

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: **November 22, 2021**

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
 Dedication/Vacation Appropriation/Supplemental DRMC Change
 Other: Inducement Resolution

2. **Title:** Approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$18,300,000 of Multifamily Housing Revenue Bonds for the Northfield Flats project to support the acquisition, construction, and equipping of an affordable housing project.

3. **Requesting Agency:** Department of Finance

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Michael Kerrigan	Name: Michael Kerrigan
Email: Michael.Kerrigan@denvergov.org	Email: Michael.Kerrigan@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

The proposed resolution is being requested to evidence the City's intent to utilize a portion of the City's Private Activity Bond (PAB) Volume Cap Allocation to finance affordable multifamily housing by Mile High Development, or its affiliates, for the Northfield Flats project located at the northwest corner of 45th Avenue and Xenia Street in Denver, Colorado. The PAB will be a part of the financing package for Mile High Development, or its affiliates, to construct a new four-story, 128-unit affordable multifamily apartment complex. The building is anticipated to be 100% restricted to 30%, 40%, 50%, 60%, 70%, and 80% of Area Median Income. The State of Colorado's Department of Local Affairs has allocated PAB Volume Cap Allocation to the City. This resolution allows for the use of up to \$18,300,000 of PAB Volume Cap Allocation to be applied to this project consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

6. City Attorney assigned to this request (if applicable):

Brad Neiman

7. City Council District:

District 8: Christopher Herndon

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

N/A

Executive Summary

The proposed resolution is to declare the *intent* of the City and County of Denver, Colorado to issue an amount not to exceed \$18,300,000 of its Multifamily Housing Revenue Bonds for the Northfield Flats project located at the northwest corner of

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45th Avenue and Xenia Street in Council District 8. Mile High Development or its affiliates, is partnering with Brinshore Development to build the project. The Multifamily Housing Revenue Bonds will be a part of the financing package for Mile High Development and its affiliates, to acquire, construct, equip, fund reserves, and pay issuance costs for a new 128-unit affordable multifamily apartment project.

The project's location is expected to take advantage of the transit rich conveniences, with many retail, entertainment, and restaurant options in close proximity. The project is anticipated to be a 4-story apartment complex serving workforce residents. The units are anticipated to serve a range of area median income (AMI) levels with a maximum of 80% AMI. The project is expected to include 42 one-bedroom, 82 two-bedroom, and 4 three-bedroom units. The building is anticipated to be wood-framed construction with brick and fiber cement siding, vinyl windows with storefronts on the ground level highlighting the common and amenity areas. The building is anticipated to include a large community room with seating and computer use and a fitness center. Outdoor amenities for the project are expected to include a south-facing patio with barbecue grills and outdoor seating. The construction of the project is expected to start in spring of 2022.

In general, a private activity bond (PAB) is a bond issued by a local or state government or agency for the purpose of financing a project to be owned and operated by a private party. The interest paid on the PABs is exempt from Federal and State of Colorado income taxation. The Federal government allots a PAB Volume Cap Allocation to each state. The State of Colorado, in turn, allocates a portion of such PAB Volume Cap Allocation to each local government issuer based upon their respective population. Any PAB Volume Cap Allocation that is unused or not carried forward reverts back to the Colorado Department of Local Affairs, and such reverted PAB Volume Cap is then awarded to local government issuers through a competitive process.

This resolution allows for an allocation of \$18,300,000 of the City's total and currently available PAB Volume Cap Allocation of \$103,153,059 to be applied to the proposed multifamily project known as Northfield Flats, consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

PABs and PAB Volume Cap Allocation are utilized to finance various types of facilities owned or operated by private entities, including multifamily housing projects, single family and housing assistance, mortgage credit certificates, and industrial development uses. PAB issued by the City are special, limited obligations of the City and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. The owner of the project financed with PAB is solely responsible for compliance related to regulations of the tax-exempt bond program, the Low-Income Housing Tax Credit program, and the principal and interest payments on the PAB once issued.

The approval of this inducement resolution will function like a reservation of PAB Volume Cap Allocation capacity specifically for the Northfield Flats project. To issue PAB for this project, the City will need to pass a separate bond ordinance approving the terms of the PAB issuance and related financing agreements. The bond ordinance is expected to be presented to Council in the spring of 2022.

The Forum PAB <u>Inducement Resolution</u> Action Items		
Item	Date	Notes
PAB Inducement Resolution: Resolution Request Deadline	11/22/2021	
PAB Inducement Resolution: Committee	Week of 11/29/2021	Request consent agenda
PAB Inducement Resolution: Mayor-Council	12/7/2021	
PAB Inducement Resolution: Deadline for CAO to file Resolution	12/8/2021	
PAB Inducement Resolution: City Council - First and only Reading	12/13/2021	

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property):

N/A

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Vendor/Contractor Name: N/A

Contract control number: N/A

Location: N/A

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? _____

N/A

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

N/A

Contract Amount (indicate existing amount, amended amount and new contract total): N/A

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>

Scope of work: N/A

Was this contractor selected by competitive process? N/A If not, why not? N/A

Has this contractor provided these services to the City before? Yes No

N/A

Source of funds: N/A

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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