

1 BY AUTHORITY

2 RESOLUTION NO. CR19-0585

COMMITTEE OF REFERENCE:

3 SERIES 2019

Finance & Governance

4 A RESOLUTION

5 **Approving and evidencing the intention of the City and County of Denver,**
6 **Colorado to issue an amount not to exceed \$22,000,000 of Multifamily**
7 **Housing Revenue Bonds for The Stella.**

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

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

21 **WHEREAS**, representatives of Laradon NW, LLC (such entity, together with one or more
22 related affiliates or successors or assigns, are collectively referred to herein as the “Borrower”)
23 have advised the City that the Borrower intends construct, rehabilitate, improve and equip an
24 approximately 132-unit multifamily facility to be located at the Southwest corner of Lincoln Street
25 and 52nd Avenue in the Globeville neighborhood in Denver, Colorado (the “Project”), subject to
26 the City’s financing the construction, rehabilitation, improvement and equipping of the Project
27 through the issuance of the City’s multifamily housing revenue bonds in an amount not to exceed
28 \$22,000,000; and

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

30 **WHEREAS**, the Project will be known as The Stella; and

1 **WHEREAS**, the Borrower has represented to the City that the Project will qualify as a
2 “project” within the meaning of the Act; and

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

6 WHEREAS, the City desires to indicate its intent to proceed with financing the Project
7 through the issuance of the City’s multifamily housing revenue bonds;

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

10 **Section 1.** That in order to benefit the residents of the City and to induce the Borrower
11 to undertake the Project, the City shall, subject to the provisions hereof, take all necessary and
12 advisable steps to effect the issuance, in one or more series, of the City’s multifamily housing
13 revenue bonds (the “Bonds”) pursuant to its Charter, the Act and the Supplemental Public
14 Securities Act in the maximum aggregate principal amount of \$22,000,000 or such other amount
15 as shall be determined and agreed upon by the Borrower and the City as may be necessary to
16 finance the Project. The Bonds shall be special, limited obligations of the City payable solely
17 from and secured by a pledge of revenues derived from and payable by the Borrower pursuant
18 to the loan agreement with the City; the Bonds shall never constitute a debt, multiple fiscal year
19 obligation or indebtedness of the City, the State or any political subdivision of the State within the
20 meaning of any provision or limitation of the State Constitution or statutes and shall not
21 constitute nor give rise to a pecuniary liability of the City or be a charge against the City’s general
22 credit or taxing powers of, the City, the State or any county, municipality or political subdivision of
23 the State. The Bonds shall not constitute a “multiple fiscal year direct or indirect debt or other
24 financial obligation” of the City under Article X, Section 20 of the Colorado Constitution, nor shall
25 the Bonds ever be deemed to be an obligation or agreement of any officer, director, agent or
26 employee of the City in such person’s individual capacity, and none of such persons shall be
27 subject to any personal liability by reason of the issuance of the Bonds.

28 **Section 2.** That the City hereby finds, determines, recites and declares that the
29 issuance of the Bonds to finance the Project will provide affordable housing to low- and middle-

1 income persons and families in the City and will promote the public health, welfare, safety,
2 convenience and prosperity.

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

22 **Section 4.** The City hereby awards \$22,000,000 of its private activity bond volume cap
23 allocation (the "Allocation") to the Project. The award of the Allocation shall expire one year from
24 the date of this Resolution (the "Expiration Date"); provided, however, that the Chief Financial
25 Officer of the City or the Executive Director of the City's Office of Economic Development may
26 extend the Expiration Date to a later date in their sole discretion.

27 **Section 5.** That no costs or expenses whether incurred by the City or any other party in
28 connection with the issuance of the Bonds or the preparation or review of any documents by any
29 legal or financial consultants retained in connection herewith shall be borne by the City. The City
30 shall have the right to select and retain legal, financial and other consultants in connection with
31 the proposed financing, and all fees, costs and expenses of such consultants, along with all

1 other such costs and expenses shall be paid from the proceeds of the Bonds or otherwise borne
2 by the Borrower regardless of whether the Bonds are issued. The City may require such
3 deposits or advances as it deems desirable for such fees, costs and expenses, and may require
4 reimbursement of any such fees, costs and expenses paid by the City.

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

10 **Section 7.** That the agreements of the City set forth above are expressly conditioned
11 upon the ability and willingness of the City to issue the Bonds as tax-exempt obligations under
12 the Code. Nothing contained in this Resolution shall be construed as requiring the City to issue
13 the Bonds and the decision to issue the Bonds shall be in the complete discretion of the City.

14 **Section 8.** That if any section, paragraph, clause or provision of this Resolution shall for
15 any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such
16 section, paragraph, clause or provision shall not affect any of the remaining provisions of this
17 Resolution.

18 **Section 9.** That all bylaws, orders, resolutions and ordinances, or parts thereof,
19 inconsistent herewith and with the documents hereby approved, are hereby repealed to the
20 extent only of such inconsistency. This repealer clause shall not be construed as reviving any
21 bylaw, order, or ordinance or part thereof.

22 **[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**
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1 COMMITTEE APPROVAL DATE: June 18, 2019 by Consent
2 MAYOR-COUNCIL DATE: June 25, 2019
3 PASSED BY THE COUNCIL: _____
4 _____ - PRESIDENT
5 APPROVED: _____ - MAYOR _____
6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER
9 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____;
10 PREPARED BY: KUTAK ROCK LLP DATE: June 27, 2019
11 REVIEWED BY: Jo Ann Weinstein, Assistant City Attorney
12 Pursuant to section 13-12, D.R.M.C., this proposed resolution has been reviewed by the Office
13 of the City Attorney. We find no irregularity as to form, and have no legal objection to the
14 proposed resolution. The proposed resolution is not submitted to the City Council for approval
15 pursuant to § 3.2.6 of the Charter.
16 Kristin M. Bronson, Denver City Attorney
17
18 BY: Kristin M. Bronson, Assistant City Attorney DATE: Jun 26, 2019