

ORDINANCE NO. 3372

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 2001 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to September 15, 2001 (the "2001 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 2001 Allocation; and

WHEREAS, the City has determined that the 2001 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 \$1,275,656 of its 2001 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 \$1,275,656 of the City's 2001 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 15th day of August, 2001.

PASSED, ADOPTED AND APPROVED this 5th day of September, 2001.

ATTEST:

/s/ Stephanie Nye
City Clerk

/s/ Cindy Enos-Martinez
President of the Council

EXHIBIT A

ASSIGNMENT OF ALLOCATION

This Assignment of Allocation (the "Assignment"), dated this 5th day of September 2001, 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, 2001 (the "2001 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 2001 Allocation; and

WHEREAS, the Assignor has determined that the 2001 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 2001 Allocation; and

WHEREAS; the City Council of the Assignor has determined to assign to the Assignee \$1,275,656 of its 2001 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 \$1,275,656 of its 2001 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 \$1,275,656 of Assignor's 2001 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 \$1,275,656 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: /s/ Kelly Arnold
City Manager

ATTESTS:

By /s/ Stephanie Nye
City Clerk

COLORADO HOUSING AND FINANCE
AUTHORITY

By: _____
Executive Director

By: _____
Assistant Secretary