



# Department of Housing & Human Services

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[www.BoulderCountyHHS.org](http://www.BoulderCountyHHS.org)

DATE: January 12, 2023

TO: Courtney Gabriel, Purchasing Manager, Purchasing  
Julia Ozenberger, Finance Director  
Norrie Boyd, BCHA Executive Director

FROM: Molly Chiang, Senior Developer  
Tanya Jimenez, Developer  
Kelly Stapleton, Co-Interim Finance Manager

SUBJECT: Legal Services for the United States Department of Agriculture – Rural  
Development (USDA-RD) loans for Casa de la Esperanza

Given the unique loan program and financing at Casa de la Esperanza, BCHA intends to procure Butler Snow, LLP to assist with the loan restructuring and other regulatory issues related to the USDA-RD programs. BCHA plans to refinance and upgrade the property and will spend approximately \$315,000 in predevelopment funding to lay the groundwork for the refinance and rehab options.

**Budget:**

The budget for the work will not exceed \$175,000.00

**Background:**

Casa de la Esperanza was built in 1993 in Longmont, CO and is a USDA-RD funded housing complex. By regulation, BCHA is required to lease to households who are employed in farm and agricultural activities *and* who also meet the income requirements. Over the past decade, the landscape of Longmont has changed, resulting in the closure of possible farm and labor areas. This change has significantly impacted BCHA's ability to find qualified households despite extensive outreach efforts. Of the 32 units, 15 are currently vacant.

The eligibility requirements cannot be modified so BCHA options turn to a modification of the loan or a restructuring of the terms of the loan. Unfortunately USDA-RD loans *cannot* be repaid early or refinanced and it is very difficult to restructure the financing without significant investment of staff resources and expertise which BCHA does not have for this type of loan.

BCHA development staff searched for legal counsel to advise on this matter. After calls with several law firms referred to us from the affordable housing community in Colorado and nationally, BCHA learned the USDA-RD 514 loan program is relatively specialized. Few professionals have expertise in this specific realm. Of the six law firms development staff contacted, Butler Snow, LLP is the *only* law firm that has expertise with the USDA-RD 514 loan program and can also assist with the regulatory issues.

Purchasing Approved: Courtney Gabriel

Finance Director Approved: Julia Ogenberger

Executive Director Approved: Norrie Boyd