



**Longmont Housing Authority**

350 Kimbark Street

Longmont, CO 80501

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TDD/TTY: Dial 711

[www.longmonthousing.org](http://www.longmonthousing.org) | [LHAInfo@Longmontcolorado.gov](mailto:LHAInfo@Longmontcolorado.gov)

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**RESOLUTION LHA-2024-09**

**RESOLUTION OF LONGMONT HOUSING AUTHORITY APPROVING VARIOUS ITEMS IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF THE “ASCENT AT HOVER CROSSING” PROJECT**

A. Longmont Housing Authority, a public body corporate and politic (“**LHA**”), is organized and existing under the provisions of the Housing Authorities Law of the State of Colorado (Part 2, Article 4, Title 29 of Colorado Revised Statutes).

B. LHA desires to participate in the construction of a 75-unit multifamily apartment housing complex for families, located or to be located at 1764 and 1780 Hover Street, Longmont, Colorado 80501 (the “**Project**”), as more fully set forth herein.

**I. Real Estate and Property Management**

A. LHA currently owns the Project and has entered into that certain Purchase and Sale Agreement (the “**Purchase Agreement**”) between LHA and The Ascent at Hover Crossing, LLLP, a Colorado limited liability limited partnership (the “**Partnership**”), pursuant to which LHA has agreed to sell to the Partnership, and the Partnership has agreed to purchase from LHA, the real estate upon which the Project will be located.

B. LHA desires to act as property manager for the Project and, in connection therewith, desires to enter into a Property Management Agreement or similar agreement (the “**Property Management Agreement**”) between LHA and the Partnership.

**II. Participation in the Project as Member of General Partner, Class B Special Limited Partner of the Partnership, and Developer**

A. LHA has formed a single-member limited liability company named LHA Ascent GP, LLC, a Colorado limited liability company (“**LHA Ascent**”), and desires to act as the sole member and manager of LHA Ascent.

B. LHA, in its capacity as the sole member and manager of LHA Ascent, desires that LHA Ascent act as one of the members of The Ascent at Hover Crossing GP, LLC, the general partner of the Partnership (the “**General Partner**”), and also act as a Class B Special Limited Partner of the Partnership.

C. LHA, in its capacity as the sole member and manager of LHA Ascent, desires that LHA Ascent enter into an Operating Agreement for the General Partner (the “**General Partner Operating Agreement**”) between LHA Ascent and Pennrose Holdings, LLC, a Pennsylvania limited liability company.

D. LHA, in its capacity as the sole member and manager of LHA Ascent, in its own capacity



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and as a member of the General Partner, desires to authorize the execution of an Amended and Restated Agreement of Limited Liability Limited Partnership or similar agreement (the “**LPA**”), pursuant to which LHA Ascent, RBC Community Investments, LLC (the “**RBC Limited Partner**”), and RBC Community Investments Manager II, Inc. (the “**RBC Special Limited Partner**” and, together with the RBC Limited Partner, collectively, the “**Investor Limited Partners**”) will make certain capital contributions to the Partnership in exchange for limited partnership interests in the Partnership and the General Partner will act as the general partner of the Partnership.

E. In connection with the execution of the LPA, LHA desires to enter into a Purchase Option and Right of First Refusal Agreement or similar agreement (the “**Purchase Rights Agreement**”), pursuant to which LHA will be granted certain rights to acquire the Project as described in the Purchase Rights Agreement.

F. In connection with the execution of the LPA, LHA desires to cause LHA Ascent to enter into a Development Agreement or similar agreement (the “**Development Agreement**”), pursuant to which LHA Ascent will agree to be co-developer of the Project and conduct development services for the Partnership in exchange for a fee.

### **III. Receipt of Certain Grant Funds and Making of Certain Loans Partnership**

A. LHA desires to receive the following grants: (i) a grant from the County of Boulder, Colorado (the “**County**”) in the amount of approximately \$150,000 (the “**Worthy Cause Grant**”), to be evidenced by a Boulder Worthy Cause Funding Agreement by and between LHA and the County, among other related documents (the “**Worthy Cause Grant Documents**”) and (ii) a grant from the County in the amount of approximately \$300,000 (the “**PACE Grant**”), to be evidenced by an Intergovernmental Funding Agreement by and between the County and LHA, among other related documents (the “**PACE Grant Documents**”).

B. LHA has entered into an Agreement for Delegation of Activities between the City of Longmont, Colorado (“**City**”) and LHA dated as of May 29, 2024 (the “**Non-Federal ARPA Grant Documents**”), pursuant to which the City has agreed to grant to LHA funds (the “**Non-Federal ARPA Grant**”) derived from interest earned on funds granted to the City under the U.S. Treasury Department American Rescue Plan Act Program, Coronavirus State and Local Fiscal Recovery Funds (“**ARPA**”).

C. LHA has entered into an Agreement for Delegation of Activities between the City and LHA dated as of March 22, 2022, as amended by that certain First Amendment to Agreement for Delegation of Activities dated as of April 25, 2023 and that certain Second Amendment to Agreement for Delegation of Activities dated as of April 12, 2024 (as amended, the “**Federal ARPA Grant Documents**”), pursuant to which the City has agreed to grant to LHA funds (the “**Federal ARPA Grant**”) derived under ARPA.

D. LHA desires to make the following loans to the Partnership all of which shall be junior



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and subordinate to the Loan to the Partnership from FirstBank, a Colorado state banking corporation (“**Senior Lender**”) (collectively, the “**Subordinate Loans**”): (i) a loan of the Worthy Cause Grant funds, in the amount of approximately \$150,000 (the “**Worthy Cause Loan**”), to be evidenced by a Loan Agreement, a Promissory Note, a Deed of Trust, a subordination agreement with the Senior Lender, and other related documents (the “**Worthy Cause Loan Documents**”); (ii) a loan of the PACE Grant funds, in the amount of approximately \$300,000 (the “**PACE Loan**”), to be evidenced by a Loan Agreement, a Promissory Note, a Deed of Trust, a subordination agreement with the Senior Lender, and other related documents (the “**PACE Loan Documents**”); (iii) a loan constituting a portion of the purchase price under the Purchase Agreement, in the amount of approximately \$2,640,000 (the “**Seller Carry Loan**”), to be evidenced by a Promissory Note, a Deed of Trust, a subordination agreement with the Senior Lender, and other related documents (the “**Seller Carry Loan Documents**”); (iv) a loan of the Federal ARPA Grant funds, in the amount of approximately \$600,000 (the “**Federal ARPA Loan**”), to be evidenced by a Loan Agreement, a Promissory Note, a Deed of Trust, a subordination agreement with the Senior Lender, and other related documents (the “**Federal ARPA Loan Documents**”); and (v) a loan of funds derived from interest earned on ARPA funds, in the amount of approximately \$525,000 (the “**Non-Federal ARPA Loan**”), to be evidenced by a Promissory Note, a Deed of Trust, a subordination agreement with the Senior Lender, and other related documents (the “**Non-Federal ARPA Loan Documents**”).

E. LHA desires to dedicate eighteen (18) Project-Based Vouchers (“**PBVs**”) to the Project, in accordance with and as more fully set forth in LHA Resolution LHA-2023-25, made as of July 18, 2023, by entering into a Project-Based Section 8 voucher contract with LHA acting as voucher administrator (the “**Voucher Contract**”) and desires to consent to the assignment of any housing assistance contract for the Project to the Senior Lender.



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**NOW, THEREFORE, BE IT RESOLVED**, that the Board of LHA ratifies and approves the following actions, as applicable, (I) on LHA's own behalf and (II) in its capacity as the sole member and manager of LHA Ascent, on LHA Ascent's own behalf, in its capacity as a member of the General Partner, and in its capacity as a limited partner of the Partnership:

- (i) the Purchase Agreement and the sale of the real estate upon which the Project is to be located to the Partnership;
- (ii) the execution and delivery of the Property Management Agreement and LHA's management of the Project pursuant thereto and consent to the collateral assignment thereof for the benefit of the Senior Lender;
- (iii) the formation of LHA Ascent and the participation by LHA as the sole member and manager of LHA Ascent;
- (iv) the formation of the General Partner, the participation of LHA Ascent as a member of the General Partner, and the execution and delivery of the General Partner Operating Agreement;
- (v) the formation of the Partnership, the participation of the General Partner as the general partner of the Partnership, the admission of LHA Ascent to the Partnership, the participation of LHA Ascent as a Class B Special Limited Partner of the Partnership, and the execution and delivery of the LPA and the Purchase Rights Agreement and subordination agreement of such Purchase Rights Agreement to the Senior Lender;
- (vi) the execution and delivery of the Development Agreement and LHA Ascent's development of the Project as a co-developer pursuant thereto and consent to the collateral assignment thereof to the Lender;
- (vii) the receipt of the Worthy Cause Grant, the PACE Grant, the Non-Federal ARPA Grant, and the Federal ARPA Grant;
- (viii) the execution and delivery of the Worthy Cause Grant Documents, the PACE Grant Documents, the Non-Federal ARPA Grant Documents, and the Federal ARPA Grant Documents;
- (ix) the making of the Worthy Cause Loan, the PACE Loan, the Seller Carry Loan, the Non-Federal ARPA Loan, and the Federal ARPA Loan, on terms reasonably determined by officers of LHA to be advisable;



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- (x) the execution and delivery of such subordination agreements as the Senior Lender may require in connection with the Subordinate Loans, on terms reasonably determined by officers of LHA to be advisable;
- (xi) the execution and delivery of the Worthy Cause Loan Documents, the PACE Loan Documents, the Seller Carry Loan Documents, the Non-Federal ARPA Loan Documents, and the Federal ARPA Loan Documents, including, to the extent advisable, the combination of two or more of the Subordinate Loans into a single set of loan documents consisting of, at a minimum, a promissory note and a deed of trust; and
- (xii) the execution and delivery of the Voucher Contract and consent to the assignment of the housing assistance payments contract to the Senior Lender.

**FURTHER RESOLVED**, that in connection with the acquisition, construction, and financing of the Project, LHA, (i) on LHA's own behalf and (ii) in its capacity as the sole member and manager of LHA Ascent, on LHA Ascent's own behalf, in its capacity as a member of the General Partner, and in its capacity as a Class B Special Limited Partner of the Partnership, may and is hereby authorized to take the actions and to enter into documents and agreements determined to be advisable or appropriate by the Chair of LHA, the Executive Director of LHA, or the Executive Director's designee (each an "**Authorized Officer**"), in connection with the acquisition, construction, and financing of the Project, and to perform all of its obligations under and take all actions necessary to carry out the provisions of those documents and agreements, including the documents and agreements described above (all such documents and agreements collectively referred to as the "**Agreements**").

**FURTHER RESOLVED**, that all documents and agreements to be entered into by LHA (i) on its own behalf and (ii) in its capacity as the sole member and manager of LHA Ascent, on LHA Ascent's own behalf, in its capacity as a member of the General Partner, and in its capacity as a limited partner of the Partnership, may be in form and substance acceptable to the Authorized Officer in such officer's sole and absolute discretion, such acceptance to be evidenced by such officer's execution of any such documents.

**FURTHER RESOLVED**, that LHA ratifies the actions previously taken by the Authorized Officer, or by any officer or commissioner of LHA or any other person authorized to act on behalf of LHA in connection with the Agreements, acting (i) on LHA's own behalf and (ii) in its capacity as the sole member and manager of LHA Ascent, on LHA Ascent's own behalf, in its capacity as a member of the General Partner, and in its capacity as a limited partner of the Partnership.

**FURTHER RESOLVED**, that the Authorized Officer and any other officer of LHA hereby is authorized to execute and deliver, and the Authorized Officer and other officers of LHA hereby are authorized to affix the LHA seal and acknowledge, if required, on behalf of LHA, any and all of the documents described above, and any other agreements, instruments and certificates as such persons in their sole and absolute discretion may deem advisable or appropriate in connection with the



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Agreements, containing such terms and provisions as the officers executing the same consider advisable or appropriate in their sole and absolute discretion, and to do such other acts and things as may be appropriate or helpful and consistent with carrying out the intent and purposes of this and the foregoing resolutions, the execution and delivery of any of the foregoing documents, the doing of any act or thing being conclusive evidence as to the appropriateness thereof and of the authority of the person executing or doing the same to so execute and deliver any such document and do any such act and thing.

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This Resolution was adopted by the Commissioners on the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**IN WITNESS WHEREOF**, this Resolution was adopted by the Commissioners on the \_\_\_\_\_ day of June, 2024.

**LONGMONT HOUSING AUTHORITY BY:**

\_\_\_\_\_  
Joan Peck, Board Chair

**ATTEST:**

\_\_\_\_\_  
Harold Dominguez, Interim Executive Director