

A RESOLUTION

AUTHORIZING THE FORGIVENESS OF COMMUNITY DEVELOPMENT
BLOCK GRANT HOME REPAIR LOANS

WHEREAS, the City of Lakewood (the “City”) receives annual Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD) to support eligible activities that primarily benefit low-and moderate-income households;

WHEREAS, one of the programs CDBG grant funding supports is the Home Repair Program (the “Program”) that provides grants or low-interest loans to low-and-moderate-income homeowners for essential home repairs;

WHEREAS, over the course of thirty-seven (37) years, the City issued one hundred and seventy-two (172) CDBG-funded loans for the Program for the purpose of supporting eligible housing rehabilitation;

WHEREAS, at the time the Program was created, the City chose to impose interest in order to offset the costs of administering the Program, even though HUD did not require the City to charge interest on these loans;

WHEREAS, the loans were structured as three percent (3%) interest loans with specific program requirements and affordability obligations;

WHEREAS, there are still twenty-four (24) active loans with an outstanding principal balance of \$316,562.97;

WHEREAS, the Program loans were set up so that borrowers could make payments if they wanted but, if they could not afford to make payments, the outstanding loan amount was recouped upon the sale or transfer of the home;

WHEREAS, the Program adapted over time and, instead of issuing loans, the Program now offers grants to qualified applicants that do not need to be paid back to the local government;

WHEREAS, the Foothills Regional Housing Authority (FRHA) administers the Program on behalf of the City;

WHEREAS, the City and FRHA have determined that forgiveness of the remaining loan balance for each of the Home Repair loans is permissible under the Program guidelines, has no adverse impact on the City’s Program obligations, simplifies accounting and reporting processes, and is in the best interest of the low-and-moderate-income borrowers served;

WHEREAS, the only revenue the City would be forfeiting would be the principal loan amount and any interest on the active loans; and

WHEREAS, the City Council finds that loan forgiveness serves a valid public purpose and is consistent with the Program, the City's Consolidated Plan, and the City's goals to assist low-and-moderate income residents with housing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lakewood, Colorado, that:

SECTION 1. The City Council hereby finds and determines that authorizing the City Manager or designee to forgive all CDBG Home Repair Program loans issued by the City is in the best interest of the City and its residents.

SECTION 2. The City Manager or designee is hereby authorized to execute any documents necessary to effectuate the loan forgiveness and to take all administrative actions required to implement this resolution.

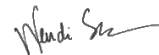
SECTION 3. This Resolution shall take effect immediately upon its adoption.

INTRODUCED, READ AND ADOPTED by a vote of 10 for and 0 against at a hybrid regular meeting of the City Council on May 11th, 2026, at 7 o'clock p.m., at the Lakewood Civic Center, 480 South Allison Parkway, Lakewood, Colorado.

ATTEST:



Jay Robb, City Clerk



Wendi Strom, Mayor

APPROVED AS TO FORM:



Alison McKenney Brown, City Attorney