

RESOLUTION NO. 17 (2025)

A RESOLUTION AUTHORIZING A LOAN FROM THE CITY OF CRAIG TO THE CRAIG HOUSING AUTHORITY

WHEREAS, the City of Craig lacks affordable housing options for families in the community;

WHEREAS, the Craig Housing Authority acquired 1.55 acres from Moffat County located at 785 Russell Street in Craig for the development of affordable housing units;

WHEREAS, the City of Craig is able to loan money to the Craig Housing Authority under the Colorado Constitution or the Craig City Charter;

WHEREAS, the Craig Housing Authority has completed the housing project known as the 8th Street Development that will provide twenty affordable housing units within the City;

WHEREAS, the City has the financial ability to finance a loan for the Craig Housing Authority to pay off a line of credit with Bank of Colorado in the amount of \$500,000.00 and a pay off the loan with the Yampa Valley Community Foundation in the amount of \$1,904,158.29;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF CRAIG, COLORADO:

1. The Council authorizes the execution and delivery of a Loan Agreement between the Authority and the City and a Promissory Note from the Craig Housing Authority to the City in the amount of \$2,404,158.29.
2. The Council authorizes the City to enter into the Loan Agreement attached as Exhibit 1 with the Craig Housing Authority.
3. The Council authorizes the City Manager to execute and deliver any other document or agreement the City Manager deems necessary or desirable to carry out the intent of this Resolution.
4. All actions heretofore taken by the officers, employees and agents of the City relating to the Loan and this Resolution are hereby ratified, approved and confirmed.
5. The Loan to the Craig Housing Authority is for and in support of the operations of the City and will benefit the City and its residents as it will provide necessary affordable housing to the citizens. Accordingly, all actions taken or to be taken by the officers, employees and agents of the City relating to Loan to the Craig Housing Authority, which are consistent with the provisions of this Resolution, are ratified, approved and confirmed.

READ AND APPROVED THIS 22nd DAY OF JULY 2025 BY THE CITY COUNCIL FOR
THE CITY OF CRAIG, COLORADO.

Chris Nichols, Mayor

ATTEST:

Katie Carmody, City Clerk

LOAN AGREEMENT

CHA 8th Street Development

This Loan Agreement (“Loan Agreement”), dated July 22, 2025 (“Effective Date”), is between the CITY OF CRAIG, COLORADO, a home rule municipality (“City”), and CRAIG HOUSING AUTHORITY, a body corporate and politic (“CHA”).

CHA owns real property in the City addressed as 785 Russell Street upon which it has developed twenty units of affordable housing known as 8th Street Development (“Project”). CHA has requested the City to provide a loan of \$2,404,158.29 to pay off the line of credit with Bank of Colorado and payoff the loan with Yampa Valley Community Foundation.

The parties therefore agree as follows:

1. Loan. The City shall lend CHA \$2,401,158.29 (“Loan”) under the terms of this Loan Agreement and a Promissory Note. CHA shall use the Loan to the line of credit with Bank of Colorado in the amount of \$500,000.00 and the loan with Yampa Valley Community Foundation in the amount of \$1,904,158.29.

2. Disbursement. The City shall disburse the Loan funds to CHA as a lump-sum payment after CHA executes this Loan Agreement and the Promissory Note.

3. Term and Maturity. CHA repay the Loan in full on or before December 31, 2035 (“Maturity Date”). CHA may extend the term by up to twelve months by providing notice to the City. CHA may prepay the Loan before the Maturity Date without penalty.

4. Events of Default. The following events each constitute an Event of Default under the terms of this Loan Agreement:

- (a) CHA fails to punctually perform its obligations under this Loan Agreement or the Promissory Note;
- (b) CHA fails to repay the Loan in full on or before the Maturity Date; or
- (c) CHA makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they mature, files or has filed against it a petition in bankruptcy or a petition or answer seeking a reorganization, arrangement with creditors, or other similar relief under federal bankruptcy laws, consents to the appointment of a trustee or receiver, or takes any action for the purpose of effecting or consenting to any of the foregoing.

Upon the occurrence of an Event of Default, the City must provide written notice to CHA. CHA may cure any such default within the timeframes provided in the Promissory Note. If CHA fails to cure such default, then the City will have all remedies as are set forth in the Note or otherwise at law.

5. Miscellaneous.

- (a) Any amendment to this Loan Agreement requires a written agreement of the parties.
- (b) This Agreement constitutes the entire understanding between the parties regarding its subject matter.
- (c) The laws of the state of Colorado, without giving effect to its principles of conflicts of law, govern all adversarial proceedings brought by the parties arising out of this Loan Agreement, whether their claims sound in contract, tort, or otherwise.

[signature pages follow]

This Agreement was executed as of the Effective Date.

CHA

Craig Housing Authority, a Colorado body corporate
and politic

By: _____
Name: Chris Nichols
Title: Chairperson

CITY

City of Craig

By:

Name: Chris Nichols

Title: Mayor

ATTEST:

Katie Carmody, City Clerk

Notary Public

PROMISSORY NOTE

CHA 8th Street Development

Principal amount: \$2,404,158.29

July 22, 2025

CRAIG HOUSING AUTHORITY, a Colorado body corporate and politic (“Borrower”), unconditionally promises to pay to the order of CITY OF CRAIG, COLORADO, a home rule municipality (“Payee”), the principal sum of \$2,404,158.29 or so much as Payee has advanced under this Note. All unpaid principal is due on December 31, 2035 (“Maturity Date”), which Maturity Date the Borrower may extend by up to twelve months under the Loan Agreement.

Notwithstanding anything in this Note to the contrary, payments of principal are not required under this Note except that all principal is due on the Maturity Date.

Borrower shall make all payments of principal on this Note to Payee at its offices at 300 W. 4th Street, Craig, CO 81625, or at another place as Payee may designate to Borrower in writing. Payee shall apply all payments received under this Note to the outstanding principal balance.

Borrower may prepay this Note, either in whole or in part, at any time without premium or penalty and without the prior consent of the Payee.

Time is of the essence for every provision of this Note. In the event of any default in any payment of principal when due that Borrower does not cure within five days after the due date, then, at the option of the holder, the whole outstanding principal sum of this Note and all other obligations of Borrower to holder, direct or indirect, absolute or contingent, now existing or arising later, become immediately due and payable without notice or demand. The holder of this Note may exercise any of the rights and remedies provided in this Note, as it may be amended, modified, or supplemented, and under applicable law.

If Borrower fails to pay any amount due under this Note, or if Payee brings any suit or proceedings for the recovery or for protection of the indebtedness, then Borrower shall pay on demand all reasonable costs and expenses of the suit or proceeding and any appeal including, but not limited to, the fees and disbursements of Payee’s attorneys and their staff.

Borrower hereby waives presentment, notice of dishonor, notice of acceleration, and protest. Borrower hereby assents to any extension of time with respect to any payment due under this Note. No waiver of any payment or other right operates as a waiver of any other payment or right.

If any provision in this Note is held invalid, illegal, or unenforceable, all other provisions of this Note remain fully enforceable.

No delay or failure of the holder of this Note in the exercise of any right or remedy is to be deemed a waiver of such right, and no exercise of any right or remedy is to be deemed a waiver of any other right or remedy that the holder may have.

The parties shall give all notices related to this Note in writing, by hand delivery, overnight courier, or by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

Borrower: Craig Housing Authority
300 W. 4th Street
Craig, CO 81625
Attention: Executive Director

Payee: At the same address to which Note payments are to be made.

Notices will be deemed effective when hand delivered, or one day after timely delivery to an overnight courier for next day delivery to Borrower (as evidenced by a receipt from the overnight courier), or three days after notice is deposited with the U.S. Postal Service.

Borrower and all signers or endorsers hereby consent to venue and jurisdiction in Colorado's Fourteenth Judicial District Court and to service of process as permitted under Colorado law in any action to enforce this Note.

The laws of the State of Colorado govern this Note without regard to principles of conflicts of laws.

BORROWER

Craig Housing Authority

By: _____
Name: Peter Brixius
Title: Executive Director