

ORDINANCE NO. 3180

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

WHEREAS, the City of Grand Junction 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; and

WHEREAS, 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; and

WHEREAS, 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; and

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the City has an allocation of the 1999 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to September 15, 1999 (the "1999 Allocation"); and

WHEREAS, 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 1999 Allocation; and

WHEREAS, the City has determined that the 1999 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; and

WHEREAS, the City Council of the City has determined to assign \$1,050,825 of its 1999 Allocation to the Authority, which assignment is to be evidenced by an Assignment of Allocation between the City and the Authority attached hereto as Exhibit A (the "Assignment of Allocation").

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Grand Junction as follows:

1. The assignment to the Authority of \$1,050,825 of the City's 1999 Allocation be and hereby is approved.
2. The form and substance of the Assignment of Allocation be and hereby are approved; provided, however, that the City Manager be and hereby is authorized to make such technical variations, additions or deletions in or to such Assignment of Allocation as he shall deem necessary or appropriate and not inconsistent with the approval thereof by this ordinance.
3. The City Manager of the City be and hereby 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 ordinance.
4. If any section, paragraph, clause, or provision of this ordinance 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 ordinance.
5. This ordinance shall be in full force and effect upon its passage and approval or as otherwise required by home rule charter.

INTRODUCED ON FIRST READING this 18th day of August, 1999.

PASSED, ADOPTED AND APPROVED this 1st day of September, 1999.

ATTEST:

/s/ Stephanie Nye
City Clerk

/s/ Gene Kinsey
President of the Council

EXHIBIT A

ASSIGNMENT OF ALLOCATION

This Assignment of Allocation (the "Assignment"), dated this 1st day of September 1999, 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, 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 (the "State Ceiling"); and

WHEREAS, 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 Assignee and other governmental units in the State, and further providing for the assignment of allocations from such other governmental units to the Assignee; and

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the Assignor has an allocation of the 1999 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to September 15, 1999 (the "1999 Allocation"); and

WHEREAS, the Assignor has determined that, in order to increase the availability of adequate affordable housing for low and moderate income persons and families within the City of Grand Junction and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the 1999 Allocation; and

WHEREAS, the Assignor has determined that the 1999 Allocation, or a portion thereof, can be utilized most efficiently by assigning it to the Assignee to issue Private Activity Bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families ("Revenue Bonds") and the Assignee has expressed its willingness to attempt to issue Revenue Bonds with respect to the 1999 Allocation; and

WHEREAS; the City Council of the Assignor has determined to assign to the Assignee \$1,050,825 of its 1999 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 \$1,050,825 of its 1999 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 \$1,050,825 of Assignor's 1999 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 provide mortgage loans in at least the amount of \$1,050,825 to finance single-family housing facilities located in the City of Grand Junction. (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 limit.)

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 carry forward 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 mortgage loans in any particular amount or at any particular interest rate or to use any particular percentage of the proceeds of its Revenue Bonds to provide mortgage loans to finance single-family housing facilities located in 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

By: _____
City Manager

ATTESTS:

By: _____
City Clerk

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Executive Director

By: _____
Assistant Secretary



COLORADO HOUSING
AND FINANCE AUTHORITY
Investing in Home and Business.

MAY 11 2000

May 11, 2000

Ms. Stephanie Nye, City Clerk
City of Grand Junction
Office of the City Clerk
250 North Fifth Street
Grand Junction, CO 81501

Dear Ms. Nye:

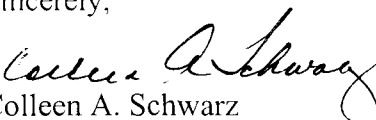
Re: CHFA 2000C Bond Issue

Colorado Housing and Finance Authority is preparing to release the third Mortgage Revenue Bond of 2000. Lenders will be able to make reservations on June 16, for eligible first time homebuyers that have completed a CHFA approved Home Buyer Education Class prior to entering into a real estate contract. Lenders will be able to make reservations on June 19, for first time homebuyers that complete a CHFA approved Home Buyer Education Class prior to closing. This system has been put in place to give borrowers the incentive to educate themselves before entering into a real estate transaction.

In September 1999, the City of Grand Junction assigned \$1,050,825 of its 1999 allocation of the State's private activity bond ceiling to CHFA. This brings the total available from CHFA to the City to \$3,067,500. Per my conversation with Mr. Lappi of May 11, CHFA will continue to "bank" the City's allocation.

Please call me at 303-297-7324 if you have questions or need further information.

Sincerely,


Colleen A. Schwarz
Director, Home Finance

Cc: Mr. Ron Lappi



COLORADO HOUSING
AND FINANCE AUTHORITY
Investing in Home and Business.

DEC 29 1999

December 21, 1999

Ms. Stephanie Nye, City Clerk
City of Grand Junction
Office of the City Clerk
250 North Fifth Street
Grand Junction, CO 81501

Dear Ms. Nye:

Re: CHFA 2000A Bond Issue

Colorado Housing and Finance Authority is preparing to release the first Mortgage Revenue Bond of 2000. Lenders will be able to make reservations on February 1, for eligible first time homebuyers that have completed a CHFA approved Home Buyer Education Class prior to entering into a real estate contract. Lenders will be able to make reservations on February 2, for first time homebuyers that complete a CHFA approved Home Buyer Education Class prior to closing. This system has been put in place to give borrowers the incentive to educate themselves before entering into a real estate transaction.

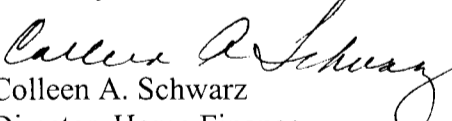
A number of other changes have been made in the CHFA Mortgage program, based on input from lenders, real estate agents and non profit counseling organizations. These changes include:

- Restricting the program eligibility to first time homebuyers.
- Requiring all buyers to invest a minimum of \$1,000 in the transaction.
- Requiring all homebuyers to successfully complete a Home Buyer Education Class taught by a CHFA approved counseling agency.
- Providing cash assistance of 3% of the loan amount for closing costs and down payment assistance.
- Creating a new Internet Reservation System to ease lender access.

In September 1999, the City of Grand Junction assigned \$1,050,825 of its 1999 allocation of the State's private activity bond ceiling to CHFA. This brings the total available from CHFA to the City to \$3,067,500. Per our conversation with Mr. Lappi of December 17th, CHFA will continue to "bank" the City's allocation. The second bond issue of 2000 will be in late March or early April. I will contact you prior to that issue to determine the City's intent at that time.

Please call me at 303-297-7324 if you have questions or need further information.


Sincerely,


Colleen A. Schwarz
Director, Home Finance

Cc: Mr. Ron Lappi

1981 Blake Street, Denver, Colorado 80202-1272
303-297-2432, 1-800-877-CHFA, fax: 303-297-2615, tdd: 303-297-7305

www.colohfa.org

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AND FINANCE AUTHORITY
Investing in Home and Business.

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MAR 6 2000

March 2, 2000

Ms. Stephanie Nye, City Clerk
City of Grand Junction
Office of the City Clerk
250 North Fifth Street
Grand Junction, CO 81501

Dear Ms. Nye:

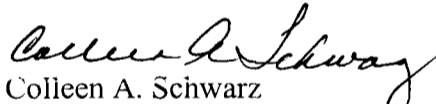
Re: CHFA 2000B Bond Issue

Colorado Housing and Finance Authority is preparing to release the second Mortgage Revenue Bond of 2000. Lenders will be able to make reservations on April 10, for eligible first time homebuyers that have completed a CHFA approved Home Buyer Education Class prior to entering into a real estate contract. Lenders will be able to make reservations on April 11, for first time homebuyers that complete a CHFA approved Home Buyer Education Class prior to closing. This system has been put in place to give borrowers the incentive to educate themselves before entering into a real estate transaction.

In September 1999, the City of Grand Junction assigned \$1,050,825 of its 1999 allocation of the State's private activity bond ceiling to CHFA. This brings the total available from CHFA to the City to \$3,067,500. Per my conversation with Mr. Lappi of March 1st, CHFA will continue to "bank" the City's allocation.

Please call me at 303-297-7324 if you have questions or need further information.

Sincerely,


Colleen A. Schwarz
Director, Home Finance

Cc: Mr. Ron Lappi



September 2, 1999

City of Grand Junction
Administrative Services
250 North 5th Street
Grand Junction, CO 81501-2668
FAX: 970-244-1599

Colorado Housing and Finance Authority
1981 Blake Street
Denver, CO 80202-1272

Gentlemen:

I am an attorney duly admitted to practice in the State of Colorado (the "State"). I have acted as counsel for the City of Grand Junction ("City") in connection with the assignment by the City to the Colorado Housing and Finance Authority (the "Authority") of the City's allocation of the ceiling on private activity bonds which may be issued in the State during the period from January 1, to December 21, 1999 (the "1999 Allocation"), under Part 17 of Article 32 of Title 24 of the Colorado Revised Statutes (the "Allocation Act"). This assignment is being affected pursuant to an Ordinance adopted by City Council on first reading on August 18, 1999 (the "Ordinance"), and an Assignment of Allocation dated September 2, 1999 (the "Assignment of Allocation"), between the City and the Authority.

I have examined, among other things, a copy of the Ordinance. I have also examined the Constitution of the State and such statutes and regulations as I deemed appropriate, including, without limitation, the charter of the City, certificates of public officials and of officers and representatives of the City, and such other documents as I have deemed necessary as a basis for the opinions hereinafter expressed. In the course of such examinations I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as copies.

Based upon the foregoing, it is my opinion that:

1. The City of Grand Junction is a City, validly existing under the Constitution and the laws of the state.
2. The City of Grand Junction has full legal right, power and authority: (a) to assign its 1999 Allocation, or a portion thereof, in accordance with the Ordinance and the Assignment of Allocation; (b) to adopt the Ordinance; (c) to execute and deliver the Assignment of Allocation; and (d) to perform its obligations under the Ordinance.
3. The adoption or the execution and delivery and the performance of the City of the Ordinance, and the Assignment of Allocation and the performance of obligations thereunder, have been duly authorized by the City. Each have been duly adopted or executed and delivered by the City and each of them constitute valid and binding obligations of the City enforceable in accordance with the respective terms.

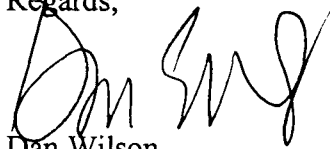
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4. The adoption of the Ordinance and the execution and delivery of the Assignment of Allocation, and compliance with the terms, conditions and provisions of each thereof by the City, will not conflict with or result in a breach or violation of any of the terms, conditions or provisions of the Constitution or the laws of the State, local ordinances, resolutions, charter, bylaws, or other regulations, or any other governmental authority of any nature whatsoever as now existing or, to the best of my knowledge, any agreement or instrument to which the City is now a party or by which it is bound, or which could constitute a default thereunder.
5. With respect to the 1999 allocation, or a portion thereof, being assigned to the Authority pursuant to the Ordinance and the Assignment of Allocation, the City has not: (a) issued private activity bonds; (b) assigned the allocation to another "issuing authority" as such term is defined in the Allocation Act; (c) made a mortgage credit certificate election; or (d) treated the allocation as an allocation for a project with a carry-forward purpose.
6. No approval, permit, consent or authorization applicable to the City and not already obtained by the City of any government or public agency, authority or person is required in connection with the adoption, the execution and delivery by the City of, and the performance by it of its obligations under, the Ordinance and the Assignment of Allocation.

This opinion may be relied upon by: (i) the Authority's Bond Counsel in rendering its opinion in connection with the issuance by the Authority of revenue bonds; (ii) each institution which may act as an underwriter of any such revenue bonds; no one else without the written approval of the City.

Regards,



Dan Wilson
City Attorney



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SEP 13 1999

Colorado Housing and Finance Authority

1981 Blake Street
Denver, Colorado 80202-1272
303-297-2432
www.colohfa.org

September 10, 1999

Ms. Stephanie Nye, City Clerk
City of Grand Junction
Office of the City Clerk
250 North Fifth Street
Grand Junction, Co 81501-2668

Dear Ms. Nye:

Enclosed for your records is a copy of Notification of Assignment of Private Activity Bond Ceiling as provided to the State pursuant to Section 24-32-1706(2) of the Colorado Private Activity Bond Ceiling Allocation Act.

Colorado Housing and Finance Authority plans to issue 1999C Home Ownership Revenue Bonds in mid-October. A setaside equal to the transferred PAB of \$1,050,825 will be included in that bond. If the whole setaside is not used in the 1999C Bond issue, another setaside for the unused balance, will be placed in the next bond issue unless we agree to other arrangements. I will contact you in the near future with specifics about the 1999C bond issue and mortgage information.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Colleen A. Schwarz', written in dark ink.

Colleen A. Schwarz
Director of Home Ownership Programs



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SEP 13 1999

Colorado Housing and Finance Authority

1981 Blake Street
Denver, Colorado 80202-1272
303-297-2432
www.colohfa.org

**NOTIFICATION OF ASSIGNMENT OF
PRIVATE ACTIVITY BOND CEILING**

September 8, 1999

Ms. Kate Van Wyhe
Colorado Department of Local Affairs
1313 Sherman Street, Room 518
Denver, Colorado 80203

Dear Ms. Van Wyhe:

Pursuant to Section 24-32-1706(2) of the Colorado Private Activity Bond Ceiling Allocation Act, the City of Grand Junction ("City") and the Colorado Housing and Finance Authority ("Authority") hereby notify you of the City's assignment to the Authority of \$1,050,825 of its 1999 allocation of the State's private activity bond ceiling.

Enclosed for your records is an executed copy of the Assignment of Allocation (the "Assignment"), dated September 1, 1999. Paragraph 1 of the Assignment includes the City's representation that it received no monetary consideration for the assignment. Paragraph 3 of the Assignment contains the City's consent to the Authority's allocation of all or any portion of the assigned amount to a project with a carryforward purpose.

Very truly yours,

David W. Herlinger
Executive Director

JAR:DWH/kg
Enclosures

cc: ✓ Stephanie Nye, City Clerk
Stan Raine, Esq.



City of Grand Junction, Colorado
Office of the City Clerk
250 North Fifth Street
81501-2668
(970) 244-1509
FAX: (970) 244-1599

September 3, 1999

Colorado Housing and Finance Authority
1981 Blake Street
Denver, CO 80202-1272

Gentlemen:

Please sign both copies of Ordinance No. 3180, retaining one copy for your files and returning the other to my office. Your cooperation is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Nye".

Stephanie Nye, CMC/AAE
City Clerk

Enclosures

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