



Legislation Text

File #: 23-0216, Version: 1

Finance Item/Grant Request Template

Date Submitted: 3-6-2023

**Requesting Agency: Finance
Division:**

**Subject Matter Expert Name: Michael Kerrigan
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Phone Number:**

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$11,000,000 of Multifamily Housing Revenue Bonds for All Saints Apartments.

Declares the intent of the City to issue an amount not to exceed \$11 million of its Multifamily Housing Revenue Bonds for Archdiocesan Housing, Inc., or its affiliates, to support the acquisition, construction, and equipping of a new 63-unit affordable multifamily apartment project known as All Saints Apartments, located at 2559 South Federal Boulevard in Council District 2. The Committee approved filing this item at its meeting on 3-7-2023.

Affected Council District(s) or citywide? 2

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

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 Archdiocesan Housing, Inc., or its affiliates, for the All Saints Apartments project located at 2559 S. Federal Blvd. in Denver, Colorado. The PAB will be a part of the financing package for Archdiocesan Housing, Inc., 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. This resolution allows for 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.

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 \$11,000,000 of its Multifamily Housing Revenue Bonds for the All Saints Apartments project located at 2559 S. Federal Blvd. in Council District 2. The Multifamily Housing Revenue Bonds will be a part of the financing package for Archdiocesan Housing, Inc. or its affiliates, to acquire, construct, equip, fund reserves, and pay issuance costs for a new 63-unit affordable multifamily apartment project.

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.

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 \$11,000,000 of the City’s total and currently available PAB Volume Cap Allocation of \$104,945,322 to be applied to the proposed multifamily project known as All Saints Apartments, 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 All Saints Apartments 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 summer/fall of 2023.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):

Amount:

Budget Year:

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: