



HOUSING AUTHORITY – Town Hall – Monday, November 25th, 2024

Call to Order & Roll Call – @ 6:30pm

AUTORIDAD DE VIVIENDA - Junta de fideicomisarios de Silverton Ayuntamiento de Silverton - Martes, 12 de noviembre de 2024

Llamado al orden y pase de lista - - 5:30 pm

ATTENTION: Meetings are being conducted in a hybrid virtual/in person. Instructions for public participation in Silverton Housing Authority meetings are as follows:

- Zoom Webinar Link: <https://us02web.zoom.us/j/88637487127>
- By Telephone: Dial 669-900-6833 and enter Webinar ID 886 3748 7127 when prompted.
- YouTube (live and recorded for later viewing, does not support public comment): www.youtube.com/channel/UCmJgal9LUXK5TZahHugprpQ

If you would like to make a public comment during a specific Agenda Item, please submit a request to the Director at achase@silverton.co.us

ATENCIÓN: Las reuniones de Silverton Housing Authority se están llevando a cabo de manera híbrida virtual / presencial. Las instrucciones para la participación del público en las reuniones del Síndico Municipal son las siguientes:

- Enlace del webinar de zoom: <https://us02web.zoom.us/j/88637487127>
- Por teléfono: Marque 669-900-6833 e introduzca el ID del webinar 886 3748 7127 cuando se le solicite.
- Youtube (en vivo y grabado para su posterior visualización, no admite comentarios públicos): www.youtube.com/channel/UCmJgal9LUXK5TZahHugprpQ

Si desea hacer un comentario público durante un punto específico del orden del día, envíe una solicitud al Director en achase@silverton.co.us

MEETING.PROTOCOLS;Please.turn.off.cell.phones.be.respectful.and.take.personal.conversations.into.the.lobby;The.public.is.invited.to.attend.all.regular.meetings.and.work.sessions.of.the.Board.of.Trustees;Regular.Meeting.Closing.Public.Comment.must.be.related.to.an.agenda.item;



PROTOCOLOS.DE.REUNIÓN;Por.favor?apague.los.teléfonos.celulares?.sea.respetuoso.y.lleve.conversaciones.personales.al.vestíbulo;Se.invita.al.público.a.asistir.a.todas.las.reuniones.ordinarias.y.sesiones.de.trabajo.de.la.Junta.de.Síndicos;Reunión.Regular.Clausura.El.comentario.público.debe.estar.relacionado.con.un.ítem.de.la.agenda;

Silverton Housing Authority @6:30pm

1. Resolution 2024-4 LLC for the purpose of contracting with Fading West
2. Anvil Townhomes Deposit Financing
3. Public Comment

Autoridad de Vivienda de Silverton -5:30pm

1. Resolución 2024-4 LLC con el propósito de contratar con Fading West.
2. Financiamiento de depósito de Anvil Townhomes
3. Comentario público



AGENDA MEMO

SUBJECT: Establishing a Single Purpose Entity for Anvil Townhome Development
MEETING DATE: 11/25/2024
STAFF CONTACT: Anne Chase

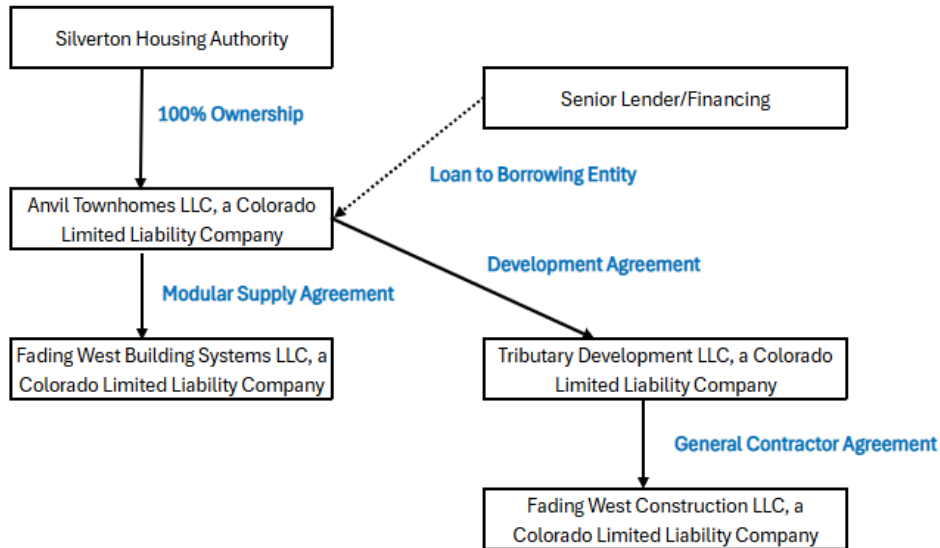
Overview:

The Silverton Housing Authority is pursuing the Anvil Townhome Development. In the current pre-development phase, SHA is working with Tributary Development to determine the financial feasibility of the project, the entity structure, design, and timeline.

It is common practice in real estate development to create a single-purpose entity (SPE) for a project. Staff is proposing that the Silverton Housing Authority create an LLC of which the Housing Authority would be the 100% owner and would serve as the manager. It is recommended that SHA create a SPE for the Anvil Townhome Project for liability protection from the project’s liabilities and financial management of the project. When an LLC is 100% owned by another entity it is considered a “disregarded entity” for accounting and reporting purposes. Once the project is completed, or deemed unfeasible, the SPE can be dissolved.

The SPE would be an LLC and would be the borrower for the senior construction financing and enter into a development agreement with Tributary Development. See the organizational chart below.

Option 1: Silverton Townhome Development Agreement



Motion or Direction:

Motion to approve Resolution 2024-04 A Resolution of the Housing Authority of the Town of Silverton for the creation of a Single Purpose Entity.



RESOLUTION NO. 2024-04

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE TOWN OF SILVERTON
FOR THE CREATION OF A SINGLE PURPOSE ENTITY**

WHEREAS, the Housing Authority for the Town of Silverton (“SHA”) is an independent body politic and corporate authorized to acquire and accept real property pursuant to C.R.S. § 29-4-201 et al.; and

WHEREAS, the SHA has the authority to establish entities controlled by the authority that may own, operate, act, invest in as a partner or other participant, or take any and all steps necessary or convenient to undertake or otherwise develop a project, pursuant to C.R.S. § 29-4-209(1)(d.7); and

WHEREAS, the SHA finds it necessary and beneficial to the public health, safety, and welfare of the community to form a single purpose entity for financing the Anvil Townhome Project.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO THAT:

Section 1. The SHA hereby authorizes and causes to be formed a single-purpose entity known as the “Anvil Townhomes, LLC.”

Section 2. The SHA hereby authorizes and grants signatory authority to the Chairperson to execute any and all documents necessary to form the Anvil Townhome Development, LLC.

Section 3. This Resolution is effective upon its approval by the SHA.

THIS RESOLUTION was approved and adopted the _____ day of November 2024, by the Silverton Housing Authority.

SILVERTON HOUSING AUTHORITY

Dayna Kranker, Chairperson

ATTEST:

Melina Marks Lanis, Town Clerk (SHA Appointed Secretary)



AGENDA MEMO

SUBJECT: Anvil Townhomes Deposit Financing
MEETING DATE: 11/25/24
STAFF CONTACT: Anne Chase

Overview:

The Silverton Housing Authority is pursuing the Anvil Townhome Development. SHA awarded the RFP to Tributary Development/Fading West in Spring 2024. SHA and Tributary Development are under a predevelopment agreement to determine the financial feasibility of the project.

Tributary has been working with Fading West, a modular housing manufacturer in Buena Vista, on a supply agreement with SHA for the Anvil Townhome Development. SHA has received the first draft of the Supply Agreement with Fading West and has been reviewed by SHA legal counsel. To secure a spot in Fading West's 2025 production line, a 10% Capacity Reservation Deposit is due at this time: \$147,314.

Tributary and SHA requested that the Supply Agreement be contingent on SHA's successful award of the Colorado Division of Housing grant in early 2025. The Supply Agreement language deems the 10% deposit refundable and held in an escrow account until the successful award of DOH funding.

Summary table with two rows: Total Order Cost: \$ 1,473,140 and Total SqFt: 9792

Payment Schedule table with columns: Payment, Payment Terms, Payment Due, Payment Amount. Rows include Capacity Reservation, Pre-Production Fee, Material Purchase Fee, Post-Production Fee, Estimated Sales Tax*, Change Orders, Surcharge, Fees, and Total Order Cost.

*Sales tax will be charged in accordance with the sales tax rates in effect at the time of delivery for the destination address unless a sales tax exemption is provided at the time of signing the supply agreement.

Staff is requesting board approval to procure a loan for the 10% Fading West Supply Agreement Deposit. Staff has connected with Region 9 Economic Development and intends to submit a loan financing application to Region 9 on November 26th, 2024. The application will be reviewed at the Region 9 12/11 loan committee meeting and an official

term sheet will be provided to SHA pending approval from the loan committee. However, the discussion with Region 9's loan officer involves the following:

Type: Single Pay Loan – all principal and interest due in 6 months.

Loan Amount: \$147,314.

Interest Rate: 7% (0.72% below federal rate).

Term: 6 months

Anticipated maximum interest: \$5,200.

Repayment Options:

1. Principal and Interest will be assumed in the senior financing of the Anvil Townhome project estimated closing in April 2025 IF awarded Prop 123 funding.
2. Principal would be repaid via 10% Fading West refundable deposit, TOS general fund \$5,200 interest.

Staff has identified the TOS general funds to pay the accrued interest if not awarded Prop 123 funding.

In order to proceed with financing from Region 9 Economic Development, board approval and granting of authorization for Anne Chase to execute loan is necessary.

Motion or Direction:

Motion to approve securing loan financing for the Fading West 10% deposit and authorize Anne Chase to execute such loan.