



**The Longmont
Housing Authority**

DATE: September 17, 2024

TO: LHA Board of Commissioners

FROM: Molly O'Donnell, Housing & Community Investment Director

Subject: Transferring General Partner Interest in Spring Creek Apartments from LHDC to LHA

BACKGROUND

The Longmont Housing Development Corporation (LHDC) currently owns 100% of General Partner interest in Prairie Village Management, LLC, the limited liability company that owns Spring Creek Apartments. LHA is currently the administrative limited partner.

When the City and LHA began partnering for services in 2020, Special Counsel analyzed LHDC's asset portfolio to determine the risks and benefits of LHDC continuing to hold General Partner interest in properties that LHA manages. Spring Creek was one property that was deemed advantageous to both organizations to transfer General Partner Interest to LHA. In transferring General Partner interest, LHA will assume responsibility for the loan from LHDC for the land, the State Division of Housing (DOH) loan, and guarantor obligations to the Tax Credit Investor Limited Partner (Investor). Staff has obtained consent from DOH and the Investor to make the transfer.

Documents requiring Board approval from both LHA and LHDC include the First Amended and Restated Operating Agreement, Assignment of Deed of Trust, Assignment and Assumption of LLC Interest, and the Amended and Restated Guaranty Agreement with Prairie Village Management, LLC.

RECOMMENDATION

1. Adopt Resolution LHA-2024-19 – Approving Certain Matters in Connection with Spring Creek Apartments

FISCAL IMPACTS OF RECOMMENDATION

No impact to the General Fund.

ALTERNATIVE ACTIONS CONSIDERED

Alternative actions include:

1. Approve the resolution.
2. Disapprove and provide other direction to staff.

ATTACHMENTS:

1. Resolution No. LHA-2024-19 – Approving Certain Matters in Connection with Spring Creek Apartments
2. First Amended and Restated Operating Agreement
3. Assignment of Deed of Trust
4. Assignment and Assumption of LLC Interest
5. Amended and Restated Guaranty Agreement with Prairie Village Management, LLC.

