

Town of Fraser
Ordinance NO. 530
Series 2026

AN ORDINANCE AMENDING ORDINANCE 526 FINALLY ADOPTED AND APPROVED ON SEPTEMBER 3, 2025, RELATING TO A LOAN OF FUNDS TO THE FRASER HOUSING AUTHORITY IN AN AMOUNT NOT TO EXCEED \$5,400,000 TO FINANCE THE ACQUISITION AND CONSTRUCTION OF THE ST. LOUIS LANDING PROJECT; AND DECLARING AN EMERGENCY.

WHEREAS, the Town of Fraser, Colorado (the "Town"), is a municipal corporation duly organized and existing under the Constitution and laws of the State of Colorado (the "State"); and

WHEREAS, the Fraser Housing Authority, a public body corporate and politic of the State of Colorado (the "Authority") is authorized and empowered by the provisions of the Housing Authorities Law, being Part 2 of Article 4 of Title 29, Colorado Revised Statutes, as from time to time supplemented and amended (the "Act"), to issue revenue bonds for the purpose of acquiring and constructing buildings and improvements pursuant to a single plan or undertaking to provide dwelling accommodations on financial terms within the means of persons of low income; and

WHEREAS, on January 23, 2025, the Town entered into a Development Agreement (the "Development Agreement") with Mountain Affordable Housing Development LLC (the "Developer") for the construction of an affordable housing development known as the St. Louis Landing Project (the "Project"); and

WHEREAS, the Authority will issue its Housing facilities Revenue Bonds (St. Louis Landing Project) Series 2026 (the "Housing Revenue Bonds") in March or April of 2026 to finance the construction of the Project; and

WHEREAS, the Board of Trustees of the Town (the "Board") has issued a Notice to Proceed (as defined in the Development Agreement) in accordance with the terms of the Development Agreement so that construction can proceed on the Project prior to the Housing Revenue Bonds being issued; and

WHEREAS, on September 3, 2025, the Board adopted Ordinance 526 (the "Original Ordinance") which authorized the Town to make a loan to the Authority in an amount not to exceed \$5,400,000 (the "First Interim Loan") to pay for costs incurred pursuant to the Development Agreement in furtherance of the construction of the Project prior to the Housing Revenue Bonds being issued; and

WHEREAS, after the adoption of the Original Ordinance, the Colorado Housing Finance Authority ("CHFA") issued its Affordable Housing Financing Equity Program Equity Commitment (the "Equity Commitment"), which sets forth the terms upon which CHFA will make an investment in the Project of \$12,900,000 (the "Investment"); and

WHEREAS, the terms of the Equity Commitment require the Authority to provide evidence satisfactory to CHFA that the maturity date of the First Interim Loan to the Project has been extended past the maturity date of the Housing Revenue Bonds and the expiration of the Investment Term (as defined in the Commitment); and

WHEREAS, additionally, the terms of the Equity Commitment require the Town to subordinate the First Interim Loan to the deed of trust securing the Investment; and

WHEREAS, in order to satisfy the terms of the Equity Commitment, the Board desires to amend the Original Ordinance to bring its terms into compliance with the requirements of the Equity Commitment; and

WHEREAS, pursuant to Section 31-16-105, C.R.S., because of the urgent need for financing for the Project in order to provide much needed for-rent housing offered at rental rates on financial terms within the means of persons of low income, and the need to secure the Investment for the Project, the Board determines that an emergency exists and that adoption of this Ordinance as an emergency measure on first and final reading is necessary for the immediate preservation of public property, health, welfare, peace and safety.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF FRASER, COLORADO, AS FOLLOWS:

Section 1: Recitals Incorporated; Ratification. The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Board. All actions heretofore taken (not inconsistent with the provisions of the Original Ordinance or this Ordinance) by the Board and by the officers, agents or employees of the Board or the Town directed toward the creation of the Project Fund and the making of the First Interim Loan to the Authority are hereby ratified, approved, and confirmed.

Section 2: Amendments. Section 4 of the Original Ordinance is deleted in its entirety and replaced with the following:

“Section 4: Terms of the Interim Loan.

- A. *Loan Term.* The final maturity date of the Interim Loan is December 31, 2066, subject to optional prepayment in accordance with Section 4.E. below (the “Loan Term”).
- B. *Interest Rate.* The Interim Loan shall bear interest calculated on the basis of a 360-day year of twelve 30-day months at a rate per annum equal to the average interest rate being earned on the Town’s investment portfolio for the preceding twelve months, adjusted annually over the Loan Term.
- C. *Principal Amount.* The principal amount of the Interim Loan shall not exceed \$5,400,000. The Board hereby delegates to the Town Manager the authority to determine how much will be loaned to the

Authority from time to time in accordance with this ordinance; provided that such amount shall not exceed \$5,400,000.

- E. *Optional Prepayment.* The Interim Loan is subject to prepayment in full, or in part, at any time at the option of the Authority. The Authority may prepay the Interim Loan with amounts on deposit in the Project Fund, proceeds of the Housing Revenue Bonds, proceeds received from the sale of Middle-Income Housing Tax Credits, proceeds received from the sale of New Markets Tax Credits or with other legally available revenues of the Authority. Optional prepayment of the Interim Loan in full by the Authority shall satisfy and discharge the Interim Loan and shall end the Loan Term.
- F. *Mandatory Prepayment.* Upon the payment of all costs of the Project (or the adequate provision of funds to pay any remaining costs of the Project) the Interim Loan shall be repaid with all available proceeds of the Housing Revenue Bonds, the proceeds received from the sale of the Middle-Income Housing Tax Credits and the proceeds received from the sale of New Markets Tax Credits.
- G. *Maturity Payment.* Upon maturity, the Interim Loan shall be repaid in full with all available revenues of the Authority.
- H. Notwithstanding anything contained herein to the contrary, the Board may choose, in its sole discretion, to forgive all or a part of the principal or interest due on the Interim Loan, or both.
- I. The Town acknowledges that the Interim Loan is junior to the lien of the Mortgage and Indenture of Trust securing the Housing Revenue Bonds and subordinate to the lien of the deed of trust securing the Prop 123 Investment. The Town agrees to execute any and all documents deemed necessary to evidence such subordination."

Section 3: Continuing Effectiveness. Except as amended herein, the provisions of Ordinance 526 remain in full force and effect.

Section 4: Further Actions. The officers and employees of the Town are hereby independently authorized and directed to take all action necessary or appropriate to implement and effect the provisions of this Resolution, including executing the Amended and Restated Loan Agreement to set forth the terms of the Interim Loan. The execution of any document or instrument by the appropriate officers herein authorized shall be conclusive evidence of the approval by the Town of such agreement, document or instrument in accordance with the terms hereof.

Section 5: Declaration of Emergency. Pursuant to Section 31-16-105,C.R.S., because of the urgent need for financing for the Project in order to provide much needed for-rent housing offered at rental rates on financial terms within the means of persons of

low income, and the need to secure the Investment for the Project, the Board determines that an emergency exists and that adoption of this Ordinance as an emergency measure on first and final reading is necessary for the immediate preservation of public property, health, welfare, peace and safety and this Ordinance shall be in full force and effect immediately upon final passage on first reading and adoption upon Board approval.

Section 6: Effective Date. This Ordinance after its passage on first and final reading shall be numbered, recorded, published and posted and the adoption, posting, and publication shall be authenticated by the signature of the Mayor and the Town Clerk. This Ordinance shall become effective immediately.

READ, PASSED, ADOPTED AS AN EMERGENCY ORDINANCE AND ORDERED PUBLISHED
BY THE BOARD OF TRUSTEES AND SIGNED THIS 18th DAY OF FEBRUARY, 2026.

Votes in favor: _____
Votes opposed: _____
Votes abstained: _____

BOARD OF TRUSTEES OF THE
TOWN OF FRASER, COLORADO

BY: _____
Mayor

(S E A L)

ATTEST: _____
Town Clerk

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