authority and Family Tree, Inc. for an affordable housing development grant in the amount of $200,000.00, which is in substantially the same form as that attached hereto.

Section 2. This resolution shall be effective upon its approval by the City Council.

APPROVED AND ADOPTED this 17th day of April, 2023.

____
Marc Williams, Mayor

ATTEST:

____
City Clerk

APPROVED AS TO FORM:

Rachel A. Morris, City Attorney

By: ____________________________________

AN AGREEMENT BY AND BETWEEN THE ARVADA HOUSING AUTHORITY AND FAMILY TREE, INC. FOR AN AFFORDABLE HOUSING DEVELOPMENT GRANT IN THE AMOUNT OF $200,000.00

1.0 PARTIES. The Parties to this Agreement for an Affordable Housing Development Grant in the amount of $200,000.00 ("Agreement") are the Arvada Housing Authority, 8101 Ralston Road, Arvada, Colorado, 80002 (the "Authority"), and Family Tree, Inc., 3805 Marshall Street, Wheat Ridge, Colorado 80033 ("Grantee"), individually referred to as "Party," collectively as the "Parties."

2.0 RECITALS AND PURPOSE.

2.1 Grantee is developing an 85 unit affordable housing development located at 5549 Marshall Street, Arvada, Colorado 80002 (the "Development").

2.2 Grantee needs $200,000.00 in gap funding assistance in order to complete the Development.

2.3 The Authority seeks to increase the number of affordable housing units within the City in order to provide adequate and obtainable housing for its residents.

2.4 The Authority agrees to grant $200,000.00 to Grantee to aid in the Development under the terms and conditions set forth in this Agreement ("Grant").

NOW, THEREFORE, the Parties agree as follows:

3.0 CONTRACT DOCUMENTS AND EXHIBITS. The Contract Documents shall consist of this Agreement together with the following:

Exhibit A: City of Arvada's Letter of Support

Exhibit B: Grantee's Development Renderings

All exhibits referred to in this Agreement are attached hereto and are, by reference, incorporated herein for all purposes. In the event any matter, term, provision, or condition that is the subject of this Agreement requires clarification or is in dispute, or is the subject of a difference of opinion, the purpose and intent of the Agreement shall be first ascertained by reference to the Contract Documents in their entirety. If Grantee needs further clarification, Grantee shall procure written instructions from the Authority in writing prior to proceeding.

4.0 SCOPE OF SERVICES. The Authority supports the Development for the reasons described in **Exhibit A**. Understanding that the Authority makes the Grant in order to increase affordable housing, Grantee shall use the Grant provided by the Authority to aid in the Development as depicted in **Exhibit B**. The 85 units of the Development shall be made available to residents at 30% or less of the Area Median Income ("AMI") as determined by the United States Department of Housing and Urban Development ("HUD"). The Development must remain affordable as described in the previous sentence for a period of at least 15 years.

5.0 PERIOD OF PERFORMANCE.

5.1 This Agreement will become effective and binding on all Parties upon the Grantee and the Authority's written executions of the Agreement.

5.2 Grantee shall have until December 31, 2028, to complete the Development and expend all Grant funds. Grantee agrees the Development shall remain affordable and this Agreement shall remain in effect until December 31, 2038, unless otherwise agreed to in writing by the Parties, the Authority's termination for cause, or either Party's termination for convenience.

6.0 GRANT AMOUNT AND DISBURSEMENT.

6.1 The Authority will provide to Grantee the Grant in an amount of $200,000.00 within 30 days of execution of this Agreement.

6.2 In no event will the Authority be liable for or pay any extra costs, overruns, or additional amounts in excess of the one-time Grant.

7.0 TERMS AND CONDITIONS.

7.1 Grantee must adhere to the Scope of Services, as set forth in **Sec. 4.0** above and as set forth in **Exhibits A** and **B** to the fullest practicable extent, but is not precluded from making minor changes to the Development as may be necessary in Grantee's discretion, provided the total amount to be paid by the Authority does not change and the Development remains affordable as described in **Sec. 4.0**.

7.2 Grantee agrees that it owns the land on which the Development will be built in fee simple, subject to any existing, recorded easements, and promises and agrees it will have the right to sell, lease or contribute the land for the Development at its discretion.

7.3 Grantee agrees to report to the Authority how it used the Grant funds within 90 days of the Grant fund expenditure.

7.4 Grantee agrees to adhere to the following timeline for performance measures. If Grantee is not able to meet a performance measure outlined in the timeline below, Grantee will immediately inform the Authority of its need for an extension. The Authority will not unreasonably deny a request for an extension. If the Authority reasonably denies an extension, the Authority may elect to terminate the Agreement for cause, as set forth in **Sec. 22.1.**

TIMELINE FOR PERFORMANCE MEASURES	
Performance Measure	**Date to be completed by:**
Approval of the Conditional Use Permit	December 31, 2024
Submission of Application for Entitlements	December 31, 2025

Receipt of Proposed Financing Structure, which may include Low Income Housing Tax Credits from Colorado Housing and Finance Authority or other governmental entity	December 31, 2025
Construction Completion	December 31, 2028
Property remains affordable (available to residents at 30% AMI or less)	December 31, 2038

8.0 **INDEPENDENT CONTRACTOR.** In the performance of this Agreement, Grantee is and will be considered as an independent contractor in all respects. Grantee will not be considered an officer, employee, agent, or servant of the City of Arvada or the Authority. As such, Grantee is not covered by any worker's compensation insurance or any other insurance maintained by the City of Arvada or the Authority, except as would apply to members of the general public. Grantee must not create any indebtedness on behalf of the City of Arvada or the Authority.

9.0 **AMENDMENTS.** Either Party to this Agreement may request amendments to this Agreement at any time, but no change shall be binding unless it is mutually agreed upon by the Parties to this Agreement or required to be made pursuant to or because of constitutionally permissible changes in federal, state, or local laws, rules or regulations under which the services are to be performed. All amendments must be in writing and authorized prior to any work being done thereon by an executed amendment to this Agreement.

10.0 **ASSIGNMENT.** This Agreement must not be assigned by Grantee without the prior written consent of the Authority.

11.0 **NOTICES.** Any notice required or permitted by this Agreement must be in writing and will be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the party to whom such notice is to be given at the address set forth on the signature page below, or at such other address as has been previously furnished in writing, to the other Party or Parties. Such notice will be deemed to have been given when deposited in the United States mail.

12.0 **DELAYS.** Any delays in or failure of performance by any Party or that Party's obligations under this Agreement will be excused if such delays or failure are a result of acts of God, fires, floods, strikes, labor disputes, accidents, regulations, or orders of civil or military authorities, shortages of labor or materials, or other causes, similar or dissimilar, which are beyond the control of such Party.

13.0 **INTEGRATION AND AMENDMENT.** This Agreement represents the entire agreement between the Parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the Parties.

14.0 BINDING EFFECT. This Agreement shall inure to the benefit of, and be binding upon the Parties, their respective legal representatives, successors, heirs, and assigns; provided, however, that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise expressly authorized herein.

15.0 INDEMNIFICATION. Grantee agrees to investigate, defend, indemnify, and hold harmless (including court costs and attorney fees, whether or not the claim or claims alleged are groundless, false, or fraudulent) the City of Arvada, the Authority, its officers, employees, and insurers, from and against all liability, claims and demands on account of any losses, injuries, and damages, including but not limited to, alleged personal injury claims and/or death claims, or property damage claims which arise out of or are caused by, or claimed to be caused by, the act, omission, negligence or other fault of Grantee, any employees of Grantee, any subcontractor, anyone directly or indirectly employed by any of them or anyone acting under Grantee's direction or control. Nothing herein is intended to constitute a covenant, promise, or agreement to indemnify and hold harmless the Authority and the City of Arvada from any liability or damages directly caused by or attributable to the Authority's own actions, obligations, or omissions, nor is anything herein intended to be nor may be construed as a waiver of the immunities, protections, or limitations on damages provided to the City of Arvada and the Authority by the Colorado Governmental Immunity Act, C.R.S.§§ 24-10-101 et seq., as it may from time to time be amended.

16.0 GOVERNING LAW AND VENUE. This Agreement shall be governed by the laws of the State of Colorado. In addition, the Parties herein agree that proper venue is in Jefferson County, Colorado.

17.0 NO THIRD PARTY BENEFICIARIES. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, are strictly reserved to the Authority and Grantee and nothing contained in this Agreement gives or allows any such claim or right of action by any other third party on such Agreement. It is the express intention of the Authority and Grantee that any person other than the Authority or Grantee receiving services or benefits under this Agreement be deemed to be an incidental beneficiary only.

18.0 SEVERABILITY. If any provisions of this Agreement, or the application thereof to any Party or circumstance, are held to be invalid, illegal, or unenforceable, all other provisions will remain effective provided that the material purpose underlying the Agreement remains valid. To this end, the provisions of the Agreement are declared to be severable.

19.0 GRANTOR RECOGNITION. Grantee shall ensure recognition of the role of the Authority in providing the Grant through this Agreement. All advertisements, notifications, publications, signs, brochures and other promotional or information material shall identify the program and/or project as being funded in part by Authority.

20.0 TERMINATION/DEFAULT.

20.1. Termination for Cause – If any condition, obligation, or duty is not timely made, tendered or performed by either Party, either Party may terminate this Agreement for cause. In the case the Authority elects to terminate this Agreement for cause, and if the Authority reasonably determines that the purpose for which the Grant was made cannot be accomplished, Grantee agrees to fully reimburse the Authority for the total $200,000.00 Grant within 90 days of receipt of the Notice of Termination for Cause. If the reimbursement of the Grant funds is not received within 90 days of the Notice of Termination for Cause, the Authority shall have the right to an action for specific performance or actual damages or both.

20.2. Termination for Convenience – this Agreement may be terminated for convenience, in whole or in part, as follows:

20.1.1. By the Authority with the consent of the Grantee. The two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated; or

20.1.2. By Grantee upon submitting written notification to the Authority. The written notification must set forth the reasons for the termination, the effective date, and in the case of partial termination, the portion to be terminated. However, in the case of a proposed partial termination, the Authority may terminate the Grant in its entirety if the Authority reasonably determines that the purpose for which the Grant was made cannot be accomplished. Grantee agrees to return all Grant funds in whole or in part, as applicable, if Grantee elects to terminate this Agreement for convenience.

21.0 WAIVER OF BREACH. A waiver by any party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either Party.

22.0 INSURANCE. Grantee shall either at its own expense or through a legal agreement to which it is a party, keep in full force and effect during the term of this Agreement, and during the term of any extension or amendment of this Agreement, insurance reasonably sufficient to insure against the liability assumed by Grantee pursuant to the provisions of this Agreement. The type and amount of such insurance shall be that which is customarily obtained for similar projects by other professionals engaged in the same field and type of work as Grantee and in accordance with generally-accepted professional practices. Grantee will not be relieved of any liability assumed by reason of Grantee's failure to secure insurance as required by this Agreement or by reason of Grantee's failure to secure insurance in sufficient amounts, sufficient durations, or sufficient types to cover such liability.

23.0 COMPLIANCE WITH LAWS. Grantee agrees to comply with all applicable Federal, State, and local laws, rules, and ordinances.

24.0 LICENSING AND PROGRAM STANDARDS. Grantee agrees to comply with all applicable Federal, State, County or Municipal standards for licensing, certification, and operation of facilities and programs, and accreditation and licensing of individuals, and any other standards or criteria as described in the Agreement to assure quality of services; and the Grantee agrees to obtain, at its own expense, all necessary licenses and permits. All references in this Agreement to federal, state or local laws, regulations or policies shall be deemed to refer to such laws, regulations, or policies as are in effect as of the date of this Agreement or as may hereafter be amended. In the event of an investigation pertaining to, or a suspension of any license or permit related to the services for which the Authority is providing funding under this Agreement, the Authority may terminate this Agreement and withhold all further funds, and may require the Grantee to remit to the Authority all (or a portion of) the funds theretofore received under this Agreement.

25.0 OPEN RECORD REQUESTS. The Authority and the City of Arvada are obligated to comply with the Colorado Open Records Act (C.R.S. §§24-72-200.1 *et seq.*)(CORA), which may require Arvada or the Authority to disclose all or a portion of communications relating to the Agreement, any transaction under the Agreement, and other related matters. Grantee has been advised to familiarize itself with CORA. Any confidentiality provisions in any contract documents are subject to the provisions of CORA.

26.0 TIME OF THE ESSENCE. Grantee acknowledges and agrees that time is of the essence for this Agreement and that it is an essential term of this Agreement that Grantee maintain a rate of progress in the Work that will result in completion of the affordable housing development in accordance with this Agreement. To that end, Grantee agrees to proceed with all due diligence to complete the Work in a timely manner in accordance with this Agreement, and further agrees that failure to complete any of the Project during the term of this Agreement, or as may be more specifically set forth in an attachment, exhibit, or modification, shall be deemed a breach.

27.0 BINDING AUTHORITY. Grantee represents and affirms that the signature page hereof accurately states the full legal name of Grantee (whether as a corporation, partnership, limited liability company, sole proprietorship, or other), contains all requisite signature(s) on behalf of Grantee, has been properly acknowledged by attestation, notary acknowledgment, or both, and in all other respects is effective to bind Grantee, in accordance with all applicable statutes, regulations, resolutions, rules, bylaws, agreements, or similar sources of authority or limitation.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of the most recent signatory.

DATED this ____________ day of ____________________________, 2023.

THE ARVADA HOUSING AUTHORITY

____
Marc Williams, Chairperson of the Arvada Housing Authority/Mayor of the City of Arvada
8101 Ralston Road
Arvada, CO 80002

ATTEST:

____

City Clerk

APPROVED AS TO FORM:

Rachel A. Morris, City Attorney

By: Kylie Justus

GRANTEE, Family Tree Inc.

Scott Shields
Scott Shields, Chief Executive Officer
sshields@thefamilytree.org

ATTEST:

Evelyn Johnson
Evelyn Johnson, Executive Assistant
ejohnson@thefamilytree.org.

EXHIBIT A

CITY OF ARVADA

ARVADA HOUSING AUTHORITY
FACSIMILE: 720-898-7490 ▲ TDD: 720-898-7869
PHONE: 720-898-7494

July 26, 2022

Mr. Scott Shields
Family Tree, Inc.
3805 Marshall St.
Wheat Ridge, CO 80033

RE: Family Tree Homes
5549 Marshall Street
Arvada, CO 80002

The Arvada Housing Authority would like to offer our very strong support for your proposal to develop Family Tree Homes, an 85-unit affordable housing project in Arvada utilizing low income housing tax credits. Affordable housing and homelessness are priority issues in Arvada. The Arvada Housing Authority is preparing to support this crucial project as follows:

- The Arvada Housing Authority is supportive of becoming a Special Limited Partner in the project for the sole purpose of providing property and sales tax exemptions.

- The Arvada Housing Authority will provide ten project-based Housing Choice Vouchers to this development.

- The Arvada Housing Authority will provide $200,000 as a financial contribution to assist in the development of this project.

All 85 units at Family Tree Homes would offer permanent supportive housing (PSH) opportunities to the most vulnerable members in our community. PSH is a proven solution to homelessness for the most vulnerable chronically homeless individuals as this intervention combines housing with case management and supportive services. According to the Jefferson County Comprehensive Homeless Count 2019, 62% of individuals experiencing homelessness in Jefferson County suffer from at least one disabling condition and 21% are chronically homeless. We know that the number of chronically homeless households in our community has increased significantly since 2019. Jefferson County has very little housing resources available to households in need of case management and supportive services and Family Tree Homes will help fill that gap in resources.

The City of Arvada 2020-2025 Strategic Plan adopted a strategic result to implement a toolkit of housing mix and style plans to improve access to quality housing affordable to a broad range of income levels. A balanced housing stock that offers housing options for each stage of life is critical in order to support the local economy and contribute to Arvada's community culture. To meet this strategic result, in 2019, the City of Arvada contracted with Root Policy Research to conduct a housing needs assessment and strategy. The study relied on both data analysis and community outreach to identify the City's top housing needs. It also reviewed the City's current housing-related resources and recommended policy strategies to address identified needs.

The housing assessment identified additional affordable rentals specifically for residents earning less than $35,000 as one of the top three housing needs in Arvada. Between 2010 and 2017 median rent in Arvada increased by 34 percent while the Arvada income increased by just 15 percent. The average rent in Arvada in 2019 was $1,584 which requires an annual income of nearly $64,000 to avoid being cost burdened. The 85 units at Family Tree Homes serving households at 30% AMI will address this need found in the housing assessment.

Related housing policies included in the current City of Arvada Comprehensive Plan provide:

- The City will strive to maintain and or provide a diversity of quality housing choices relative to cost, tenure, design, and type.

- The City will identify and use appropriate Federal, State, and other financing and administrative tools to retain and expand housing opportunities for low and moderate income persons. Such programs will seek to maintain or expand a diversity of housing choices by tenure, type, cost, and location.

Facilitating the creation of a wide range of appropriate, affordable housing is an essential ingredient in Arvada's success, which requires both retaining longtime residents and attracting new households who will invest in the City and carry it into the future. The Family Tree Homes project supports the City's mission for affordable housing and creates a lasting solution to homelessness.

Sincerely,

Marc Williams
Chairman, Arvada Housing Authority

Cc: Board of Commissioners, Arvada Housing Authority

Exhibit B

DocuSign Envelope ID: 81BCBA36-4A79-49CD-8EB3-A494DC739ED6

REPORT TO HOUSING AUTHORITY

AGENDA ITEM V.2.

TO: THE HONORABLE CITY COUNCIL DATE: April 17, 2023

SUBJECT: R-HA-23-03, A Resolution of the Arvada Housing Authority Declaring Its Intention to Apply to the Colorado Department of Local Affairs ("DOLA") for an Allocation of Private Activity Bond Cap from DOLA's Current Statewide Balance and to Issue or Otherwise Support the Issuuance of Private Activity Bonds, In the Aggregate Principal Amount of Not to Exceed $10,000,000, for the Purpose of Financing a Portion of the Costs of the Acquisition, Construction, and Equipping of an Approximately 260 Unit Affordable Housing Facility to Be Known as "Marshall Pointe Apartments" for the Benefit of the Inhabitants of the City of Arvada, Colorado (Presenter: Carrie Espinosa)

Report in Brief

Presenter: Carrie Espinosa

Lincoln Avenue Capital is requesting financial assistance from the Arvada Housing Authority in the form of Private Activity Bonds (PAB) to support its Marshall Pointe Apartments project located at 5190 Marshall Street. This project will add approximately 260 units of affordable housing to the Arvada community. The Colorado Department of Local Affairs (DOLA) is accepting applications for its statewide PAB pool and the deadline to apply is June 1, 2023. Lincoln Avenue Capital is requesting that the Arvada Housing Authority submit an application for PAB to DOLA.

The Arvada team recommends that the City Council approve R-HA-23-03, A Resolution of the Arvada Housing Authority Declaring Its Intention to Apply to the Colorado Department of Local Affairs ("DOLA") for an Allocation of Private Activity Bond Cap from DOLA's Current Statewide Balance and to Issue or Otherwise Support the Issuuance of Private Activity Bonds, In the Aggregate Principal Amount of Not to Exceed $10,000,000, for the Purpose of Financing a Portion of the Costs of the Acquisition, Construction, and Equipping of an Approximately 260 Unit Affordable Housing Facility to Be Known as "Marshall Pointe Apartments" for the Benefit of the Inhabitants of the City of Arvada, Colorado.

Financial Impact

There is no financial impact on the City or the Housing Authority.

Background

Marshall Pointe Apartments is a proposed 260-unit affordable housing project located on 4.36 acres at 5190 Marshall Street. This project proposes a unit mix of 149 one-bedroom units, 84 two-bedroom units, and 27 three-bedroom units. This project will offer both affordable and workforce housing with approximately 22 units with rents set for households with income levels at 30% area median income or less. The remaining units will be set at 60% area median income. Marshall Pointe Apartments will complement Family Tree's proposed permanent supportive housing site at 5549 Marshall Street.

The developer of Marshall Pointe Apartments, Lincoln Avenue Capital, will apply for low-income housing tax credits (LIHTC) to finance the project. As part of its LIHTC application, Lincoln Avenue Capital is in need of Private Activity Bonds (PAB). PABs are tax-exempt bonds that can be issued for specific purposes. Every year, the Colorado Department of Local Affairs (DOLA) offers an opportunity for local government and housing authorities to apply to its statewide PAB balance pool (essentially the remaining unassigned PAB). The deadline for applications is June 1, 2023. Lincoln Avenue Capital is requesting financial assistance from the Arvada Housing Authority in the form of PAB and has requested that the City compete for $10 million of PAB through DOLA's statewide balance pool.

Discussion

The 2020 City of Arvada Housing Needs Assessment identified the following top three housing needs:
1) Additional affordable rentals (or rental assistance) specifically for residents earning less than $35,000
2) Starter homes and family homes priced near or below $300,000
3) Increased diversity in housing stock with a focus on "missing middle" ownership options and product types attractive to aging seniors

Marshall Pointe Apartments will provide 260 units of much-needed affordable housing in Arvada and address the number one need identified in the Arvada Housing Needs Assessment.

Public Contact

Posting of the City Council agenda.

Commission Recommendation

N/A

Strategic Alignment

The recommended action aligns with the following City Council Strategic Result-
Improves access to quality housing that is affordable to a broad range of income levels and provides resources, housing, and neighborhood assistance services to Arvada residents, neighborhoods, property owners and stakeholders.

Alternative Courses of Action

N/A

Recommendation for Action

The Arvada team recommends that the City Council approve R-HA-23-03, A Resolution of the Arvada Housing Authority Declaring Its Intention to Apply to the Colorado Department of Local Affairs ("DOLA") for an Allocation of Private Activity Bond Cap from DOLA's Current Statewide Balance and to Issue or Otherwise Support the Issuuance of Private Activity Bonds, In the Aggregate Principal Amount of Not to Exceed $10,000,000, for the Purpose of Financing a Portion of the Costs of the Acquisition, Construction, and Equipping of an Approximately 260 Unit Affordable Housing Facility to Be Known as "Marshall Pointe Apartments" for the Benefit of the Inhabitants of the City of Arvada, Colorado.

Suggested Motion:

I move that R-HA-23-03, A Resolution of the Arvada Housing Authority Declaring Its Intention to Apply to the Colorado Department of Local Affairs ("DOLA") for an Allocation of Private Activity Bond Cap from DOLA's Current Statewide Balance and to Issue or Otherwise Support the Issuuance of Private Activity Bonds, In the Aggregate Principal Amount of Not to Exceed $10,000,000, for the Purpose of Financing a Portion of the Costs of the Acquisition, Construction, and Equipping of an Approximately 260 Unit Affordable Housing Facility to Be Known as "Marshall Pointe Apartments" for the Benefit of the Inhabitants of the City of Arvada, Colorado, be (approved) (rejected).

Prepared by:
Carrie Espinosa, Manager of Housing Preservation and Resources

Reviewed by:

Approved by:

Carrie Espinosa, Manager of Housing Preservation and Resources	3/27/2023
Ryan Stachelski, Director of Community and Economic Development	3/28/2023
Bryan Archer, Director of Finance	3/28/2023
Gail Walker, Legal Specialist-Contracts	3/29/2023
Kylie Justus, Assistant City Attorney	3/29/2023
Rachel Morris, City Attorney	4/4/2023
Linda Haley, Deputy City Manager	4/4/2023

Lorie Gillis, City Manager 4/5/2023

Enclosure, exhibits & attachments required to support the report

RESOLUTION NO. R-23-HA-03

A RESOLUTION OF THE ARVADA HOUSING AUTHORITY DECLARING ITS INTENTION TO APPLY TO THE COLORADO DEPARTMENT OF LOCAL AFFAIRS (“DOLA”) FOR AN ALLOCATION OF PRIVATE ACTIVITY BOND CAP FROM DOLA’S CURRENT STATEWIDE BALANCE AND TO ISSUE OR OTHERWISE SUPPORT THE ISSUANCE OF PRIVATE ACTIVITY BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $10,000,000, FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF AN APPROXIMATELY 260-UNIT AFFORDABLE HOUSING FACILITY TO BE KNOWN AS “MARSHALL POINTE APARTMENTS” FOR THE BENEFIT OF THE INHABITANTS OF THE CITY OF ARVADA, COLORADO.

WHEREAS, the Arvada Housing Authority, Colorado (the “Authority”), a public body corporate and politic of the State of Colorado, is authorized and empowered by the provisions of the Housing Authorities Law, Part 2 of Article 4, Title 29 of the Colorado Revised Statutes (the “Act”) and by the Supplemental Public Securities Act, Part 2 of Article 57 of Title 11 of the Colorado Revised Statutes (the “Supplemental Act”), as from time to time supplemented and amended, to issue its revenue bonds for the purpose of providing multifamily residential housing that substantially benefits persons of low income; and

WHEREAS, the Authority seeks to encourage the provision of housing for low-income persons residing in the City of Arvada (the “City”), Colorado (the “State”); and

WHEREAS, C.R.S. § 29-4-209(1)(o) provides that a housing authority may, among other things and subject to certain limitations, “borrow money upon its bonds, notes, debentures, or other evidences of indebtedness, and to secure the same by pledges of its revenues and . . . by mortgages upon property held or to be held by it, or in any other manner in connection with any loan, to agree to limitations upon its right to dispose of any project or part thereof, or to undertake additional projects”; and

WHEREAS, the Act and the Supplemental Act together provide that a housing authority may issue bonds, notes or other obligations to effectuate its purposes; and

WHEREAS, the Authority has determined that the Project (as defined below), including, but not limited to, all supporting public and private facilities, is deemed necessary for sound community development; and

WHEREAS, representatives of Lincoln Avenue Capital (“Lincoln”) have met with officials of the Authority, and have advised the Authority of its the interest, through an affiliated entity, in acquiring, constructing, and equipping an approximately 260-unit affordable multifamily rental housing project to be known as “Marshall Pointe Apartments” and expected to be located at 5190 Marshall Street, Arvada, Colorado (the “Project”); and

WHEREAS, the Authority anticipates that the Project will be owned by a special purpose entity tax credit partnership to be formed by Lincoln in which an affiliate of Lincoln will be the general partner (the “Borrower”); and

WHEREAS, the Authority has determined that the financing of the Project is necessary to preserve housing for persons of low income in the City; and

WHEREAS, the Authority has been advised that the financing of the Project will require an issuance of tax-exempt bonds in an amount not to exceed $10,000,000 (the “Bonds”); and

WHEREAS, the Authority intends to apply to DOLA for an allocation of private activity bond cap from DOLA’s current statewide balance in the amount of $10,000,000; and

WHEREAS, the Authority intends to issue or otherwise support the issuance of Bonds through a delegation of any private activity bond cap authority that it receives from DOLA to the Colorado Housing and Finance Authority (“CHFA”), or another issuing authority, to be used by CHFA (with other available private activity bond cap), or another issuing authority, to issue the Bonds to finance the Project; and

WHEREAS, the Authority expects the Bonds will constitute tax-exempt private activity bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, Treasury Regulations Section 1.103-8(a)(5) requires that, in order for expenditures for an exempt facility that are made before the issue date of bonds issued to provide financing for that facility to qualify for tax-exempt financing, the issuer must declare an official intent under Treasury Regulations Section 1.150-2 to reimburse any such expenditures from the proceeds of those bonds, and one of the purposes of this Resolution is to satisfy the requirements of such regulations; and

WHEREAS, the Authority expects that it or another issuing authority, including CHFA, will make a loan of the proceeds of the Bonds to a to-be-formed Colorado limited liability limited partnership or limited liability company (the “Borrower”), for the purpose of financing the Project, pursuant to such financing documents as may be necessary to carry out the transactions contemplated hereby; and

WHEREAS, the Board of Commissioners of the Authority deems it necessary and advisable and in the best interest of the Authority to apply for an allocation of private activity bond cap from DOLA and to issue or otherwise support the issuance of Bonds through a delegation of authority to CHFA to enable CHFA to issue the Bonds to finance the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE ARVADA HOUSING AUTHORITY AS FOLLOWS:

Section 1. To assist in the financing of the Project, with the public benefits resulting therefrom, the Authority declares its intention, subject to the conditions and terms set forth herein, to (a) apply to DOLA for an allocation of private activity bond cap from DOLA’s current statewide balance in the amount of $10,000,000 (or such other amount as shall be determined and agreed upon by the Borrower and the Authority to finance all or a portion of the cost of the Project), and (b) issue Bonds or support the issuance of Bonds through a delegation of authority to another issuing authority, including CHFA, using any private activity bond cap that the Authority receives from DOLA (with other available private activity bond cap) to issue the Bonds to finance the Project.

Section 2. The proceeds of the Bonds will be used to assist, directly or indirectly, in loaning the proceeds to the Borrower for the purpose of financing the Project, and may also be used to pay all or part of the costs incident to the authorization, issuance, and delivery of the Bonds.

Section 3. The Bonds will be payable from revenues derived as a result of the Project financed by the Bonds, and amounts received under the terms of any financing document or by reason of any additional security furnished by or on behalf of the issuer in connection with the financing of the Project.

Section 4. The Bonds shall never constitute the debt or indebtedness of the Authority, nor any multiple-fiscal year direct or indirect Authority debt or other financial obligation of the Authority whatsoever, within the meaning of any provision or limitation of the Constitution or statutes of the State of Colorado, and shall not constitute nor give rise to a pecuniary liability or financial obligation of the Authority, nor shall the Bonds ever be deemed to be an obligation of any officer, agent or employee of the Authority in such person's individual capacity, and no such person shall be subject to personal liability by reason of the issuance of the Bonds. The Bonds shall be special, limited obligations of the Authority (or other issuing authority) and payable solely from and secured by a pledge of revenues derived from and payable by the Borrower pursuant to certain financing documents with the Authority (or other issuing authority). No Board member, officer, official, employee or agent of the Authority shall be subject to any personal liability in connection with the Bonds or the provisions of this Resolution.

Section 5. The Executive Director of the Authority or the Executive Director's designee is authorized to approve and sign (via manual or electronic signature) an application to DOLA for an allocation of private activity bond cap from DOLA's current statewide balance in the amount of $10,000,000 (or such other amount as shall be determined and agreed upon by the Borrower and the Authority to finance all or a portion of the cost of the Project).

Section 6. For purposes of applicable Treasury Regulations, the Borrower is authorized to commence financing of the Project and advance such funds as may be necessary therefor, subject to reimbursement for all expenditures to the extent provided herein out of proceeds, if any, of the issuance of the Bonds authorized herein. However, the adoption of this Resolution does not constitute a guarantee that the Bonds will be issued or that the Project will be financed as described herein, or an endorsement of the Project by the Authority.

Section 7. It is intended that this Resolution shall constitute a declaration of official intent to reimburse expenditures for the Project made before the issue date of the Bonds from proceeds of the Bonds, for the purposes of Treasury Regulations §§ 1.103-8(a)(5) and 1.150-2.

Section 8. Unused volume cap of the Authority, plus any additional amounts assigned and transferred to the Authority by city, county and state-wide issuers, including the City of Arvada, and the Colorado Housing and Finance Authority, or from the Authority to other such issuing authorities, or made available to the Authority by any delegations of authority by city, county or state-wide issuers, or made available to other such issuing authorities by any delegation from the Authority, plus any amounts allocated or reallocated to the Authority or other issuing authorities from the Statewide Balance may be allocated by the Authority or other issuing authority to the Project for a carryforward purpose within the meaning of Section 24-32-1706(3)(c) of the

Colorado Private Activity Bond Ceiling Allocation Act, constituting Title 24, Article 32, Part 17, Colorado Revised Statutes, as from time to time supplemented and amended (the "Allocation Act"); provided, that the Executive Director and other officers of the Authority are each independently authorized to permit, in his or her discretion, an amount of volume cap to be relinquished to the statewide balance in order to facilitate a statewide balance award of such amount for the financing of commercial projects, if required, or for use by other issuers for any purpose and to make or accept assignments of volume cap to or from other issuers or delegate authority to or receive delegation from other issuers to issue bonds on behalf of the Authority or such delegating issuer, as applicable. The Executive Director and other officers of the Authority are each independently authorized and directed to file with the Department of Local Affairs under and pursuant to Sections 24-32-1709 and 24-32-1706(3)(c) of the Allocation Act, an application for Statewide Balance allocation for the Project on behalf of the Borrower and written notification of such carryforward allocation, if applicable. The Executive Director and other officers of the Authority are each independently to take all steps necessary or appropriate to assure full utilization by the Authority or other issuing authority of the volume cap hereby allocated to the Project, including, without limitation, the filing of a carryforward election under Section 146(f) of the Code.

<u>Section 9.</u> The Chairperson, Executive Director and other proper officials of the Authority are hereby authorized and directed to take or approve the taking of such actions as may be necessary or appropriate on its part in order to accomplish the purposes of this Resolution and to preserve the ability of the Authority to finance its capital expenditures in accordance with the federal tax regulations.

<u>Section 10</u>. The agreements of the Authority set forth above are expressly conditioned upon the ability and willingness of the Authority to issue, or assist in the issuance of, the Bonds as tax-exempt obligations under the Code. Nothing contained in this Resolution shall be construed as requiring the Authority to issue the Bonds and the decision to issue the Bonds shall be in the complete discretion of the Authority (or other issuing authority).

<u>Section 11</u>. If any section, paragraph, clause or provision of this Resolution, with the exception of any section, paragraph, clause or provision limiting the Authority's financial obligation, shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

<u>Section 12</u>. All resolutions or parts thereof concerning the subject matter hereof in conflict with this Resolution are hereby repealed to the extent of such conflict. This repealer shall not be construed to revive any resolution or part thereof, heretofore repealed.

<u>Section 13</u>. This Resolution to be in full force and effect from and after its passage and approval by the Authority.

APPROVED AND ADOPTED this 17th day of April, 2023.

____
Marc Williams, Chairperson

ATTEST:

____
City Clerk

APPROVED AS TO FORM:
Rachel A. Morris, City Attorney

By: ____________________________________

April 17, 2023

Colorado Department of Local Affairs
Office of Housing Finance and Sustainability
1313 Sherman Street
Denver, Colorado 80203

Attention: Mr. Wayne McClary

Re: Statewide Balance Application for Private Activity Bond Ceiling Allocation by the Arvada Housing Authority, Colorado for the Marshall Pointe Apartments Project

Ladies and Gentlemen:

Under Section 24-32-1709 of the Colorado Private Activity Bond Ceiling Allocation Act (the "Allocation Act"), the Arvada Housing Authority, Colorado (the "Authority"), as an "issuing authority" under the Allocation Act, has applied for an allocation of up to $10,000,000 of the State of Colorado's 2023 statewide balance on behalf of Lincoln Avenue Capital or an affiliated entity (the "Sponsor") to support the Marshall Pointe Apartments Project in Arvada, Colorado.

Pursuant to Section 24-32-1709(2) of the Allocation Act, the Authority hereby notifies the Department that the Authority has allocated such amount, up to $10,000,000, to a carryforward purpose described in the inducement resolution attached hereto, and that the Authority desires to treat such allocation as an allocation for a "carryforward purpose" as such term is defined in the Allocation Act.

Attached to this notification are the following:

1. Exhibit A containing the information required by Section 24-32-1709 of the Allocation Act with respect to the allocation.

2. Certified copy of the inducement resolution.

3. Preliminary bond counsel opinion required by Sections 24-32-1709(1)(g) and 24-32-1709(2)(d) of the Allocation Act with respect to the statewide balance application and carryforward allocation.

4. Certification of an official of the Authority and a representative of the Sponsor as to the issuance of bonds within the carryforward period pursuant to Section 24-32-1709(2)(d) of the Allocation Act.

Please advise us if you require any additional information with this notification.

Very truly yours,

ARVADA HOUSING AUTHORITY, COLORADO

By:________________________________
Name:______________________________
Title:______________________________

cc: Ben Taylor, Lincoln Avenue Capital
Cory Kalanick, Esq., Sherman & Howard L.L.C.

Attachments

EXHIBIT A

1. Issuing Authority: Arvada Housing Authority, Colorado

2. Address: 8101 Ralston Rd.,
Arvada, Colorado 80002

3. Issuing Authority official: Carrie Espinosa: Executive Director

4. Special counsel
to the Sponsor: Cory G. Kalanick, Esq.
Sherman & Howard L.L.C.
675 Fifteenth Street, Suite 2300
Denver, Colorado 80202
(Special counsel to the Sponsor; likely to serve as Bond Counsel)

5. Principal amount of bonds to be issued: To be determined, of which the Authority has applied for an allocation of $10,000,000 of the State of Colorado's 2023 statewide balance.

6. Project: The issuance of bonds to finance "qualified residential rental projects" as described in Section 142(a)(7) of the Internal Revenue Code of 1986, as amended, to support the acquisition, construction and equipping of the Marshall Pointe Apartments Project in Arvada, Colorado.

7. Initial owner, user or beneficiary of the Project: Lincoln Avenue Capital, or another affiliated entity (the Sponsor).

8. Classification of carryforward purpose: Issuing exempt facility loan bonds (Internal Revenue Code, Section 146(f)(5)(A)).

9. The information required by Section 146(f)(2) of the Code is set forth in paragraphs 6 and 8 above.

10. Additional information: The Authority, as an "issuing authority" under the Allocation Act, is submitting this statewide balance application on behalf of the Sponsor. The Authority hereby makes an election for a carryforward purpose in order to support the bonds for the Project expected to be issued in 2023. The Authority may delegate such volume cap to another issuing authority to support the Project.

DUE DILIGENCE CERTIFICATION

We, the undersigned, do hereby certify as of April 17, 2022, that we are, respectively, an authorized official of the Arvada Housing Authority, Colorado (the "Authority"), as the issuing authority responsible for the supervision of the issuance of the bonds, and an authorized representative of Lincoln Avenue Capital (the "Sponsor"), as the entity acquiring, constructing and equipping the Marshall Pointe Apartments project, through a related to-be-formed Colorado limited liability limited partnership or limited liability company. The undersigned do hereby further certify, pursuant to Section 24-32-1709(2)(d) of the Colorado Private Activity Bond Ceiling Allocation Act, with respect to up to $10,000,000 of the 2023 statewide balance that may be awarded to the Authority, that the Authority and the Sponsor will proceed with diligence to ensure the issuance of bonds within the carryforward period provided by Section 146(f) of the Code.

Dated as of the first date written above.

ARVADA HOUSING AUTHORITY, COLORADO

By:_________________________________
Name:______________________________
Title:_______________________________

LINCOLN AVENUE CAPITAL

By:_________________________________
Name:______________________________
Title:_______________________________

Sherman&Howard
675 Fifteenth Street, Suite 2300, Denver, Colorado 80202
Telephone: 303.297.2900 shermanhoward.com

April 17, 2023

State of Colorado
Department of Local Affairs
Office of Housing Finance and Sustainability
1313 Sherman Street
Denver, Colorado 80202

Qualified Residential Rental Project Bonds
(Marshall Pointe Apartments Project)

Ladies and Gentlemen:

This opinion is rendered pursuant to Sections 24-32-1709(1)(g) and 24-32-1709(2)(d) of the Colorado Private Activity Bond Ceiling Allocation Act (the "Allocation Act"). We are acting as special counsel to Lincoln Avenue Capital, as the project sponsor, and will likely act as bond counsel in connection with the issuance of the above-captioned bonds (the "Bonds") by the City of Arvada, Colorado or another "issuing authority" under the Allocation Act (the "Issuing Authority").

The Bonds are to be issued in one or more series in an aggregate principal amount to be determined, of which $10,000,000 of such Bonds will require an allocation from the State of Colorado's 2023 statewide balance. Assuming that an allocation from the statewide balance is made, the Bonds will constitute private activity bonds as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). The Issuing Authority is authorized under the laws and constitution of the State of Colorado, including the County and Municipality Development Revenue Bond Act, being Article 3, Title 29, Colorado Revised Statutes, as amended, to issue the Bonds.

The Bonds will constitute "exempt facility bonds" within the meaning of section 146(f)(5)(A) of the Code (more particularly, bonds for "qualified residential rental projects" as defined in Section 142(a)(7) of the Code), and the carryforward purpose or purposes of issuing the Bonds qualify for carryforward treatment under Section 146(f) of the Code.

Respectfully submitted,