



Legislation Text

File #: 21-0280, Version: 1

**Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)**

**Date Submitted:** 3-8-21

**Requesting Agency:** Finance  
**Division:**

**Subject Matter Expert Name:**

Name: Michael Kerrigan
Email: Michael.Kerrigan@denvergov.org

**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 \$10,000,000 of Multifamily Housing Revenue Bonds for The Forum.**

Declares the intent of the City to issue an amount not to exceed \$10 million of its Multifamily Housing Revenue Bonds for The Colorado Coalition for the Homeless, or its affiliates, to support the renovations of The Forum project, an affordable multifamily apartment complex located at 250 West 14th Avenue in Council District 10. The Committee approved filing this item at its meeting on 3-16-21.

**Affected Council District(s) or citywide?** Council District 10

**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 to declare the intent of the City and County of Denver, Colorado to issue an amount not to exceed \$10,000,000 of its Multifamily Housing Revenue Bonds for The Forum project located at 250 W. 14th Ave. in Council District 10. The project will be renovated by CCH or its affiliates. The PAB will be a part of the financing package for CCH, or its affiliates, to rehabilitate an existing 10 story, 100-unit affordable multifamily apartment project. The

scope of the renovations is expected to include a roof replacement, common area ceiling and flooring replacement, ADA and life safety upgrades throughout, in unit cabinet and countertop upgrades, HVAC and plumbing upgrades, elevator modernization, security and telecom improvements, office renovations, and exterior building upgrades. In addition to the upgrades, the project seeks to convert the existing HAP contract to a long-term project-based voucher contract. The building will be 100% restricted to 40% of Area Median Income. The rehabilitation of the project is expected to start in fall 2021.

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. The State of Colorado's Department of Local Affairs has allocated PAB Volume Cap Allocation to the City for The Forum project. This resolution allows for an allocation of \$10,000,000 of the City's total and currently available PAB Volume Cap Allocation of \$106,794,281 to be applied to the proposed multifamily project known as The Forum, 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 Forum 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 fall of 2021.

**Address/Location (if applicable):**

**Legal Description (if applicable):**

**Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):**

**Draft Bill Attached?**