

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: **May 25, 2023**

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: Authorize and approve the City's utilization of private activity volume cap for the All Saints Apartments project.

2. Title: For an ordinance authorizing the issuance and sale of an amount not to exceed \$11,000,000 of the City and County of Denver, Colorado Multifamily Housing Revenue Bonds (All Saints Apartments), Series 2023 for the purpose of financing the acquisition, construction and equipping of an affordable multifamily rental housing facility located in the City and County of Denver, Colorado and to pay certain expenses of such Bonds; approving and authorizing execution of a Financing Agreement, a Tax Regulatory Agreement and an Allonge with respect to the Bonds; making findings and determinations with respect to the Project and the Bonds; authorizing the execution and delivery of related documents; and repealing all action heretofore taken in conflict herewith

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: Josh Rosenblum |
| Email: Michael.Kerrigan@denvergov.org | Email: joshua.rosenblum@denvergov.org |

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

The proposed ordinance approves the City's issuance of its Multifamily Housing Revenue Bonds (All Saints Apartments), Series 2023 ("Bonds"). The ordinance also approves the City's utilization of the Private Activity Bond Volume Cap Allocation for the purpose of financing multifamily housing by All Saints Apartments LLLP, an entity formed by the Archdiocesan Housing, Inc., or its affiliates, for the All Saints Apartments project located at 2595 S. Federal Blvd. in Denver, Colorado. The Bonds will be a part of the financing package for All Saints Apartments LLLP, or its affiliates, to construct a new four-story, 63-unit affordable multifamily apartment complex. The building is anticipated to be 100% restricted to 30% - 60% of Area Median Income seniors. The State of Colorado's Department of Local Affairs has allocated PAB Volume Cap Allocation to the City. The ordinance authorizes the use of up to \$11,000,000 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. Additionally, this ordinance authorizes the City to enter a Financing Agreement, a Tax Regulatory Agreement and an Allonge associated with the Bonds.

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

Brad Neiman

7. City Council District:

District 2: Kevin Flynn

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

N/A

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Executive Summary

The proposed ordinance enables the City and County of Denver, Colorado to utilize its Private Activity Bond Volume Cap Allocation in an amount not to exceed \$11,000,000. The City will issue up to \$11,000,000 of its Multifamily Housing Revenue Bonds (All Saints Apartments), Series 2023 ("Bonds") for the proposed project located at 2595 S. Federal Blvd. in Council District 2. The Bonds will be a part of the financing package for All Saints Apartments LLLP or its affiliates, to acquire, construct, equip, fund reserves, and pay issuance costs for a new 63-unit affordable multifamily apartment project. The City's issuance of these Bonds will allow the project to access approximately \$10,000,000 of LIHTC equity. Additionally, the ordinance authorizes the City to enter a Financing Agreement, a Tax Regulatory Agreement and an Allonge associated with the Bonds.

The project's location is close to public transportation, grocery, and retail options. The project is anticipated to be a 4-story apartment complex serving seniors. The units are anticipated to serve a range of area median income (AMI) levels between 30% AMI up to a maximum of 60% AMI. The project is expected to include 59 one-bedroom and 4 studio units. The building is anticipated to be an L-shaped, 4-story, wood-framed construction with 52 surface parking spaces dedicated to the project. The project is anticipated to include high efficiency elements including noise reducing windows, increased insulation, and energy star rated appliances. The building is anticipated to include a fitness room, a reading/quiet room, a game activity room, shared laundry, flexible office space, mail and package receiving lockers, and bike storage. The construction of the project is expected to start in summer of 2023.

Multifamily Housing Revenue Bonds. The Bonds need to meet the Federal government's rules for a tax-exempt private activity financing and be issued by a local or state government or agency for a project to be owned and operated by a private party. The interest paid on the Bonds is expected to be exempt from Federal and Colorado state taxation. The issuance of the Bonds requires a portion of the Private Activity Bond Volume Cap Allocation that the Federal government allots annually to each state. The State of Colorado, in turn, allocates a portion of such Private Activity Bond Volume Cap Allocation amount to each local government issuer based upon population. The State of Colorado's Department of Local Affairs has allocated Private Activity Bond Volume Cap Allocation to the City. This ordinance authorizes an allocation of up to \$11,000,000 of the City's total and currently available Private Activity Bond Volume Cap Allocation of \$43,905,132 to be applied to the Bonds and the proposed multifamily project, and is consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

The Bonds are special limited obligations of the City, do not constitute a general 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 only sources of repayment of the Bonds are the payments by the developer that are derived from the project, and other funds and money pledged from the project. The Bonds are not a debt or multiple fiscal year obligation of the City. The owner of the project is solely responsible for all principal and interest payment on the Bonds, as well as compliance with Federal regulations for tax-exempt private activity obligations and the Low-Income Housing Tax Credit regulations.

The Bonds are being issued pursuant to the Financing Agreement among the City, FirstBank, and All Saints Apartments, LLLP. Pursuant to the Financing Agreement, the Bonds will be purchased by FirstBank. With the proceeds of the Bonds, the City will make a loan to All Saints Apartments LLLP and, pursuant to the Financing Agreement, the loan advances will be made at periodic distributions to coincide with construction activity. All Saints Apartments, LLLP will be required to make repayments to FirstBank after conversion of the loan to permanent status. Additionally, the City, FirstBank, and All Saints Apartments, LLLP will enter into a Tax Regulatory Agreement that sets forth terms and conditions limiting the project's use to income restricted tenants. The Allonge will assign the Note to FirstBank. The issuance of the Bonds, the Financing Agreement, the Tax Regulatory Agreement and the Allonge are authorized pursuant to this ordinance.

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

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

N/A

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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