

# CITY COUNCIL COMMUNICATION



**MEETING DATE:** September 14, 2021

**ITEM NUMBER:** 9.3

**SECOND READING:**

{{customfields.ResoOrdNumber}}

**TYPE OF ITEM:** Consent

**PRESENTED BY:**

Kathy Fedler, CDBG, Kathy.Fedler@longmontcolorado.gov

## **SUBJECT/AGENDA TITLE:**

A Resolution Of The Longmont City Council Authorizing An Agreement Between The City And Diamond G Concrete Company For The Purchase Of Real Property For A Future Affordable Housing Project

## **EXECUTIVE SUMMARY:**

As part of the annexation and land purchase of the Costco property, the City negotiated an additional land purchase of approximately 9 acres to be used for the eventual development of affordable housing. The land is being purchased at a reduced market rate by the Affordable Housing (AH) Fund over a number of years via a long term loan from the City's Fleet Fund. The use of the Fleet Fund was approved via Resolution 2020-132 dated December 1, 2020.

\$1,470,150 is the total purchase price. The AH Fund will pay \$300,000 from its 2021 funding at closing. The Fleet Fund is loaning the AH Fund \$1,170,150 which will be repaid over 4 years beginning in 2022 with an interest rate based on the rate of return on city investments (likely around 1%).

The Housing and Community Investment Division will be conducting a Housing Needs Analysis (HNA) and/or market study for this property, conducting an RFP for development proposals based on the HNA and/or market study, as well as looking at innovative development approaches in the meantime. Council will be kept up to date as that process proceeds.

## **COUNCIL OPTIONS:**

- 1) Approve the Resolution and Authorize the Mayor to Sign the Contract to Buy Real Estate, or
- 2) Reject the Resolution and Contract and provide further direction to City staff.

## **RECOMMENDED OPTIONS:**

Approve the Resolution and Authorize the Mayor to Sign the Contract to Buy Real Estate.

## **FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:**

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Except for borrowing funding over 4 years from the Fleet Fund, there is no impact to the General Fund as the entire purchase will be covered with the Affordable Housing Fund, including payment of interest for the borrowing.

**BACKGROUND AND ISSUE ANALYSIS:**

NA

**ATTACHMENTS:**

Resolution and Contract to Buy Real Estate