

BY AUTHORITY

2 RESOLUTION NO. CR21-0599
3 SERIES 2021

COMMITTEE OF REFERENCE:
Finance & Governance

A RESOLUTION

Approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$8,000,000 of Multifamily Housing Revenue Bonds for Rhonda's Place.

8 **WHEREAS**, the City and County of Denver, Colorado (the "City") is a legally and regularly
9 created, established, organized and existing home rule city, municipal corporation and political
10 subdivision under the provisions of Article XX of the Constitution of the State of Colorado (the "State")
11 and the Home Rule Charter of the City (the "Charter"); and

12 **WHEREAS**, the City is authorized by its Charter, the County and Municipality Development
13 Revenue Bond Act, constituting Article 3 of Title 29, Colorado Revised Statutes, as amended (the
14 "Act") and the Supplemental Public Securities Act, constituting Part 2, Article 57 of Title 11, Colorado
15 Revised Statutes, as amended (the "Supplemental Public Securities Act") to finance or refinance
16 projects as defined in the Act to the end that residential facilities for low- and middle-income families
17 or persons intended for use as the sole place of residence by the owners or intended occupants may
18 be provided in order to promote the public health, welfare, safety, convenience and prosperity; and

19 **WHEREAS**, representatives of REDI Corporation, a Colorado nonprofit corporation (such
20 entity, together with one or more related affiliates or successors or assigns, are collectively referred
21 to herein as the “Developer”), have advised the City that Rhonda’s Place, LLLP, a to-be-created
22 limited liability limited partnership, including any subsidiaries, affiliates, successors or assigns of the
23 Developer (but only if such subsidiaries, affiliates, successors or assigns are acceptable to the City)
24 (the “Borrower”) intends to acquire, construct, and equip an approximately 50-unit affordable
25 multifamily housing facility located at 203 S. Federal Boulevard in Denver, Colorado (the “Project”),
26 subject to the City’s financing the acquisition, construction and equipping of the Project, including
27 the funding of any reserves or capitalized interest and payment of costs of issuance of the Project,
28 through the issuance of the City’s multifamily housing revenue bonds in an amount not to exceed
29 \$8,000,000: and

30 **WHEREAS**, the Project is located within the geographical boundaries of the City; and

1 **WHEREAS**, the Project is known as Rhonda's Place (or such other name as determined by
2 the Developer); and

3 **WHEREAS**, the Developer has represented to the City that the Project will qualify as a
4 "project" within the meaning of the Act; and

5 **WHEREAS**, the City has considered the Developer's proposal and has concluded that the
6 Project will provide affordable housing to low- and middle-income persons and families in the City
7 and will promote the public health, welfare, safety, convenience and prosperity; and

8 **WHEREAS**, it is anticipated that, subject to the requirements of its Charter and of the Denver
9 Revised Municipal Code, the City will enter into one or more loan agreements or other types of
10 financing agreements pursuant to which the City will loan the proceeds of the Bonds to the Borrower,
11 or an affiliated entity thereof; and

12 **WHEREAS**, the City desires to indicate its intent to proceed with financing the Project through
13 the issuance of the City's multifamily housing revenue bonds;

14 **NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY AND COUNTY
15 OF DENVER, COLORADO:**

16 **Section 1.** That in order to benefit the residents of the City and to induce the Developer to
17 undertake the Project, the City shall, subject to the provisions hereof, take all necessary and
18 advisable steps to effect the issuance, in one or more series, of the City's multifamily housing
19 revenue bonds (the "Bonds") pursuant to its Charter, the Act and the Supplemental Public Securities
20 Act in the maximum aggregate principal amount of \$8,000,000 or such other amount as shall be
21 determined and agreed upon by the Developer and the City as may be necessary to finance the
22 Project. The Bonds shall be special, limited obligations of the City payable solely from and secured
23 by a pledge of revenues derived from and payable by the Borrower pursuant to the loan agreement
24 with the City; the Bonds shall never constitute a debt, multiple fiscal year obligation or indebtedness
25 of the City, the State or any political subdivision of the State within the meaning of any provision or
26 limitation of the State Constitution or statutes and shall not constitute nor give rise to a pecuniary
27 liability of the City or be a charge against the City's general credit or taxing powers of, the City, the
28 State or any county, municipality or political subdivision of the State. The Bonds shall not constitute
29 a "multiple fiscal year direct or indirect debt or other financial obligation" of the City under Article X,
30 Section 20 of the Colorado Constitution, nor shall the Bonds ever be deemed to be an obligation or

1 agreement of any officer, director, agent or employee of the City in such person's individual capacity,
2 and none of such persons shall be subject to any personal liability by reason of the issuance of the
3 Bonds.

4 **Section 2.** That the City hereby finds, determines, recites and declares that the issuance
5 of the Bonds to finance the Project will provide affordable housing to low- and middle-income persons
6 and families in the City and will promote the public health, welfare, safety, convenience and
7 prosperity.

8 **Section 3.** That the City hereby finds, determines, recites and declares the City's intent that
9 this Resolution constitute an official indication of the present intention of the City to issue the Bonds
10 as herein provided, subject to: (a) the Borrower obtaining a commitment for the purchase of the
11 Bonds on terms which are acceptable to the City, its municipal advisor and its Bond Counsel; (b) the
12 delivery of an approving opinion of Bond Counsel to the City; (c) the delivery of an appraisal, survey,
13 title insurance, environmental audit and plans and specifications which are all acceptable to the City;
14 (d) the Borrower obtaining sufficient debt and equity financing acceptable to the City; (e) the
15 Borrower receiving all applicable approvals for the Project from the City and County of Denver,
16 Colorado and any other relevant governmental entity; (f) City approval of the design of the Project;
17 (g) if the Bonds are sold on an unrated basis, the Bonds may only be purchased by qualified
18 institutional buyers or accredited investors in denominations acceptable to the City; (h) the execution
19 and delivery of indemnity agreements and payment or reimbursement of costs and expenses, all to
20 the satisfaction of the City; (i) the Borrower agreeing to post issuance compliance policies and
21 procedures acceptable to the City; and (j) the adoption of a final bond ordinance by the City. The
22 City's discretion to accept or not to accept items relating to the Project or additional financing
23 therefore or relating to credit, security, sale or marketing aspects of the Bonds is intended for the
24 protection of the City's interests, and any such acceptance shall not be construed to impose upon
25 the City any duties to, nor to confer any rights against the City upon, any bondholders, investors or
26 other third parties.

27 **Section 4.** The City hereby awards \$8,000,000 of its private activity bond volume cap
28 allocation (the "Allocation") to the Project. The award of the Allocation shall expire one year from
29 the date of this Resolution (the "Expiration Date"); provided, however, the Chief Financial Officer of
30 the City's Department of Finance or the Chief Housing Officer of the City's Department of Housing
31 Stability may extend the Expiration Date to a later date in their sole discretion.

1 **Section 5.** That no costs or expenses whether incurred by the City or any other party in
2 connection with the issuance of the Bonds or the preparation or review of any documents by any
3 legal or financial consultants retained in connection herewith shall be borne by the City. The City
4 shall have the right to select and retain legal, financial and other consultants in connection with the
5 proposed financing, and all fees, costs and expenses of such consultants, along with all other such
6 costs and expenses shall be paid from the proceeds of the Bonds or otherwise borne by the Borrower
7 regardless of whether the Bonds are issued. The City may require such deposits or advances as it
8 deems desirable for such fees, costs and expenses, and may require reimbursement of any such
9 fees, costs and expenses paid by the City.

10 **Section 6.** That prior to any execution of a loan agreement, indenture of trust, bond
11 purchase agreement, tax regulatory agreement or any other necessary documents and agreements
12 in connection with such Bonds, such documents and/or agreements shall be submitted for approval
13 to the City, and, if satisfactory to the City, their execution shall be authorized by ordinance of the City
14 pursuant to law.

15 **Section 7.** That all public hearings scheduled and held in accordance with the Tax Equity
16 and Fiscal Responsibility Act of 1982 (“TEFRA”) in connection with the issuance of the Bonds shall
17 incorporate available and feasible innovative and inclusive technological solutions, subject to
18 compliance with any applicable requirements under Section 147(f) of the Internal Revenue Code of
19 1986, as amended, so that the public can continue to have fullest possible access to the TEFRA
20 hearing.

21 **Section 8.** That the agreements of the City set forth above are expressly conditioned upon
22 the ability and willingness of the City to issue the Bonds as tax-exempt obligations under the Code.
23 Nothing contained in this Resolution shall be construed as requiring the City to issue the Bonds and
24 the decision to issue the Bonds shall be in the complete discretion of the City.

25 **Section 9.** The City hereby desires to declare its official intent, pursuant to 26 C.F.R.
26 § 1.150-2, to issue the Bonds and thereby permit the City and the Borrower to reimburse itself from
27 proceeds of the Bonds for certain expenditures incurred in connection with the Project prior to
28 issuance of the Bonds.

Section 10. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

4 **Section 11.** That all bylaws, orders, resolutions and ordinances, or parts thereof,
5 inconsistent herewith and with the documents hereby approved, are hereby repealed to the extent
6 only of such inconsistency. This repealer clause shall not be construed as reviving any bylaw, order,
7 or ordinance or part thereof.

8 COMMITTEE APPROVAL DATE: May 25, 2021 by Consent

9 MAYOR-COUNCIL DATE: June 1, 2021 by Consent

10 PASSED BY THE COUNCIL: _____

11 _____ - PRESIDENT

12 ATTEST: _____ - CLERK AND RECORDER,
13
14 EX-OFFICIO CLERK OF THE
CITY AND COUNTY OF DENVER

15 PREPARED BY: KUTAK ROCK LLP DATE: May 26 2021

16 REVIEWED BY: Bradley T. Neiman, Assistant City Attorney DATE: June 3, 2021

17 Pursuant to section 13-12, D.R.M.C., this proposed resolution has been reviewed by the Office of
18 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
19 resolution. The proposed resolution is not submitted to the City Council for approval pursuant to
20 § 3.2.6 of the Charter.

21 Kristin M. Bronson, Denver City Attorney

22 BY: _____, Assistant City Attorney DATE: _____