

## **2014 INTERGOVERNMENTAL FUNDING AGREEMENT FOR THE REGIONAL HOUSING ALLIANCE OF LA PLATA COUNTY**

This 2014 Intergovernmental Funding Agreement for The Regional Housing Alliance of La Plata County (hereafter the "Agreement") is entered by and between the Board of County Commissioners of La Plata County, Colorado whose address is 1060 E. Second Avenue, Durango, Colorado (hereafter "La Plata County"), the City of Durango, Colorado whose address is 949 East Second Avenue, Durango, Colorado (hereafter "Durango"), The Town of Ignacio, Colorado, whose address is 540 Goddard Avenue, Ignacio, Colorado (hereafter "Ignacio"), the Town of Bayfield, Colorado whose address is 1199 US Highway 160B, Bayfield, Colorado (hereafter "Bayfield"), and the Regional Housing Alliance of La Plata County (hereafter the "RHA") whose address is 124 East 9<sup>th</sup> Street, Durango, Colorado 81301 (collectively, the "Parties").

### **RECITALS**

A. The provisions of Section 18 of Article XIV of the Colorado Constitution and C.R.S. 29-1-203 allow Colorado governments to cooperate to contract with one another to provide any function, service or facility lawfully authorized to each local government.

B. The provisions of C.R.S. 29-1-204.5 allow Colorado local governments to contract with each other to establish a separate governmental entity to be known as a multijurisdictional housing authority.

C. Durango, Ignacio and La Plata County established the RHA as a multijurisdictional housing authority on August 5, 2004, by executing an intergovernmental agreement (the "IGA") to be effective as of that same date. The IGA was amended in 2008 to include the Town of Bayfield as a party to the IGA.

D. The Parties have previously entered into funding agreements to provide some of the funds necessary for the operation of the RHA. The Parties wish to provide additional funding for the RHA for 2014 according to the terms of this Agreement.

**NOW THEREFORE**, for and in consideration of the mutual promises, covenants and obligations set forth herein, the parties hereto agree as follows:

1. **Term.** The term of this Agreement shall commence as of the effective date hereof and shall expire, subject to earlier termination in the event of non-appropriation as hereinafter provided, on December 31, 2014.

2. **Funding of RHA.**

2.1 *Funding Obligations – Generally.* La Plata County, the City of Durango, the Town of Ignacio and the Town of Bayfield agree to provide funding to the RHA for 2014 the total aggregate amount of Two Hundred Eighty-Five Thousand, Six Hundred Sixty Dollars (\$285,660).

2.2 *Proportional Shares of Funding.* The Parties agree that the responsibility for funding the obligations set forth in Section 2.1 herein should be shared by the parties in the following proportions:

La Plata County	61 %	\$174,252.00
City of Durango	33 %	\$94,268.00
Town of Ignacio	1 %	\$2,857.00
Town of Bayfield	5 %	\$14,283.00

2.3 *Payment Dates.* All entities shall make payment to the RHA by February 1, 2014.

2.4 *Budgetary Surplus.* Any surplus of funds that remain at the end of this funding cycle will be carried over for use by the RHA, to the extent permitted by law.

3. **Services Provided by the RHA.**

3.1 *Basic Services.* In return for the funding provided by the Parties, the RHA agrees to provide such entities the “Basic Services” described in Exhibit A attached hereto and incorporated herein.

3.2 *Additional Services -- Hourly.* In addition to the provision of Basic Services as described in Section 3.1 above, the RHA agrees to provide for the Parties, upon request, additional housing-related services to be agreed upon by the RHA and the entity requesting such additional services. For such additional services (“Additional Services”), the RHA shall be paid by the entity requesting such Additional Services in accordance with the schedule of hourly rates described on the attached Exhibit B, which is incorporated herein by reference. The approved hourly rates may be increased or decreased from time to time throughout the term of this Agreement on an “as needed” basis with the consent of the Parties to this Agreement. Only the entity requesting the Additional Services shall be obligated to pay the RHA for such Additional Services.

Payment for Additional Services rendered by the RHA shall be due and payable upon the completion of such Additional Services by the RHA, unless the RHA and the entity requesting such Additional Services otherwise agree.

3.3 *Additional Services -- Lump Sum.* The RHA may negotiate and accept payment of a lump-sum fee instead of the approved hourly rates provided in Section 3.2 above for the performance of Additional Services which are reasonably estimated by the RHA to require expenditure of ten (10) or more hours of time so long as such lump-sum fee fairly represents the value of the Additional Services to be provided by the RHA.

3.4 *Use of RHA Services.* The Parties agree to utilize the RHA for the provision of housing-related services when the RHA has the skill, talent and expertise to perform the required services.

3.5 *Provision of Services by RHA to Third Parties.* The RHA agrees to offer housing-related services to third parties in order to generate additional operating income for the RHA. The RHA further agrees that such services shall be charged on an hourly basis.

4. **Appropriations.** Because this Agreement involves the expenditure of public funds, this contract is contingent upon continued availability of such funds for payment. The obligations of the Parties shall not constitute a general obligation, indebtedness or multiple-year direct or indirect debt or other financial obligation whatsoever within the meaning of the constitution or the laws of the State of Colorado.

5. **Notices.** Except as otherwise provided, all notices provided or required under this Agreement shall be in writing, signed by the party giving the same and shall be deemed properly given when actually received or three (3) days after being mailed, by certified mail, return receipt requested, addressed to the Parties at their addresses appearing on the signature pages. Each party, by written notice to the other party, may specify any other address for the receipt of such instruments or communications.

6. **Applicable Law.** This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado.

7. **Modifications.** At all times during the performance of this Agreement, the Parties shall strictly adhere to all applicable federal, state and local laws, rules and regulations that have been or may hereafter be established. This Agreement may be modified or amended only by a duly authorized written instrument executed by the Parties hereto.

8. **RHA Board Approval.** The provisions of this Agreement have been duly approved by the Board of Directors of the RHA.

9. **Effective Date.** The effective date of this Agreement shall be the date when the last signature of the parties is affixed to this Agreement.

10. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one original Agreement.

11. **Severability.** If any term or provision of this Agreement shall be adjudicated to be invalid, illegal or unenforceable, this Agreement shall be deemed to be amended to delete the invalid, illegal or unenforceable term and the remaining terms shall not be affected thereby.

12. **Third Party Beneficiaries.** The parties to this agreement do not intend to benefit any person not a party to this Agreement. No person or entity other than the parties to this Agreement shall have any right, legal or equitable, to enforce any provision of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date and year set forth below.

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**SIGNATURES ON THE FOLLOWING PAGES**


Dated this 17 day of DECEMBER, 2013

BOARD OF COUNTY COMMISSIONERS  
OF LA PLATA COUNTY, COLORADO

Attest:

  
County Clerk



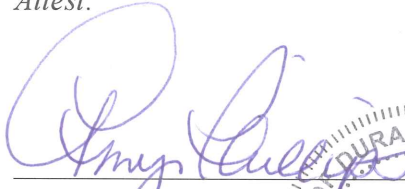
  
Robert A. Lieb, Jr., Chair


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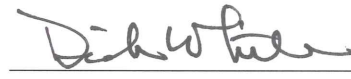
ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Dated this 17 day of Jan, 2014 CITY OF DURANGO, COLORADO

Attest:

  
\_\_\_\_\_  
City Clerk



  
\_\_\_\_\_  
Dick White, Mayor

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ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Dated this 14<sup>th</sup> day of January, 2014

TOWN OF IGNACIO, COLORADO

Attest:



Sebastian Valdez  
Town Clerk

Stella Cox  
Stella Cox, Mayor

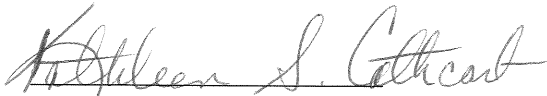
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ADDITIONAL SIGNATURES ON FOLLOWING PAGE

TOWN OF BAYFIELD, COLORADO

Dated this 22<sup>nd</sup> day of October, 2013

*Attest:*

  
Town Clerk

  
Dr. Rick Smith, Mayor

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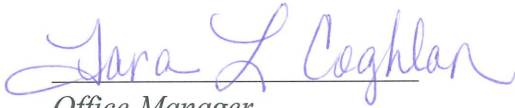
ADDITIONAL SIGNATURES ON FOLLOWING PAGE



Dated this 27 day of January, 2014

REGIONAL HOUSING ALLIANCE  
OF LA PLATA COUNTY

*Attest:*

  
Office Manager

  
Karen Iverson, Executive Director

## EXHIBIT A

### BASIC SERVICES

#### **Homebuyer Services Program:**

*These services include providing an eight-hour Homebuyer Education Class that meets national standards, providing one-on-one counseling, offering down-payment programs, educating the local community on below-market mortgage products, marketing all below-market homes that result from regional policies or partnerships with local entities and developers, and helping market opportunities offered by regional nonprofit organizations. This strategy will:*

- Provide a minimum of 10 Homebuyer Education Classes.
- Graduate at least 140 families from the Homebuyer Education Classes.
- Provide individual counseling to at least 75 families.
- Provide at least 15 mortgage assistance loans in partnership with La Plata Homes Fund.
- Market opportunities generated by each entity through policies or developments.
- Create affordability control/s and manage controls on behalf of each entity.
- Educate local lenders and realtors about below-market products available.

#### **La Plata Homes Fund, Inc.**

*The Homes Fund provides funding for second mortgages. This year the Homes Fund will continue to provide loans in the form of second mortgages and will continue looking for new funding sources to launch a pre-development loan fund. The Homes Fund is an independent nonprofit that is able to leverage capital resources for La Plata County. The Home Fund will:*

- Apply for at least \$500,000 in additional resources annually.
- Obtain an annual audit and retain accounting services.
- Refine loan program policies and procedures as needed.
- Provide compliance and portfolio management services for Homes Fund loans.
- Pass grant funds through the RHA to offset administrative costs (average of \$70,000 per year).

#### **Developer Support Program**

*The RHA will support two developments in 2014: a 50-unit LIHTC (Low Income Housing Tax Credit) project at 3190 E. Animas Village Drive, Durango, CO, and a transition or permanent supportive housing project on the social service campus site near Manna Soup Kitchen. It will also accept land donations from Twin Buttes and pursue pre-development steps on the Rock Creek III site in Ignacio.*

### **Fair Share Programs**

*This strategy is two-fold: It requires negotiating previous development agreements that have an affordable or attainable requirement, and proposes new policies for each participating entity. The RHA will:*

- Administer and monitor Fair Share Programs for each entity that adopts such a policy.
- Provide administrative procedures for each entity that adopts a Fair Share Program.
- Periodically update the county-wide Needs Assessment for planning purposes (at least every five years).
- Review and update pricing schedules annually based on changes to HUD incomes and prevailing interest rates.
- Create and administer affordability controls (however, based on type of control there may be additional costs).
- Serve as a referral agency on affordable housing elements of development proposals, which includes reviewing pro formas.
- Provide management for the County's Workforce Housing Agreements.

### **Policy Development and Education**

*This is a broad strategy to encourage or collaborate on larger policy issues that will encourage "green," affordable housing near jobs, transportation and services. This strategy also focuses on keeping affordable housing as a top priority in this community. The RHA will:*

- Provide educational materials and services, including possible resources, grants and program information to participating entities on an as-needed basis.
- Advise entities and their planning commissions or staff on housing-related issues and policies on an as-needed basis.
- Draft housing policies on an as-needed basis (this will not include legal expenses of review or additional expenses for outside).

<b>RHA Direct Results</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<u>Housing Counseling</u> One-on-one individualized, personal counseling	81 households	75 households	75 households	75 households
<u>Credit &amp; Financial Counseling</u> One-on-one individualized, personal counseling	NA	345 hours	345 hours	345 hours
<u>Homebuyer Education Class</u> Eight-hour, monthly classes taught in diverse locations	106 households	150 households	140 households	140 households
<u>Total Households ...</u> Served through education and/or counseling	187 households	225 households	215 households	215 households
<u>Mortgage Assistance</u> Clients who received an RHA or HF loan	18 households	12 households	15 households	15 households
<u>Homebuyer Assistance</u> Homebuyers who received counseling and/or took class but purchased without a direct RHA/HF loan	15 households	20 households	20 households	20 households
<u>Mortgage Credit Certificates</u> Homebuyers who receive increased tax benefits to their regular mortgage interest deduction	0	9 households	15 households	15 households
<u>RHA Sponsored Development</u> Rental housing	in process	in process	65 units	50 units
<u>Fair Share Program</u> Land, \$ or homes donated from developers	1 home	\$65,000 to date	land	land

## EXHIBIT B

### ADDITIONAL SERVICES -- HOURLY RATES

At the time of this funding agreement, the RHA has not developed a particular fee schedule. It is anticipated that this exhibit may be amended by agreement of the parties from time to time based upon information provided by the RHA. It is anticipated that billing for additional services, particularly those provided to non-member entities or organizations (third parties) shall be made based upon time expended for the service, and billed at the hourly rate of the principals involved in providing the work undertaken.