City of Arvada
Housing Authority Agenda
FEBRUARY 3, 2026
SPECIAL MEETING

Councilmembers:
Lauren Simpson, Mayor
Randy Moorman, Mayor Pro-Tem
Shawna Ambrose, District 2
Sharon Davis, At large
Bob Fifer, District 4
Michael P. Griffith, At large
Rebecka Lovisone, District 3

Staff Members Usually Present:
Don Wick, City Manager
Linda Haley, Deputy City Manager
Allison Scheck, Deputy City Manager
Rachel Morris, City Attorney
Jacqueline Rhoades, Director of Infrastructure
Jessica Garner, Director of Community & Econ. Dev.
Bryan Archer, Chief Financial Officer
Gabriella Bommer, Director of Human Resources
Ryan Stevenson, Director of Vibrant Community & Neighborhoods
Rachael Kuroiwa, Director of Communications & Engagement
Ed Brady, Chief of Police
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 Annual Meeting
   1. October 7, 2025 Annual Meeting

IV. Public Comment

V. New Business
   1. R-HA-26-01, A Resolution Authorizing the Arvada Housing Authority to Approve a Partial Subordination of the Arvada Housing Authority's Loan to Legacy-Arvada Partners, LP as secured by a Deed of Trust, for the Development of the Legacy Senior Residences, to Certain Provisions of the Land Use Restriction Agreement Entered into Between the Colorado Housing and Finance Authority and Legacy-Arvada Partners, LP

VI. Adjourn

SUMMARY OF THE MINUTES OF THE ANNUAL MEETING OF THE ARVADA HOUSING AUTHORITY HELD OCTOBER 7, 2025

I. CALL TO ORDER - by Chairperson Simpson at 6:00 p.m.

II. ROLL CALL OF MEMBERS

Those present: Chairperson Lauren Simpson, Chair Pro Tem Randy Moorman, Commissioner Shawna Ambrose, Commissioner Sharon Davis, Commissioner Bob Fifer Commissioner John Marriott, Commissioner Brad Rupert.

Also present: Don Wick, City Manager, Linda Haley, Deputy City Manager; Rachel Morris, City Attorney; Carrie Espinoza, Housing and Homelessness Program Manager; Katie Patterson, Communications Manager, Infrastructure and Kristen Rush, City Clerk

III. APPROVAL OF MINUTES – July 1, 2025

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. Arvada Housing Authority Housing Choice Voucher Program 2025 Budget Update

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

IX. ADJOURN at 6:10 p.m.

____
Lauren Simpson, Chairperson

____
Carrie Espinosa, Secretary, Housing Authority

CITY OF ARVADA

REPORT TO HOUSING AUTHORITY	AGENDA ITEM V.1.

TO: THE HONORABLE CITY COUNCIL DATE: February 3, 2026

SUBJECT: R-HA-26-01, A Resolution Authorizing the Arvada Housing Authority to Approve a Partial Subordination of the Arvada Housing Authority's Loan to Legacy-Arvada Partners, LP as secured by a Deed of Trust, for the Development of the Legacy Senior Residences, to Certain Provisions of the Land Use Restriction Agreement Entered into Between the Colorado Housing and Finance Authority and Legacy-Arvada Partners, LP

Report in Brief

Presenter: Carrie Espinosa

Legacy Senior Residences is a new 72-unit affordable senior housing development located at 5353 W. 63rd Avenue, in Arvada. Legacy Senior Residences received an allocation of low income housing tax credits from the Colorado Housing and Finance Authority (CHFA) to complete the development. CHFA requires Arvada's $840,000 loan be partially subordinate to the Land Use Restriction Agreement executed between the developer and CHFA. The Arvada Housing Authority finds it beneficial to continue its support for the development to increase affordable senior housing in Arvada and recommends approval of this resolution.

The City team recommends approval of R-HA-26-01, A Resolution Authorizing the Arvada Housing Authority to Approve a Partial Subordination of the Arvada Housing Authority's Loan to Legacy-Arvada Partners, LP as secured by a Deed of Trust, for the Development of the Legacy Senior Residences, to Certain Provisions of the Land Use Restriction Agreement Entered into Between the Colorado Housing and Finance Authority and Legacy-Arvada Partners, LP.

Financial Impact

The $840,000 loan was paid from the Arvada Affordable Housing Fund in December 2023. Per this Partial Subordination agreement, in the event of property foreclosure, the Arvada Housing Authority would consent to a subordinate its loan to the Colorado Housing and Finance Authority's tax credits.

Background

Legacy Senior Residences is a recently constructed housing development with 72 units of affordable senior housing at 5353 W 63rd Ave. in Arvada. The Arvada Housing Authority strongly supported the development of this project. The Housing Authority's participation includes a Special Limited Partnership to provide property and sales tax exemptions to the developer, eight Housing Choice Vouchers to serve households at 30% of the area median income, and an $840,000 loan. The Arvada Housing Authority Board approved these commitments during a Special Meeting of the Arvada Housing Authority on December 18, 2023.

Other partners were critical to the development of this project, including the Colorado Department of Local Affairs (DOLA), which provided a $1.8 million loan, and the Colorado Housing and Finance Authority (CHFA), which committed the low-income housing tax credits needed to support the project.

Now that construction of the project is complete, CHFA must execute a Land Use Restriction Agreement (LURA) with the developer. The LURA is required under the Low-Income Housing Tax Credit Program, which is governed by the Internal Revenue Code of 1986. Section 42(h)(6) of the IRS Code provides that credits are not allowed unless a Land Use Restriction

Agreement (LURA) is in effect with respect to the project in the form of an agreement between CHFA and the Legacy- Arvada Partners, LP. The LURA is recorded as a restrictive covenant against and running with the land. CHFA and Legacy Arvada Partners, LP will soon execute a LURA to comply with tax credit requirements. CHFA has requested that the Arvada Housing Authority execute a subordination to the LURA that would partially subordinate the Housing Authority's $840,000 loan to the LURA. The partial subordination would subordinate the Housing Authority's loan to the provisions outlined in the LURA under IRS Code if the property enters foreclosure.

Discussion

CHFA will not move forward with allocating the tax credits needed for the project until the LURA and Partial Subordination agreement are executed. The City team has evaluated the terms of the Land Use Restriction Agreement and the Partial Subordination agreement. The City team believes executing the Partial Subordination agreement presents low risk to the Arvada Housing Authority as the Agreement would only go into effect in the event of property foreclosure.

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:

Prioritize opportunities to expand affordable housing options in collaboration with the community, development, and funding partners.

Alternative Courses of Action

N/A

Recommendation for Action

The Arvada team recommends that the City Council approve R-HA-26-01, A Resolution Authorizing the Arvada Housing Authority to Approve a Partial Subordination of the Arvada Housing Authority's Loan to Legacy-Arvada Partners, LP as secured by a Deed of Trust, for the Development of the Legacy Senior Residences, to Certain Provisions of the Land Use Restriction Agreement Entered into Between the Colorado Housing and Finance Authority and Legacy-Arvada Partners, LP.

Suggested Motion:

I move that R-HA-26-01, A Resolution Authorizing the Arvada Housing Authority to Approve a Partial Subordination of the Arvada Housing Authority's Loan to Legacy-Arvada Partners, LP as secured by a Deed of Trust, for the Development of the Legacy Senior Residences, to Certain Provisions of the Land Use Restriction Agreement Entered into Between the Colorado Housing and Finance Authority and Legacy-Arvada Partners, LP, 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	01/11/2026
Jessica Garner, Director of Community and Economic Development	01/12/2026
Bryan Archer, Chief Financial Officer	01/12/2026
Gail Walker, Legal Specialist-Contracts	01/16/2026
Megan McCall, Assistant City Attorney II	01/16/2026
Rachel Morris, City Attorney	01/20/2026
Allison Scheck, Deputy City Manager	01/21/2026
Don Wick, City Manager	01/22/2026

Enclosure, exhibits & attachments required to support the report

RESOLUTION NO. R-HA-26-01

A RESOLUTION AUTHORIZING THE ARVADA HOUSING AUTHORITY TO APPROVE A PARTIAL SUBORDINATION OF THE ARVADA HOUSING AUTHORITY'S LOAN TO LEGACY-ARVADA PARTNERS, LP, AS SECURED BY A DEED OF TRUST, FOR THE DEVELOPMENT OF THE LEGAGY SENIOR RESIDENCES, TO CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT ENTERED INTO BETWEEN THE COLORADO HOUSING AND FINANCE AUTHORITY AND LEGACY-ARVADA PARTNERS, LP

WHEREAS, pursuant to Resolution No. R-HA-23-07, the Arvada Housing Authority (the "Authority") approved a loan for gap financing in the amount of $840,000.00 (the "Loan") to Legacy-Arvada Partners, LP (the "Developer") for the Legacy Senior Residences development, an affordable senior housing development located at 5353 W. 63rd Avenue, Arvada, Colorado 80003 (the "Project"); and

WHEREAS, the Loan is secured by a deed of trust dated December 29, 2023 (the "Deed of Trust"); and

WHEREAS, construction on the project is complete and the Colorado Housing and Finance Authority ("CHFA"), which also partnered on the Project in committing the low-income housing tax credits needed to support the Project, and the Developer are required to execute a Land Use Restriction Agreement in connection with the low-income housing tax credits ("LURA"); and

WHEREAS, certain provisions of the LURA set forth requirements of Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, which provide that if the LURA terminates in the event of foreclosure certain limitations of tenancies and rent increase survive such foreclosure for a period three years; and

WHEREAS, the parties to the LURA require that the Authority, as a lender to the Project, acknowledge and agree that the provisions of the LURA regarding Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, are superior to the Authority's security interest set forth in in the Deed of Trust and shall continue in full force and effect in the event of a foreclosure action that terminates the LURA for a period of three years.

NOW, THEREFORE, BE IT RESOLVED BY THE ARVADA HOUSING AUTHORITY:

<u>Section 1.</u> The Arvada Housing Authority hereby authorizes the Chairperson and Mayor, or Vice Chairperson and Mayor Pro Tem, to execute the Partial Subordination to Land Use Restriction Agreement, which is in substantially the same form as and related to that attached hereto.

<u>Section 2.</u> This resolution shall be effective upon its approval by the Arvada Housing Authority.

APPROVED AND ADOPTED this 3rd day of February, 2026.

____
Lauren Simpson, Chairperson

ATTEST:

____
City Clerk

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

By: ________________________________

Record and Return to:
Colorado Housing and Finance Authority
PO Box 60
Denver, CO 80201
Attention: Legal Operations

PARTIAL SUBORDINATION TO LAND USE RESTRICTION AGREEMENT

Arvada Housing Authority (the "Lender") provides to Colorado Housing and Finance Authority (the "Authority") this partial subordination to Land Use Restriction Agreement with respect to the real property described in Exhibit A attached hereto (the "Land").

RECITALS

1. Legacy-Arvada Partners, LP is the owner ("Owner") of the multifamily rental housing project located on the Land (the "Project") and has applied to the Authority for an allocation of Housing Tax Credits ("Credits") with respect to the Project pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

2. The Lender is the beneficiary of a deed of trust covering the Land and the Project.

3. Section 42(h)(6) provides that Credits are not allowed unless an "extended low-income housing commitment" is in effect with respect to the Project in the form of an agreement between the Authority and the Owner (the "Land Use Restriction Agreement") which is recorded as a restrictive covenant against and running with the Land.

4. Although the Land Use Restriction Agreement terminates in the event of foreclosure, Section 42(h)(6)(E)(ii) of the Code requires that certain limitations as to termination of tenancies and rent increases survive such foreclosure for a period of three years.

5. To assure the survival of the limitations described in said Section 42(h)(6)(E)(ii), the Authority requires, as a condition to its execution of the Land Use Restriction Agreement, that the holders of all security interests in the Land recorded prior to the recording of the Land Use Restriction Agreement acknowledge and agree to the priority of the provisions of Section 42(h)(6)(E)(ii) of the Code.

SUBORDINATION AGREEMENT

Lender hereby consents to the recording of the Land Use Restriction Agreement as a restrictive covenant encumbering and running with the Land, and acknowledges and agrees that those provisions of the Land Use Restriction Agreement which set forth the requirements of Section 42(h)(6)(E)(ii) of the Code are superior to Lender's security interest and shall continue in full force and effect for a period of three (3) years following the date of acquisition of the Project by foreclosure (or instrument in lieu of foreclosure).

IN WITNESS WHEREOF, Lender has caused this Agreement to be executed by its duly authorized officers this ______ day of __________________________________, 20__.

___Arvada Housing Authority_________________
(Lender)
By:____

STATE OF__________________________) ss.
COUNTY OF __________________________)

The foregoing instrument was acknowledged before me this ____ day of ________________, 2025, by ____ as ____ of ____.

My commission expires: ____.

(S E A L)

____
Notary Public

Exhibit A

Legal Description