

CITY OF GRAND JUNCTION, COLORADO

RESOLUTION NO. 36-10

A RESOLUTION AUTHORIZING ASSIGNMENT TO THE COLORADO HOUSING AND FINANCE AUTHORITY OF A PRIVATE ACTIVITY BOND ALLOCATION OF THE CITY OF GRAND JUNCTION PURSUANT TO THE COLORADO PRIVATE ACTIVITY BOND CEILING ALLOCATION ACT

RECITALS

The City of Grand Junction (the "City") is authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families.

The Internal Revenue Code of 1986, as amended (the "Code"), restricts the amount of tax-exempt bonds ("Private Activity Bonds") which may be issued in the State to provide such mortgage loans and for certain other purposes.

Pursuant to the Code, the Colorado legislature adopted the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the "Allocation Act"), providing for the allocation of the State Ceiling among the Colorado Housing and Finance Authority (the "Authority") and other governmental units in the State, and further providing for the assignment of such allocations from such other governmental units to the Authority.

Pursuant to an allocation under Section 24-32-1706 of the Allocation Act, City has an allocation of the 2010 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to September 10, 2010 ("2010 Allocation")

The City has determined that, in order to increase the availability of adequate affordable housing for low and moderate-income persons and families within the City and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the 2010 Allocation.

The City has also determined that the 2010 Allocation, or a portion thereof, can be utilized most efficiently by assigning it to the Authority to issue Private Activity Bonds for the purpose of providing single-family mortgage loans to low and moderate-income persons and families.

The City Council of the City has determined to assign \$2,483,505 of its 2010 Allocation to the Authority, which assignment is to be evidenced by an Assignment of Allocation between the City and the Authority (the "Assignment of Allocation").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City Grand Junction that:

1. The assignment to the Authority of \$2,483,505 of the City's 2010 Allocation be and hereby is approved.

2. The form and substance of the Assignment of Allocation is hereby approved. Furthermore, the City Manager, in consultation with the City Attorney, is hereby authorized to make such technical variations, additions or deletions in or to such Assignment of Allocation as she deems necessary or appropriate and not inconsistent with this Resolution.

3. The City Manager is authorized to execute and deliver the Assignment of Allocation on behalf of the City and to take such other steps or actions as may be necessary, useful or convenient to effect the aforesaid assignment in accordance with the terms and intent of this Resolution.

4. If any section, paragraph, clause or provision of this resolution 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.

5. This Resolution shall be in full force and effect upon its passage and approval or as otherwise required by home rule charter.

PASSED, ADOPTED AND APPROVED this 30th day of August, 2010.

/s/: Teresa A. Coons
President of the Council

ATTEST:

/s/: Stephanie Tuin, City Clerk

ASSIGNMENT OF ALLOCATION

This Assignment of Allocation (the "Assignment"), dated this 1st day of September, 2010, is between the City of Grand Junction (the "Assignor") and the Colorado Housing and Finance Authority (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor and the Assignee are authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families; and

WHEREAS, per Resolution No. 72-09, the City Council of the Assignor has determined to assign to the Assignee \$2,483,505 of its 2010 Allocation, and the Assignee has agreed to accept such assignment, which is to be evidenced by this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. The Assignor hereby assigns to the Assignee \$2,483,505 of its 2010 Allocation, subject to the terms and conditions contained herein. The Assignor represents that it has received no monetary consideration for said assignment.

2. The Assignee hereby accepts the assignment to it by the Assignor of \$2,483,505 of Assignor's 2010 Allocation, subject to the terms and conditions contained herein. The Assignee agrees to use its best efforts to issue and sell Revenue Bonds, in one or more series, and to make proceeds of such Revenue Bonds available from time to time during the period of two (2) years from the date of this Assignment for the purchase of mortgage loans in at least the aggregate amount of \$2,483,505 to finance multi-family rental housing projects located in the City of Grand Junction. Unless otherwise agreed to in writing, the mortgage loans will be subject to all applicable current requirements of Assignee's mortgage revenue bond program, including Assignee's income and purchase price limits.

3. The Assignor hereby consents to the election by the Assignee, if the Assignee in its discretion so decides, to treat all or any portion of the assignment set forth herein as an allocation for a project with a carryforward purpose.

4. The Assignor and Assignee each agree that it will take such further action and adopt such further proceedings as may be required to implement the terms of this Assignment.

5. Nothing contained in this Assignment shall obligate the Assignee to finance any particular multiple family rental housing project located in the City of Grand Junction.

6. This Assignment is effective upon execution and is irrevocable.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment on the date first written above.

CITY OF GRAND JUNCTION

[S E A L]

By: /s/ Laurie M. Kadrich
Title: City Manager

ATTEST:

/s/ Stephanie Tuin
City Clerk

**COLORADO HOUSING AND FINANCE
AUTHORITY**

[S E A L]

By: _____
Executive Director

ATTEST:

By: _____
Assistant Secretary